

MEXICAN ECONOMIC DEVELOPMENT INC  
Form 6-K  
July 25, 2013

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of July 2013

FOMENTO ECONÓMICO MEXICANO, S.A.B. DE C.V.

(Exact name of Registrant as specified in its charter)

Mexican Economic Development, Inc.

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

General Anaya No. 601 Pte.  
Colonia Bella Vista  
Monterrey, Nuevo León 64410  
México

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(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

Indicate by check mark whether by furnishing the information contained in this  
Form, the registrant is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in  
connection with Rule 12g3-2(b): 82-\_\_\_\_\_

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the undersigned, thereunto duly authorized.

FOMENTO ECONÓMICO  
MEXICANO, S.A. DE  
C.V.

By: /s/ Javier Astaburuaga  
Javier Astaburuaga  
Chief Financial Officer

Date: July 25, 2013

## **FEMSA Grows Operating Income**

### **High Single Digit in 2Q13**

**Monterrey, Mexico, July 25, 2013** — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) announced today its operational and financial results for the second quarter of 2013.

Second Quarter 2013 Highlights:

**FEMSA income from operations grew 9.1%** compared to the second quarter of 2012, reflecting growth at Coca-Cola FEMSA and FEMSA Comercio. On an organic basis<sup>1</sup> income from operations grew 8.0%.

**Coca-Cola FEMSA income from operations increased 9.1%** compared to the second quarter of 2012, mainly driven by lower sugar prices combined with the appreciation of the Mexican peso as applied to Coca-Cola FEMSA’s U.S. dollar-denominated raw material costs. On an organic basis<sup>1</sup> income from operations increased 7.6%.

**FEMSA Comercio achieved total revenues growth of 11.7% and income from operations growth of 6.7%** compared to the second quarter of 2012, driven by 1,026 net new store openings in the last twelve months.

José Antonio Fernández Carbajal, Chairman and CEO of FEMSA, commented: “As is sometimes the case, our quarterly results include reasons to be optimistic, but also a few challenging areas. At Coca-Cola FEMSA, in spite of sluggish macro growth, again it was Mexico that provided the positive momentum on the back of improved profitability, driven by strong execution and a favorable raw material environment. Performance in South America remained muted, particularly in Brazil. And FEMSA Comercio had results that reflect tough comparisons, a soft consumer environment in Mexico, and some continued pressure from the telephony category. It is too soon to tell whether the second half will show a meaningful improvement, however the level of economic activity is expected to gradually increase and we are cautiously optimistic about the rest of the year. Most importantly, the long-term structural advantages across our businesses continue to strengthen and we will continue to execute our strategy and will keep investing to improve and expand our competitive position across our operations. On that note, during the quarter we closed the acquisitions of Farmacias Yza and Farmacias Moderna on the retail front in Mexico, and we announced the acquisition of Fluminense on the bottling front in Brazil. So we keep moving forward at a solid, steady pace.”

<sup>1</sup> Excludes non-comparable results from Coca-Cola FEMSA acquisitions in the last twelve months.

## **FEMSA Consolidated**

**Total revenues** increased 4.1% compared to 2Q12 to Ps. 62.047 billion in 2Q13. FEMSA Comercio drove the growth in consolidated revenues. On an organic basis<sup>1</sup> total revenues increased 3.1% compared to 2Q12. For the first half of 2013, consolidated total revenues increased 4.8% compared to the same period in 2012 to Ps. 119.289 billion. On an organic basis<sup>1</sup>, total revenues for the first half of 2012 decreased 1.3% compared to the same period in 2012.

**Gross profit** increased 5.3% compared to 2Q12 to Ps. 26.325 billion in 2Q13. Gross margin increased 50 basis points compared to the same period in 2012 to 42.4% of total revenues, driven by margin expansion at Coca-Cola FEMSA.

For the first half of 2013, gross profit increased 6.2% compared to the same period in 2012 to Ps. 50.095 billion. Gross margin increased 60 basis points compared to the same period in 2012 to 42.0% of total revenues, driven by margin expansion at both Coca-Cola FEMSA and FEMSA Comercio.

**Income from operations** increased 9.1% as compared to 2Q12 to Ps. 7.294 billion in 2Q13. On an organic basis<sup>1</sup> income from operations increased 8.0% compared to the same period in 2012. Consolidated operating margin increased 60 basis points compared to 2Q12 to 11.8% of total revenues in 2Q13, due to gross margin improvements at Coca-Cola FEMSA driven by lower sugar prices combined with the appreciation of the Mexican peso as applied to Coca-Cola FEMSA's U.S. dollar-denominated raw material costs.

For the first half of 2013, income from operations increased 4.5% compared to the same period in 2012 to Ps. 12.499 billion. Our consolidated operating margin year-to-date remained at 10.5% as a percentage of total revenues as compared to the same period of 2012.

Our effective income tax rate was 31.2% in 2Q13 compared to a tough comparable base of 23.5% in 2Q12 resulting from a tax shield related to interests on capital, including a dividend declared by the South America division of Coca-Cola FEMSA.

**Net consolidated income** decreased 6.6% compared to 2Q12 to Ps. 5.078 billion in 2Q13, as a result of (i) a swing from a significant foreign exchange gain in 2Q12 to a foreign exchange loss in 2Q13, mainly due to the effect of the devaluation of the Mexican Peso on the US Dollar-denominated component of our cash position in 2Q12, and (ii)

higher interest expense related to bonds issued recently both by FEMSA and Coca-Cola FEMSA.

For the first half of 2013, net consolidated income decreased 1.9% to Ps. 9.055 billion compared to the same period of 2012, resulting from higher financing expenses which were partially offset by the growth in income from operations.

**Net majority income** for 2Q13 was Ps. 1.00 per FEMSA Unit<sup>2</sup>. Net majority income per FEMSA ADS was US\$ 0.77 for the second quarter of 2013. For the first half of 2013, net majority income per FEMSA Unit<sup>1</sup> was Ps. 1.74 (US\$ 1.34 per ADS).

**Capital expenditures** amounted to Ps. 3.581 billion in 2Q13, reflecting incremental investments at Coca-Cola FEMSA and FEMSA Comercio.

Our **consolidated balance sheet** as of June 30, 2013 recorded a cash balance of Ps. 46.572 billion (US\$ 3.585 billion), an increase of Ps. 8.456 billion (US\$ 650.8 million) compared to December 31, 2012. Short-term debt was Ps. 11.686 billion (US\$ 899.4 million), while long-term debt was Ps. 44.457 billion (US\$ 3.422 billion). Our consolidated net debt balance was Ps. 9.571 billion (US\$ 736.7 million).

<sup>1</sup>Excludes non-comparable results from Coca-Cola FEMSA acquisitions in the last twelve months.

FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of June 30, 2013 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

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## Soft Drinks – Coca-Cola FEMSA

*Coca-Cola FEMSA's financial results and discussion thereof are incorporated by reference from Coca-Cola FEMSA's press release, which is attached to this press release or may be accessed by visiting [www.coca-colafemsa.com](http://www.coca-colafemsa.com).*

## FEMSA Comercio

**Total revenues** increased 11.7% compared to 2Q12 to Ps. 24.808 billion in 2Q13, mainly driven by the opening of 279 net new stores in the quarter reaching 1,026 total net new store openings for the last twelve months. As of June 30, 2013, FEMSA Comercio had a total of 11,015 convenience stores. Same-store sales increased an average of 0.9% for the second quarter of 2013 over 2Q12, reflecting a 1.1% increase in average customer ticket that offset a 0.1% decrease in store traffic.

For the first half of 2013, total revenues increased 12.8% compared to the same period in 2012 to Ps. 46.511 billion. FEMSA Comercio's same-store sales increased an average of 2.7% compared to the same period in 2012, driven by a 3.4% increase in average customer ticket that offset a 0.7% decrease in store traffic.

**Gross profit** increased by 12.1% in 2Q13 compared to 2Q12, resulting in a 10 basis point gross margin expansion to 34.6% of total revenues. This increase reflects a more efficient use of promotion-related marketing resources and a better execution of segmented pricing strategies across markets. For the first half of 2013, gross margin expanded by 50 basis points compared to the same period in 2012 to 34.0% of total revenues.

**Income from operations** increased 6.7% over 2Q12 to Ps. 1.952 billion in 2Q13. Operating expenses increased 13.8% in 2Q13 to Ps. 6.628 billion, reflecting the growing number of stores and distribution centers as well as incremental expenses relating to, among other things, the development of specialized distribution routes aimed at enabling our prepared food initiatives. Operating margin contracted 30 basis points compared to 2Q12, to 7.9% of total revenues in 2Q13.

For the first half of 2013, income from operations increased 11.1% compared to the same period in 2012 to Ps. 2.923 billion, resulting in an operating margin of 6.3%, which represents a 10 basis point contraction from the same period in the prior year.



## Recent Developments

On May 2, 2013, FEMSA announced that its retail subsidiary, FEMSA Comercio, closed the acquisition of a 75% stake in Farmacias YZA in Mexico after obtaining all regulatory approvals.

On May 10, 2013, FEMSA announced the placement of two tranches of US Dollar-denominated bonds in the international capital markets. FEMSA successfully issued US\$ 300 million in 10 year bonds at a yield of 10-year Treasuries plus 1.125%, and US\$ 700 million in 30 year bonds at a yield of 30-year Treasuries plus 1.45%.

On May 13, 2013, FEMSA announced that its retail subsidiary FEMSA Comercio acquired Farmacias FM Moderna, a leading drugstore operator in the western state of Sinaloa. This transaction follows the recent acquisition of a controlling stake in Farmacias Yza in the southeast of Mexico, as FEMSA Comercio advances in its strategy to establish a relevant position in this attractive small-box retail segment.

On May 22, 2013, Coca-Cola FEMSA issued Ps. 7,500 million in a 10 year bond at a fixed rate in Mexican pesos of 5.46%.

On June 28, 2013, Coca-Cola FEMSA announced that it had reached an agreement to acquire 100% of *Companhia Fluminense de Refrigerantes* (“Companhia Fluminense”) in an all-cash transaction of US\$ 448 million. During the last twelve months ended March 31, 2013, Companhia Fluminense sold 56.6 million unit cases of beverages, including beer, generating approximately US\$ 232 million in net revenues and an estimated pro-forma consolidated EBITDA of US\$ 40 million.

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## **CONFERENCE CALL INFORMATION:**

Our Second Quarter of 2013 Conference Call will be held on: Thursday July 25, 2013, 11:00 AM Eastern Time (10:00 AM Mexico City Time). To participate in the conference call, please dial: Domestic US: (888) 397-5352; International: (719) 457-2727; Conference Id: 7752812. The conference call will be webcast live through streaming audio. For details please visit [www.femsa.com/investor](http://www.femsa.com/investor).

If you are unable to participate live, the conference call audio will be available on <http://ir.FEMSA.com/results.cfm>.

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 area.

The translations of Mexican pesos into US dollars are included solely for the convenience of the reader, using the noon day buying rate for Mexican Pesos as published by the U.S. Federal Reserve Board in its H.10 weekly Release of Foreign Exchange Rates for June 30, 2013, which was 12.9925 Mexican Pesos per US Dollar.

## **FORWARD-LOOKING STATEMENTS**

*This report may contain certain forward-looking statements concerning our future performance that should be considered as good faith estimates made by us. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact our actual performance.*

Five pages of tables and Coca-Cola FEMSA's press release follow.

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**FEMSA****Consolidated Income Statement****Millions of Pesos**

|  | For the second quarter of: |              |             |              |           | For the six months of: |          |              |          |              |           |                 |
|--|----------------------------|--------------|-------------|--------------|-----------|------------------------|----------|--------------|----------|--------------|-----------|-----------------|
|  | 2013<br>(A)                | % of<br>rev. | 2012<br>(B) | % of<br>rev. | %<br>Var. | %<br>Org<br>(C)        | 2013 (A) | % of<br>rev. | 2012 (B) | % of<br>rev. | %<br>Var. | %<br>Org<br>(C) |
| Total revenues   | 62,047                     | 100.0        | 59,586      | 100.0        | 4.1       | 3.1                    | 119,289  | 100.0        | 113,854  | 100.0        | 4.8       | (1.3)           |
| Cost of sales  | 35,722                     | 57.6         | 34,593      | 58.1         | 3.3       |                        | 69,194   | 58.0         | 66,665   | 58.6         | 3.8       |                 |
| Gross profit   | 26,325                     | 42.4         | 24,993      | 41.9         | 5.3       |                        | 50,095   | 42.0         | 47,189   | 41.4         | 6.2       |                 |
| Administrative expenses                                | 2,409                      | 3.9          | 2,661       | 4.5          | (9.5 )    |                        | 4,698    | 3.9          | 5,005    | 4.4          | (6.1 )    |                 |
| Selling expenses                                       | 16,774                     | 26.9         | 15,544      | 26.0         | 7.9       |                        | 32,766   | 27.5         | 30,195   | 26.5         | 8.5       |                 |
| Other Operating expenses (income), net (1)             | (152 )                     | (0.2 )       | 102         | 0.2          | N.A.      |                        | 132      | 0.1          | 24       | 0.2          | N.A.      |                 |
| Income from operations(2)                              | 7,294                      | 11.8         | 6,686       | 11.2         | 9.1       | 8.0                    | 12,499   | 10.5         | 11,965   | 10.5         | 4.5       | 0.5             |
| Other Non-Operating expenses (income)                  | 127                        |              | 501         |              | (74.7)    |                        | 121      |              | 275      |              | (56.0)    |                 |
| Interest expense                                       | 939                        |              | 571         |              | 64.4      |                        | 1,599    |              | 1,188    |              | 34.6      |                 |
| Interest income  | 202                        |              | 189         |              | 6.9       |                        | 381      |              | 364      |              | 4.7       |                 |
| Foreign exchange loss (gain)                           | 85                         |              | (404 )      |              | N.A.      |                        | 126      |              | 54       |              | N.A.      |                 |
| Other financial expenses (income), net.                | 138                        |              | 4           |              | N.A.      |                        | 252      |              | (23 )    |              | N.A.      |                 |
| Financing expenses, net                                | 960                        |              | (18 )       |              | N.A.      |                        | 1,596    |              | 855      |              | 86.7      |                 |
| Income before income tax and Participation in Heineken | 6,207                      |              | 6,203       |              | 0.1       |                        | 10,782   |              | 10,835   |              | (0.5 )    |                 |

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|  |             |             |             |             |          |          |             |             |             |             |          |          |
|--|-------------|-------------|-------------|-------------|----------|----------|-------------|-------------|-------------|-------------|----------|----------|
| results  |             |             |             |             |          |          |             |             |             |             |          |          |
| Income tax                                       | 1,939       |             | 1,456       |             | 33.2     |          | 3,447       |             | 2,923       |             |          | 17.9     |
| Participation in Heineken results <sup>(3)</sup> | 810         |             | 690         |             | 17.4     |          | 1,720       |             | 1,317       |             |          | 30.6     |
| Net consolidated income                          | 5,078       |             | 5,437       |             | (6.6 )   |          | 9,055       |             | 9,229       |             |          | (1.9 )   |
| Net majority income                              | 3,565       |             | 3,897       |             | (8.5 )   |          | 6,216       |             | 6,259       |             |          | (0.7 )   |
| Net minority income                              | 1,513       |             | 1,540       |             | (1.8 )   |          | 2,839       |             | 2,970       |             |          | (4.4 )   |
|  | <b>2013</b> | <b>% of</b> | <b>2012</b> | <b>% of</b> | <b>%</b> | <b>%</b> | <b>2013</b> | <b>% of</b> | <b>2012</b> | <b>% of</b> | <b>%</b> | <b>%</b> |
|  | (A)         | rev.        | (B)         | rev.        | Var.     | Org      | (A)         | rev.        | (B)         | rev.        | Var.     | Org      |
|  |             |             |             |             |          | (C)      |             |             |             |             |          | (C)      |
| <b>Operative Cash Flow &amp; CAPEX</b>           |             |             |             |             |          |          |             |             |             |             |          |          |
| Income from operations                           | 7,294       | 11.8        | 6,686       | 11.2        | 9.1      | 8.0      | 12,499      | 10.5        | 11,965      | 10.5        | 4.5      | 0.5      |
| Depreciation                                     | 2,057       | 3.3         | 1,750       | 2.9         | 17.5     |          | 4,065       | 3.4         | 3,470       | 3.0         | 17.1     |          |
| Amortization & other non-cash charges            | 147         | 0.2         | 442         | 0.8         | (66.7 )  |          | 544         | 0.4         | 683         | 0.7         | (20.4 )  |          |
| <b>Operative Cash Flow (EBITDA)</b>              | 9,498       | 15.3        | 8,878       | 14.9        | 7.0      | 5.8      | 17,108      | 14.3        | 16,118      | 14.2        | 6.1      | 2.3      |
| CAPEX  | 3,581       |             | 3,164       |             | 13.2     |          | 6,867       |             | 5,326       |             | 28.9     |          |

| <b>Financial Ratios</b>          | <b>2013</b>    | <b>2012</b>    | <b>Var. p.p.</b> |
|----------------------------------|----------------|----------------|------------------|
| Liquidity <sup>(4)</sup>         | <b>1.50</b>    | <b>1.56</b>    | (0.05 )          |
| Interest coverage <sup>(5)</sup> | <b>12.89</b>   | <b>23.24</b>   | (10.35)          |
| Leverage <sup>(6)</sup>          | <b>0.52</b>    | <b>0.41</b>    | 0.11             |
| Capitalization <sup>(7)</sup>    | <b>21.83 %</b> | <b>15.26 %</b> | 6.57             |

(A) We integrated the beverage divisions of YOLI in Coca-Cola FEMSA's operations since May 2013.

(B) We integrated the beverage divisions of FOQUE in Coca-Cola FEMSA's operations since May 2012.

(C) % Org. represents the variation in a given measure excluding the effects of mergers, acquisitions and divestitures. We believe this measure allows us to provide investors and other market participants with a better representation of the performance of our business. In preparing this measure, management has used its best judgment, estimates and assumptions in order to maintain comparability.

(1) Other Operating expenses (income), net = Other Operating expenses (income) +(-) Equity method from operated associates.

(2) Income from operations = Gross profit - Administrative and selling expenses - Other operating expenses (income), net.

(3) Represents the equity method participation in Heineken's results, net.

(4) Total current assets / total current liabilities.

(5) Income from operations + depreciation + amortization & other / interest expense, net.

(6) Total liabilities / total stockholders' equity.

(7) Total debt / long-term debt + stockholders' equity.

Total debt = short-term bank loans + current maturities of long-term debt + long-term bank loans.

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**FEMSA****Consolidated Balance Sheet****Millions of Pesos**

| ASSETS  | Jun-13         | Dec-12         | %<br>Var.  |
|---|----------------|----------------|------------|
| Cash and cash equivalents                     | 46,572         | 38,116         | 22.2       |
| Accounts receivable                           | 8,835          | 11,812         | (25.2)     |
| Inventories                                   | 15,498         | 16,345         | (5.2)      |
| Other current assets                          | 12,516         | 9,182          | 36.3       |
| Total current assets                          | 83,421         | 75,455         | 10.6       |
| Investments in shares                         | 92,890         | 83,840         | 10.8       |
| Property, plant and equipment, net            | 62,719         | 61,649         | 1.7        |
| Intangible assets <sup>(1)</sup>              | 75,733         | 67,893         | 11.5       |
| Other assets                                  | 8,219          | 7,105          | 15.7       |
| <b>TOTAL ASSETS</b>                           | <b>322,982</b> | <b>295,942</b> | <b>9.1</b> |
| <b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b> |                |                |            |
| Bank loans                                    | 4,374          | 4,213          | 3.8        |
| Current maturities of long-term debt          | 7,312          | 4,489          | 62.9       |
| Interest payable                              | 326            | 207            | 57.5       |
| Operating liabilities                         | 43,505         | 39,607         | 9.8        |
| Total current liabilities                     | 55,517         | 48,516         | 14.4       |
| Long-term debt <sup>(2)</sup>                 | 44,457         | 27,574         | 61.2       |
| Labor liabilities                             | 3,850          | 3,675          | 4.8        |
| Other liabilities                             | 6,470          | 6,016          | 7.5        |
| Total liabilities                             | 110,294        | 85,781         | 28.6       |
| Total stockholders' equity                    | 212,688        | 210,161        | 1.2        |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   | <b>322,982</b> | <b>295,942</b> | <b>9.1</b> |

| <b>DEBT MIX</b> <sup>(2)</sup> | June 30, 2013 |              |   |
|--------------------------------|---------------|--------------|---|
|                                | % of<br>Total | Average Rate |   |
| Denominated in:                |               |              |   |
| Mexican pesos                  | 41.3%         | 5.1          | % |
| Dollars                        | 53.1%         | 3.0          | % |
| Colombian pesos                | 2.8%          | 5.5          | % |
| Argentine pesos                | 2.0%          | 21.4         | % |
| Brazilian Reais                | 0.8%          | 6.8          | % |
| Total debt                     | 100%          | 4.3          | % |

|                              |       |
|------------------------------|-------|
| Fixed rate <sup>(2)</sup>    | 57.8% |
| Variable rate <sup>(2)</sup> | 42.2% |

| % of Total Debt       | 2013  | 2014  | 2015  | 2016  | 2017  | 2018 + |
|-----------------------|-------|-------|-------|-------|-------|--------|
| DEBT MATURITY PROFILE | 14.0% | 10.4% | 15.4% | 4.5 % | 5.6 % | 50.0 % |

<sup>(1)</sup> Includes mainly the intangible assets generated by acquisitions.

<sup>(2)</sup> Includes the effect of derivative financial instruments on long-term debt.

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**Coca-Cola FEMSA****Results of Operations****Millions of Pesos**

|  | For the second quarter of: |              |             |              |           |                 | For the six months of: |              |          |              |           |                 |
|--|----------------------------|--------------|-------------|--------------|-----------|-----------------|------------------------|--------------|----------|--------------|-----------|-----------------|
|  | 2013<br>(A)                | % of<br>rev. | 2012<br>(B) | % of<br>rev. | %<br>Var. | %<br>Org<br>(C) | 2013 (A)               | % of<br>rev. | 2012 (B) | % of<br>rev. | %<br>Var. | %<br>Org<br>(C) |
| Total revenues                         | 36,260                     | 100.0        | 36,295      | 100.0        | (0.1 )    | (1.9)           | 70,852                 | 100.0        | 70,356   | 100.0        | 0.7       | (1.3)           |
| Cost of sales                          | 19,075                     | 52.6         | 19,593      | 54.0         | (2.6 )    |                 | 37,602                 | 53.1         | 38,191   | 54.3         | (1.5 )    |                 |
| Gross profit                           | 17,185                     | 47.4         | 16,702      | 46.0         | 2.9       |                 | 33,250                 | 46.9         | 32,165   | 45.7         | 3.4       |                 |
| Administrative expenses                | 1,563                      | 4.3          | 1,777       | 4.9          | (12.0)    |                 | 3,019                  | 4.3          | 3,331    | 4.7          | (9.4 )    |                 |
| Selling expenses                       | 10,634                     | 29.3         | 10,160      | 28.0         | 4.7       |                 | 20,851                 | 29.4         | 19,752   | 28.1         | 5.6       |                 |
| Other Operating expenses               | (154 )                     | (0.4 )       | 51          | 0.1          | N.A.      |                 | 79                     | 0.1          | (11 )    | -            | N.A.      |                 |
| (income), net                          |                            |              |             |              |           |                 |                        |              |          |              |           |                 |
| Income from operations                 | 5,142                      | 14.2         | 4,714       | 13.0         | 9.1       | 7.6             | 9,301                  | 13.1         | 9,093    | 12.9         | 2.3       | 0.5             |
| Depreciation & other non-cash charges  | 1,513                      | 4.2          | 1,230       | 3.4          | 23.0      |                 | 2,948                  | 4.2          | 2,444    | 3.5          | 20.6      |                 |
| Amortization & other non-cash charges  | 20                         | -            | 365         | 1.0          | (94.5)    |                 | 321                    | 0.4          | 532      | 0.8          | (39.7)    |                 |
| Operative Cash Flow                    | 6,675                      | 18.4         | 6,309       | 17.4         | 5.8       | 4.2             | 12,570                 | 17.7         | 12,069   | 17.2         | 4.2       | 2.3             |
| CAPEX                                  | 2,347                      |              | 1,969       |              | 19.2      |                 | 4,591                  |              | 3,243    |              | 41.6      |                 |
| Sales volumes (Millions of unit cases) |                            |              |             |              |           |                 |                        |              |          |              |           |                 |
| Mexico and Central America             | 523.4                      | 65.7         | 504.3       | 65.5         | 3.8       | 0.2             | 959.6                  | 62.8         | 916.8    | 62.2         | 4.7       | 0.0             |
| South America                          | 273.3                      | 34.3         | 265.7       | 34.5         | 2.9       | 2.9             | 567.7                  | 37.2         | 556.3    | 37.8         | 2.1       | 2.1             |
| Total                                  | 796.7                      | 100.0        | 770.0       | 100.0        | 3.5       | 1.1             | 1,527.3                | 100.0        | 1,473.1  | 100.0        | 3.7       | 0.8             |



(A) We integrated the beverage divisions of YOLI in Coca-Cola FEMSA's operations since May 2013.

(B) We integrated the beverage divisions of FOQUE in Coca-Cola FEMSA's operations since May 2012.

(C) % Org. represents the variation in a given measure excluding the effects of mergers, acquisitions and divestitures. We believe this measure allows us to provide investors and other market participants with a better representation of the performance of our business. In preparing this measure, management has used its best judgment, estimates and assumptions in order to maintain comparability.

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**FEMSA Comercio****Results of Operations****Millions of Pesos**

|   | For the second quarter of: |         |        |         |           | For the six months of: |         |        |         |           |
|---|----------------------------|---------|--------|---------|-----------|------------------------|---------|--------|---------|-----------|
|   | 2013%                      | of rev. | 2012%  | of rev. | %<br>Var. | 2013%                  | of rev. | 2012%  | of rev. | %<br>Var. |
| Total revenues                            | 24,808                     | 100.0   | 22,209 | 100.0   | 11.7      | 46,511                 | 100.0   | 41,242 | 100.0   | 12.8      |
| Cost of sales                             | 16,228                     | 65.4    | 14,557 | 65.5    | 11.5      | 30,708                 | 66.0    | 27,434 | 66.5    | 11.9      |
| Gross profit                              | 8,580                      | 34.6    | 7,652  | 34.5    | 12.1      | 15,803                 | 34.0    | 13,808 | 33.5    | 14.4      |
| Administrative expenses                   | 499                        | 2.0     | 421    | 1.9     | 18.5      | 962                    | 2.1     | 807    | 2.0     | 19.2      |
| Selling expenses                          | 6,103                      | 24.6    | 5,354  | 24.2    | 14.0      | 11,873                 | 25.5    | 10,351 | 25.1    | 14.7      |
| Other Operating expenses<br>(income), net | 26                         | 0.1     | 47     | 0.2     | (44.7)    | 45                     | 0.1     | 20     | -       | N.A.      |
| Income from operations                    | 1,952                      | 7.9     | 1,830  | 8.2     | 6.7       | 2,923                  | 6.3     | 2,630  | 6.4     | 11.1      |
| Depreciation                              | 525                        | 2.1     | 475    | 2.1     | 10.5      | 1,070                  | 2.3     | 934    | 2.3     | 14.6      |
| Amortization & other<br>non-cash charges  | 114                        | 0.4     | 74     | 0.4     | 54.1      | 168                    | 0.3     | 115    | 0.2     | 46.1      |
| Operative Cash Flow                       | 2,591                      | 10.4    | 2,379  | 10.7    | 8.9       | 4,161                  | 8.9     | 3,679  | 8.9     | 13.1      |
| CAPEX                                     | 1,232                      |         | 1,120  |         | 9.9       | 2,044                  |         | 1,847  |         | 10.7      |
| Information of OXXO<br>Stores             |                            |         |        |         |           |                        |         |        |         |           |
| Total stores                              | 279                        |         | 290    |         | (3.8 )    | 11,015                 |         | 9,989  |         | 10.3      |
| Net new convenience<br>stores             |                            |         |        |         |           | -                      |         | -      |         | -         |
| vs. June prior year                       | 1,026                      |         | 1,026  |         | -         |                        |         |        |         |           |
| vs. December prior year                   | 414                        |         | 428    |         | (3.3 )    |                        |         |        |         |           |
| Same store data: <sup>(1)</sup>           |                            |         |        |         |           |                        |         |        |         |           |
| Sales (thousands of pesos)                | 705.6                      |         | 699.1  |         | 0.9       | 673.9                  |         | 656.0  |         | 2.7       |
| Traffic (thousands of<br>transactions)    | 25.7                       |         | 25.8   |         | (0.1 )    | 24.6                   |         | 24.8   |         | (0.7 )    |
| Ticket (pesos)                            | 27.4                       |         | 27.1   |         | 1.1       | 27.3                   |         | 26.4   |         | 3.4       |

<sup>(1)</sup> Monthly average information per store, considering same stores with more than twelve months of operations.

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**FEMSA****Macroeconomic Information**

|           | <b>Inflation</b> |                          | <b>End of period, Exchange Rates</b> |                |                |                |                |
|-----------|------------------|--------------------------|--------------------------------------|----------------|----------------|----------------|----------------|
|           |                  |                          | <b>June-13</b>                       |                | <b>June-12</b> |                |                |
|           | <b>2Q</b>        | <b>LTM<sup>(1)</sup></b> | <b>June-13</b>                       | <b>Per USD</b> | <b>Per Mx.</b> | <b>Per USD</b> | <b>Per Mx.</b> |
|           | <b>2013</b>      |                          |                                      | <b>Per USD</b> | <b>Peso</b>    | <b>Per USD</b> | <b>Peso</b>    |
| Mexico    | 1.30 %           | 4.90                     | %                                    | 13.02          | 1.0000         | 13.65          | 1.0000         |
| Colombia  | 1.73 %           | 1.93                     | %                                    | 1,929.00       | 0.0068         | 1,784.60       | 0.0077         |
| Venezuela | 24.99%           | 39.44                    | %                                    | 6.30           | 2.0672         | 4.30           | 3.1751         |
| Brazil    | 3.15 %           | 6.40                     | %                                    | 2.22           | 5.8781         | 2.02           | 6.7546         |
| Argentina | 4.69 %           | 10.36                    | %                                    | 5.39           | 2.4171         | 4.53           | 3.0159         |
| Euro Zone | 0.61 %           | 1.66                     | %                                    | 0.77           | 17.0236        | 0.81           | 16.8678        |

<sup>(1)</sup> LTM = Last twelve months

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## 2013 SECOND-QUARTER AND FIRST SIX-MONTH RESULTS

|  | Second Quarter |        |                |                                   | YTD      |        |                |                                   |   |
|--|----------------|--------|----------------|-----------------------------------|----------|--------|----------------|-----------------------------------|---|
|  | 2013           | 2012   | Reported<br>Δ% | Excluding<br>M&A<br>Effects<br>Δ% | 2013     | 2012   | Reported<br>Δ% | Excluding<br>M&A<br>Effects<br>Δ% |   |
| Total Revenues   | 36,260         | 36,295 | -0.1           | % -1.9                            | % 70,852 | 70,356 | 0.7            | % -1.3                            | % |
| Gross Profit   | 17,185         | 16,702 | 2.9            | %                                 | 33,250   | 32,165 | 3.4            | %                                 |   |
| Operating Income   | 5,142          | 4,714  | 9.1            | % 7.6                             | % 9,301  | 9,093  | 2.3            | % 0.5                             | % |
| Net Income Attributable<br>to Equity Holders of the<br>Company | 2,807          | 2,713  | 3.5            | %                                 | 5,280    | 5,393  | -2.1           | %                                 |   |
| Operative cash flow <sup>(1)</sup>                             | 6,675          | 6,309  | 5.8            | % 4.2                             | % 12,570 | 12,069 | 4.2            | % 2.3                             | % |
| Net Debt <sup>(2)</sup>  | 17,851         | 6,680  | 167.2          | %                                 |          |        |                |                                   |   |
| Net Debt / Operative<br>cash flow <sup>(3)</sup>               | 0.64           | 0.24   |                |                                   |          |        |                |                                   |   |
| Operative cash flow/<br>Interest Expense, net <sup>(3)</sup>   | 15.66          | 18.70  |                |                                   |          |        |                |                                   |   |
| Earnings per Share <sup>(3)</sup>                              | 6.38           | 5.61   |                |                                   |          |        |                |                                   |   |
| Capitalization <sup>(4)</sup>                                  | 27.4           | % 23.1 | %              |                                   |          |        |                |                                   |   |

Expressed in millions of Mexican pesos.

(1) Operative cash flow = Operating income + Depreciation + Amortization & Other operative Non-cash Charges.

See reconciliation table on page 8 except for Earnings per Share

(2) Net Debt = Total Debt - Cash

(3) LTM figures

(4) Total debt / (long-term debt + equity)

(5) Excluding M&A effects means, with respect to a year-over-year comparison, the increase in a given measure excluding the effects of mergers, acquisitions and divestitures. We believe this measure allows us to provide investors and other market participants with a better representation of the performance of our business. In preparing this measure, management has used its best judgment, estimates and assumptions in order to maintain comparability.

Reported total revenues reached Ps. 36,260 million in the second quarter of 2013, remaining flat as compared to the second quarter of 2012, mainly as a result of a 6.3% revenue growth in our Mexico & Central America division which compensated for a negative translation effect resulting from the devaluation of the currencies in our South America division. On a currency neutral basis and excluding the non-comparable effect of Grupo Fomento

Queretano and Grupo Yoli in Mexico, total revenues grew 12.7%.

Reported consolidated operating income reached Ps. 5,142 million for the second quarter of 2013, representing an increase of 9.1%. Our reported operating margin reached 14.2% in the second quarter of 2013, an expansion of 120 basis points.

Reported consolidated net income attributable to equity holders of the company was Ps. 2,807 million in the second quarter of 2013.

Mexico City (July 24, 2013), Coca-Cola FEMSA, S.A.B. de C.V. (BMV: KOFL, NYSE: KOF) (“Coca-Cola FEMSA” or the “Company”), the largest franchise bottler in the world, announces results for the second quarter of 2013.

"Amid a continued challenging consumer environment and increased exchange rate volatility, our operators delivered solid currency-neutral results and consolidated margin expansion, capitalizing on the diversified and balanced geographic footprint we have created over the past decade. We are pleased to enlarge our family of employees through the integration of Grupo Yoli's franchise territories in Mexico and our recently announced agreement to acquire the Fluminense franchise territory in Brazil. The transactions that we have performed underscore our continued commitment to focus on the opportunities arising in the Latin American beverage industry. As we look forward to the second half of the year, we are confident that our company has developed the skills and talent necessary to achieve our business plan and continue to create value for all of our stakeholders," said Carlos Salazar Lomelin, Chief Executive Officer of the Company.

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*All the financial information presented in this report was prepared under International Financial Reporting Standards (IFRS).*

*The Company's Mexico & Central America divisions' operating results include the non-comparable effect of Grupo Fomento Queretano's results for the month of April, 2013 and Grupo Yoli's results for the month of June, 2013.*

*As of February 2013, we are incorporating our stake of the results of Coca-Cola Bottlers Philippines, Inc. through the equity method on an estimated basis.*

Our reported total revenues reached Ps. 36,260 million in the second quarter of 2013, remaining flat as compared to the second quarter of 2012. Our Mexico & Central America division's total revenues, including the integration of Grupo Fomento Queretano ("FOQUE") and Grupo Yoli ("YOLI") in our Mexican operations, grew 6.3% and compensated for a negative translation effect in our South America division resulting from the devaluation of the Venezuelan bolivar<sup>(2)</sup>, the Argentine peso<sup>(2)</sup>, the Brazilian real<sup>(2)</sup> and the Colombian peso<sup>(2)</sup>. On a currency neutral basis and excluding the non-comparable effect of FOQUE and YOLI, total revenues grew 12.7%, driven by average price per unit case growth in almost every territory and volume growth mainly in Colombia, Venezuela, Central America and Argentina.

Reported total sales volume increased 3.5% to reach 796.7 million unit cases in the second quarter of 2013 as compared to the same period in 2012. Excluding the non-comparable effect of FOQUE and YOLI in Mexico<sup>(1)</sup>, volumes grew 1.1% reaching 778.7 million unit cases. On the same basis, the still beverage category grew 7.1%, mainly driven by the performance of the Jugos del Valle line of business in Mexico and Colombia, and the continued growth of *Powerade* and *FUZE Tea*. In addition, our sparkling beverage category grew 1% driven by a 2% growth of brand *Coca-Cola* and our bottled water category grew 6.6%. These increases compensated for a 2.0% decline in our bulk water business.

Our reported gross profit increased 2.9% to Ps. 17,185 million in the second quarter of 2013, as compared to the second quarter of 2012. Lower sugar prices in our territories in combination with the appreciation of the average exchange rate of the Mexican peso<sup>(2)</sup>, compensated for the depreciation of the average exchange rate of the Venezuelan bolivar<sup>(2)</sup>, the Argentine peso<sup>(2)</sup>, the Brazilian real<sup>(2)</sup> and the Colombian peso<sup>(2)</sup> as applied to our U.S. dollar-denominated raw material costs. Reported gross margin reached 47.4%, an expansion of 140 basis points as compared to the second quarter of 2012.

Our reported operating income grew 9.1% to Ps. 5,142 million, recording a margin expansion of 120 basis points to reach an operating margin of 14.2% in the second quarter of 2013. In local currency and excluding the non-comparable effect of FOQUE and YOLI in Mexico<sup>(1)</sup>, operating expenses increased mainly as a result of higher labor and freight costs across the South America division and continued marketing investments across our territories

to support our marketplace execution and bolster our returnable packaging base.

During the second quarter of 2013, the other operative expenses, net line registered a net gain of Ps. 24 million as result of certain restructuring charges across our operations that were compensated by a favorable operative currency fluctuation effect on certain of our U.S. dollar-denominated accounts payable in Venezuela.

The share of the profits of associates and joint ventures line recorded a gain of Ps. 130 million, mainly due to equity method gains from our participation in Coca-Cola Bottlers Philippines, Inc., Jugos del Valle in México and Leao Alimentos in Brazil.

Our comprehensive financing result in the second quarter of 2013 recorded an expense of Ps. 1,087 million as compared to an expense of Ps. 478 million in the same period of 2012. This difference was mainly driven by higher interest expense, net as a consequence of a higher debt position and a foreign exchange loss originated by the quarterly depreciation of the Mexican peso<sup>(2)</sup> on our US Dollar denominated net debt position.

During the second quarter of 2013, income tax, as a percentage of income before taxes, was 28.4% as compared to 24.2% in the same period of 2012. The lower effective tax rate registered during the second quarter of 2012, resulted from a tax shield related to interests on capital, included in a dividend declared by our Brazilian subsidiary.

Our reported net income attributable to equity holders of the Company reached Ps. 2,807 million in the second quarter of 2013. Earnings per share (EPS) in the second quarter of 2013 were Ps. 1.37 (Ps. 13.70 per ADS) computed on the basis of 2,048.2 million shares<sup>(3)</sup> (each ADS represents 10 local shares).

(1) The Company's Mexico & Central America divisions' operating results include the non-comparable effect of Grupo Fomento Queretano's results for the month of April, 2013 and Grupo Yoli's results for the month of June, 2013

(2) See page 12 for average and end of period exchange rates for the second quarter of 2013

(3) According to International Financial Reporting Standards (IFRS), Earnings Per Share is computed on the basis of the weighted-average number of shares outstanding during the period. The weighted average number of shares is calculated based on the number of days within a reporting period that each share was outstanding, divided by the full length of that reporting period



As of June 30, 2013, we had a cash balance of Ps. 19,929 million, including US\$ 68 million denominated in U.S. dollars, a decrease of Ps. 3,305 million compared to December 31, 2012. In May, 2013, we issued Ps. 7,500 million in 10 year *Certificados Bursátiles* at a fixed rate in Mexican pesos of 5.46%. As of May, 2013 Coca-Cola FEMSA paid the first installment of the 2012 dividend in the amount of Ps. 2,944.3 million.

As of June 30, 2013, total short-term debt was Ps. 7,994 million and long-term debt was Ps. 29,786 million. Total debt increased by Ps. 7,866 million, compared to year end 2012. Net debt increased Ps. 11,171 million compared to year end 2012, mainly as a consequence of the issuance of the *Certificados Bursátiles* during May of 2013 and the cash outflows related to the acquisitions of Coca-Cola Bottlers Philippines, Inc. and Grupo Yoli, in addition to the payment of the first installment of the 2012 dividend. The Company's total debt balance includes U.S. dollar-denominated debt in the amount of US\$1,102 million.<sup>(1)</sup>

The weighted average cost of debt for the quarter was 4.9%. The following charts set forth the Company's debt profile by currency and interest rate type and by maturity date as of June 30, 2013.

| Currency        | % Total Debt <sup>(1)</sup> | % Interest Rate            |         |
|-----------------|-----------------------------|----------------------------|---------|
|                 |                             | Floating <sup>(1)(2)</sup> |         |
| Mexican pesos   | 54.7                        | %                          | 11.2 %  |
| U.S. dollars    | 38.0                        | %                          | 21.9 %  |
| Colombian pesos | 4.0                         | %                          | 100.0 % |
| Brazilian reals | 0.3                         | %                          | 0.0 %   |
| Argentine pesos | 3.0                         | %                          | 0.0 %   |

(1) After giving effect to interest rate swaps

(2) Calculated by weighting each year's outstanding debt balance mix

### Debt Maturity Profile

| Maturity Date   | 2013  | 2014  | 2015  | 2016  | 2017  | 2018+  |
|-----------------|-------|-------|-------|-------|-------|--------|
| % of Total Debt | 11.7% | 15.1% | 22.8% | 6.7 % | 0.0 % | 43.7 % |

*The Company's Mexico & Central America divisions' operating results include the non-comparable effect of Grupo Fomento Queretano's results for the month of April, 2013 and Grupo Yoli's results for the month of June, 2013.*

*As of February 2013, we are incorporating our stake of the results of Coca-Cola Bottlers Philippines, Inc. through the equity method on an estimated basis.*

Reported total revenues from our Mexico and Central America division increased 6.3% to Ps. 18,714 million in the second quarter of 2013, as compared to the same period in 2012, including the integration of Grupo Fomento Queretano ("FOQUE") and Grupo Yoli ("YOLI") in our Mexican operations. Excluding the non-comparable effect of FOQUE and YOLI in Mexico<sup>(1)</sup>, total revenues increased 2.6%. On a currency neutral basis and excluding FOQUE and YOLI in Mexico, total revenues increased 3.7%.

Reported total sales volume increased 3.8% to 523.4 million unit cases in the second quarter of 2013, as compared to the second quarter of 2012. Excluding the non-comparable effect of FOQUE and YOLI in Mexico<sup>(1)</sup>, volumes remained flat as compared with the second quarter of 2012. On the same basis, still beverages grew 6.0% mainly driven by the Jugos del Valle line of products in Mexico and the performance of *Powerade* and *FUZE Tea* in the division. Our bottled water portfolio grew 5.8%, while our sparkling beverage category remained flat supported by a 1% growth of brand *Coca-Cola*. These increases compensated for a 3.2% decline in the bulk water business.

Our reported gross profit increased 11.3% to Ps. 9,307 million in the second quarter of 2013 as compared to the same period in 2012. Reported cost of goods sold increased 1.7%. Reported gross margin reached 49.7% in the second quarter of 2013, an expansion of 220 basis points as compared with the same period of the previous year, as a result of lower sugar prices in the division in combination with the average appreciation of the Mexican peso<sup>(2)</sup> as applied to our U.S. dollar-denominated raw material costs.

Reported operating income<sup>(3)</sup> increased 26.2% to Ps. 3,352 million in the second quarter of 2013, compared to Ps. 2,656 million in the same period of 2012. Our reported operating margin was 17.9% in the second quarter of 2013, as compared with 15.1% in the same period of 2012, an expansion of 280 basis points. Excluding the non-comparable effect of FOQUE and YOLI in Mexico<sup>(1)</sup>, operating income increased 23.6%. On the same basis, operating expenses included continued marketing investments across our territories to support our marketplace execution and bolster our returnable packaging base.

The share of the profits of associates and joint ventures line recorded a gain of Ps. 128 million, mainly due to equity method gains from our participation in Coca-Cola Bottlers Philippines, Inc. and Jugos del Valle in Mexico.

- (1) The Company's Mexico & Central America divisions' operating results include the non-comparable effect of Grupo Fomento Queretano's results for the month of April, 2013 and Grupo Yoli's results for the month of June, 2013
- (2) See page 12 for average and end of period exchange rates for the second quarter of 2013
- (3) For reporting purposes, all corporate expenses, including the equity method recorded from our stake of the results of Coca-Cola Bottlers Philippines, Inc., are included in the results of the Mexico and Central America division

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*Volume and average price per unit case exclude beer results.*

Reported total revenues were Ps. 17,546 million in the second quarter of 2013, a decrease of 6.1% as compared to the same period of 2012, as a result of the negative translation effect of the devaluation of the Venezuelan bolivar<sup>(1)</sup>, the Argentine peso<sup>(1)</sup>, the Brazilian real<sup>(1)</sup> and the Colombian peso<sup>(1)</sup>. Excluding beer, which accounted for Ps. 815 million during the quarter, revenues decreased 5.6% to Ps. 16,731 million. On a currency neutral basis, total revenues increased 21.3%, mainly as a result of average price per unit case growth in Venezuela, Argentina and Brazil; and volume growth in Colombia, Venezuela and Argentina.

Reported total sales volume in our South America division increased 2.9% to 273.3 million unit cases in the second quarter of 2013 as compared to the same period of 2012, driven by volume growth in Colombia, Venezuela and Argentina that compensated for a decline in volume in Brazil. Our sparkling beverage category grew 1.8%, driven by a 4% growth in brand *Coca-Cola*. The still beverage category grew 9.4%, mainly driven by the performance of the *Jugos del Valle* line of business in Colombia. Our water portfolio, including bulk water, grew 9.1%.

Reported gross profit reached Ps. 7,878 million, a 5.6% decline in the second quarter of 2013, as compared to the same period of 2012, as a result of the negative translation effect of the devaluation of this division's currencies. Reported cost of goods sold decreased 6.5%. In local currency, lower cost of sweeteners across the division and lower cost of PET in Brazil and Argentina compensated for the depreciation of the average exchange rate of the Venezuelan bolivar<sup>(1)</sup>, the Argentine peso<sup>(1)</sup>, the Brazilian real<sup>(1)</sup> and the Colombian peso<sup>(1)</sup> as applied to our U.S. dollar-denominated raw material costs. Reported gross margin reached 44.9% in the second quarter of 2013, an expansion of 20 basis points as compared to the same period of 2012.

Our reported operating income decreased 13.0% to Ps. 1,790 million in the second quarter of 2013, compared to the same period of 2012, as a result of the negative translation effect of the devaluation of this division's currencies. Reported operating expenses decreased 2.4% in the second quarter of 2013. In local currency, operating expenses increased mainly as a result of higher labor and freight costs in the division and continued marketing investments to support our marketplace execution and bolster our returnable packaging base.

During the second quarter of 2013, the other operative expenses, net line registered a gain of Ps. 39 million as a consequence of a favorable operative currency fluctuation effect on certain of our U.S. dollar-denominated accounts payable in Venezuela, net of certain restructuring charges across our operations.

- (1) See page 12 for average and end of period exchange rates for the second quarter of 2013

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*The Company's Mexico & Central America divisions' operating results include the non-comparable effect of Grupo Fomento Queretano's results for the months of January, 2013 through April, 2013 and Grupo Yoli's results for the month of June, 2013.*

*As of February 2013, we are incorporating our stake of the results of Coca-Cola Bottlers Philippines, Inc. through the equity method on an estimated basis.*

Our consolidated total revenues grew 0.7% to Ps. 70,852 million in the first six months of 2013, as compared to the same period of 2012. High single-digit revenue growth in our Mexico & Central America Division, including the integration of FOQUE and YOLI in our Mexican operations,<sup>(1)</sup> compensated for a negative translation effect in our South America division resulting from the devaluation of the Venezuelan bolivar<sup>(2)</sup>, the Argentine peso<sup>(2)</sup>, the Brazilian real<sup>(2)</sup> and the Colombian peso<sup>(2)</sup>. On a currency neutral basis and excluding the non-comparable effect of FOQUE and YOLI, total revenues grew 13.3%, in the first half of 2013.

Total sales volume increased 3.7% to 1,527.3 million unit cases in the first six months of 2013, as compared to the same period in 2012. Excluding the non-comparable effect of FOQUE and YOLI in Mexico, volumes grew 0.8% to 1,484.6 million unit cases. On the same basis, the still beverage category grew 7.5%, mainly driven by the performance of the *Jugos del Valle* line of business in Mexico, Venezuela and Colombia and the continued growth of *Powerade* and *FUZE Tea*. In addition, our bottled water category grew 5.5% and our sparkling beverage category remained flat. These increases compensated for a 2.4% decline in our bulk water business.

Our gross profit increased 3.4% to Ps. 33,250 million in the first six months of 2013, as compared to the same period of 2012. Lower sugar prices in most of our territories in combination with the appreciation of the average exchange rate of the Mexican peso<sup>(2)</sup>, compensated for the depreciation of the average exchange rate of the Venezuelan bolivar<sup>(2)</sup>, the Argentine peso<sup>(2)</sup>, the Brazilian real<sup>(2)</sup> and the Colombian peso<sup>(2)</sup> as applied to our U.S. dollar-denominated raw material costs. Reported gross margin reached 46.9%, an expansion of 120 basis points as compared to the first six months of 2012.

Our consolidated operating income increased 2.3% to Ps. 9,301 million, recording a margin expansion of 20 basis points to reach an operating margin of 13.1% in the first six months of 2013. In local currency and excluding the non-comparable effect of FOQUE and YOLI in Mexico<sup>(1)</sup>, operating expenses increased mainly as a result of (i) higher labor and freight costs in our South America division and (ii) continued marketing investments to support our marketplace execution and bolster our returnable packaging base.

During the first half of 2013, the other operative expenses, net line registered an expense of Ps. 227 million mainly due to (i) the effect of the devaluation of the Venezuelan bolivar<sup>(2)</sup> on our U.S. dollar-denominated accounts payable in that operation and (ii) certain restructuring expenses across our operations, including those registered in the recently merged franchises, which results are now fully comparable.

The share of the profits of associates and joint ventures line recorded a gain of Ps. 148 million, mainly due to equity method gains from our participation in Coca-Cola Bottlers Philippines, Inc., Jugos del Valle in Mexico and Leao Alimentos in Brazil.

Our reported net income attributable to equity holders of the Company reached Ps. 5,280 million in the first six months of 2013 as compared to the same period of 2012. Earnings per share (EPS) in the first six months of 2013 were Ps. 2.59 (Ps. 25.89 per ADS) computed on the basis of 2,039.4 million shares<sup>(3)</sup> outstanding (each ADS represents 10 local shares).

The Company's Mexico & Central America divisions' operating results include the non-comparable effect of Grupo (1) Fomento Queretano's results for the months of January, 2013 through April, 2013 and Grupo Yoli's results for the month of June, 2013

(2) See page 12 for average and end of period exchange rates for the second quarter and first six months of 2013  
According to International Financial Reporting Standards (IFRS), Earnings Per Share is computed on the basis of the weighted-average number of shares outstanding during the period. The weighted average number of shares is calculated based on the number of days within a reporting period that each share was outstanding, divided by the full length of that reporting period

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## RECENT DEVELOPMENTS

As of May, 2013 Coca-Cola FEMSA paid the first installment of the 2012 dividend in the amount of Ps. 2,944.3 million, representing an amount of Ps. 1.45 per share.

On May 22, 2013, Coca-Cola FEMSA issued Ps. 7,500 million in a 10 year bond at a fixed rate in Mexican pesos of 5.46%.

On June 28, 2013, Coca-Cola FEMSA announced that it had reached an agreement to acquire 100% of *Companhia Fluminense de Refrigerantes* (“Companhia Fluminense”) in an all-cash transaction of US\$ 448 million. During the last twelve months ended March 31, 2013, Companhia Fluminense sold 56.6 million unit cases of beverages, including beer, generating approximately US\$ 232 million in net revenues and an estimated pro-forma consolidated EBITDA of US\$ 40 million.

## CONFERENCE CALL INFORMATION

Our second-quarter 2013 Conference Call will be held on July 24, 2013, at 11:00 A.M. Eastern Time (10:00 A.M. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: 888-430-8691 or International: 719-457-2627. Participant passcode: 2263062. Alternatively, participants can log into [www.coca-colafemsa.com](http://www.coca-colafemsa.com) for a live audio webcast of the conference call.

If you are unable to participate live, the conference call audio will be available at [www.coca-colafemsa.com](http://www.coca-colafemsa.com).

v v v

Coca-Cola FEMSA, S.A.B. de C.V. produces and distributes Coca-Cola, Fanta, Sprite, Del Valle, and other trademark beverages of The Coca-Cola Company in Mexico (a substantial part of central Mexico, including Mexico City, as well as southeast and northeast Mexico), Guatemala (Guatemala City and surrounding areas), Nicaragua (nationwide), Costa Rica (nationwide), Panama (nationwide), Colombia (most of the country), Venezuela (nationwide), Brazil (greater São Paulo, Campiñas, Santos, the state of Mato Grosso do Sul, part of the state of Goias, and part of the state of Minas Gerais), Argentina (federal capital of Buenos Aires and surrounding areas) and Philippines (nationwide), along with bottled water, juices, teas, isotonic, beer, and other beverages in some of these territories. The Company has 62 bottling facilities and serves 317 million consumers through close to 2,700,000 retailers with more than 100,000 employees worldwide.



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This news release may contain forward-looking statements concerning Coca-Cola FEMSA's future performance, which should be considered as good faith estimates by Coca-Cola FEMSA. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, many of which are outside Coca-Cola FEMSA's control, which could materially impact the Company's actual performance.

References herein to "US\$" are to United States dollars. This news release contains translations of certain Mexican peso amounts into U.S. dollars for the convenience of the reader. These translations should not be construed as representations that Mexican peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated.

v v v

(5 pages of tables to follow)

### **Mexican Stock Exchange Quarterly Filing**

Coca-Cola FEMSA encourages the reader to refer to our quarterly filing to the Mexican Stock Exchange (Bolsa Mexicana de Valores or BMV) for more detailed information. This filing contains a detailed cash flow statement and selected notes to the financial statements. This filing is available at [www.bmv.com.mx](http://www.bmv.com.mx) in the Información Financiera section for Coca-Cola FEMSA (KOF).

**July 24, 2013 Page 15**

**Consolidated Income Statement**Expressed in millions of Mexican pesos<sup>(1)</sup>

As of February 2013, we are incorporating our stake of the results of Coca-Cola Bottlers Philippines, Inc. through the equity method on an estimated basis

|  | 2Q 13  | %<br>Rev | 2Q 12  | %<br>Rev | Reported<br>Δ% | Excluding<br>M&A<br>Effects<br>Δ% | YTD 13  | %<br>Rev | YTD 12  | %<br>Rev | Reported<br>Δ% | Excluding<br>M&A<br>Effects<br>Δ% |
|--|--------|----------|--------|----------|----------------|-----------------------------------|---------|----------|---------|----------|----------------|-----------------------------------|
| Volume<br>(million unit<br>cases) <sup>(2)</sup>   | 796.7  |          | 770.0  |          | 3.5 %          | 1.1 %                             | 1,527.3 |          | 1,473.1 |          | 3.7 %          | 0.6 %                             |
| Average price<br>per unit case <sup>(2)</sup>  | 44.27  |          | 45.66  |          | -3.0 %         | -2.6 %                            | 45.04   |          | 46.16   |          | -2.4 %         | -0.1 %                            |
| Net revenues   | 36,088 |          | 36,119 |          | -0.1 %         |                                   | 70,461  |          | 69,934  |          | 0.8 %          | 0.5 %                             |
| Other operating<br>revenues  | 172    |          | 176    |          | -2.3 %         |                                   | 391     |          | 422     |          | -7.3 %         | -7.3 %                            |
| Total revenues   | 36,260 | 100 %    | 36,295 | 100 %    | -0.1 %         | -1.9 %                            | 70,852  | 100 %    | 70,356  | 100 %    | 0.7 %          | -0.5 %                            |
| Cost of goods<br>sold  | 19,075 | 52.6 %   | 19,593 | 54.0 %   | -2.6 %         |                                   | 37,602  | 53.1 %   | 38,191  | 54.3 %   | -1.5 %         | -1.2 %                            |
| Gross profit   | 17,185 | 47.4 %   | 16,702 | 46.0 %   | 2.9 %          |                                   | 33,250  | 46.9 %   | 32,165  | 45.7 %   | 3.4 %          | 1.2 %                             |
| Operating<br>expenses  | 12,197 | 33.6 %   | 11,937 | 32.9 %   | 2.2 %          |                                   | 23,870  | 33.7 %   | 23,083  | 32.8 %   | 3.4 %          | 0.9 %                             |
| Other operative<br>(income)  | (24 )  | -0.1 %   | 41     | 0.1 %    | -158.5 %       |                                   | 227     | 0.3 %    | 8       | 0.0 %    | 2,737.5 %      | 2,737.5 %                         |
| Share of the<br>(profit) loss of<br>associates and<br>joint ventures<br>accounted for<br>using the equity<br>method <sup>(6)</sup> | (130 ) | -0.4 %   | 10     | 0.0 %    | -1,400.0 %     |                                   | (148 )  | -0.2 %   | (19 )   | 0.0 %    | 678.9 %        | 678.9 %                           |
| Operating<br>income <sup>(3)</sup>   | 5,142  | 14.2 %   | 4,714  | 13.0 %   | 9.1 %          | 7.6 %                             | 9,301   | 13.1 %   | 9,093   | 12.9 %   | 2.3 %          | 0.2 %                             |
| Other non<br>operative<br>expenses, net  | 84     |          | 469    |          | -82.1 %        |                                   | 117     |          | 500     |          | -76.6 %        | -76.6 %                           |
| Interest<br>expense  | 675    |          | 433    |          | 55.9 %         |                                   | 1,192   |          | 920     |          | 29.6 %         | 29.6 %                            |
| Interest income  | 112    |          | 96     |          | 16.7 %         |                                   | 217     |          | 202     |          | 7.4 %          | 7.4 %                             |
| Interest<br>expense, net   | 563    |          | 337    |          | 67.1 %         |                                   | 975     |          | 718     |          | 35.8 %         | 35.8 %                            |

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|   |       |        |       |        |            |       |        |        |        |        |            |  |
|---|-------|--------|-------|--------|------------|-------|--------|--------|--------|--------|------------|--|
| Foreign exchange loss (gain)  | 391   |        | 127   |        | 207.9 %    |       | 157    |        | (75 )  |        | -309.3 %   |  |
| Loss (gain) on monetary position in Inflationary subsidiaries             | 166   |        | (6 )  |        | -2,866.7 % |       | 202    |        | (15 )  |        | -1,446.7 % |  |
| Market value (gain) loss on ineffective portion of derivative instruments | (33 ) |        | 20    |        | -265.0 %   |       | 14     |        | (12 )  |        | -216.7 %   |  |
| Comprehensive financing result  | 1,087 |        | 478   |        | 127.4 %    |       | 1,348  |        | 616    |        | 118.8 %    |  |
| Income before income taxes  | 3,971 |        | 3,767 |        | 5.4 %      |       | 7,836  |        | 7,977  |        | -1.8 %     |  |
| Income taxes  | 1,128 |        | 913   |        | 23.5 %     |       | 2,438  |        | 2,332  |        | 4.5 %      |  |
| Consolidated net income   | 2,843 |        | 2,854 |        | -0.4 %     |       | 5,398  |        | 5,645  |        | -4.4 %     |  |
| Net income attributable to equity holders of the Company                  | 2,807 | 7.7 %  | 2,713 | 7.5 %  | 3.5 %      |       | 5,280  | 7.5 %  | 5,393  | 7.7 %  | -2.1 %     |  |
| Non-controlling interest  | 36    |        | 141   |        | -74.5 %    |       | 118    |        | 252    |        | -53.2 %    |  |
| Operating income <sup>(3)</sup>   | 5,142 | 14.2 % | 4,714 | 13.0 % | 9.1 %      | 7.6 % | 9,301  | 13.1 % | 9,093  | 12.9 % | 2.3 %      |  |
| Depreciation and other operative non-cash charges                         | 1,513 |        | 1,230 |        | 23.0 %     |       | 2,948  |        | 2,444  |        | 20.6 %     |  |
| Operative cash flow <sup>(3)(4)</sup>                                     | 6,675 | 18.4 % | 6,309 | 17.4 % | 5.8 %      | 4.2 % | 12,570 | 17.7 % | 12,069 | 17.2 % | 4.2 %      |  |

(1) Except volume and average price per unit case figures

(2) Sales volume and average price per unit case exclude beer results

(3) The Operating income and Operative cash flow lines are presented as non-gaap measures for the convenience of the reader

(4) Operative cash flow = Operating Income + depreciation, amortization & other operative non-cash charges  
As of May 2013, Grupo Fomento Queretano completed a twelve month period since its integration. Consequently its results are included in Mexico on an organic basis for financial information purposes for the months of May and June of 2013 (the month of April 2013 is not comparable)

As of June 2013, we integrated Grupo Yoli in our Mexican Operations (the month of June 2013 is not comparable)

Excluding M&A effects means, with respect to a year-over-year comparison, the increase in a given measure excluding the effects of mergers, acquisitions and divestitures. We believe this measure allows us to provide  
(5) investors and other market participants with a better representation of the performance of our business. In preparing this measure, management has used its best judgment, estimates and assumptions in order to maintain comparability  
(6) As of February 2013, we are incorporating our stake of the results of Coca-Cola Bottlers Philippines, Inc. Through the equity method on an estimated basis in this line

**July 24, 2013 Page 16**

**Consolidated Balance Sheet**

Expressed in millions of Mexican pesos.

| Assets   | Jun 13             | Dec 12             |
|--|--------------------|--------------------|
| Current Assets                                   |                    |                    |
| Cash, cash equivalents and marketable securities | Ps. 19,929         | Ps. 23,234         |
| Total accounts receivable                        | 6,613              | 9,329              |
| Inventories                                      | 7,886              | 8,103              |
| Other current assets                             | 7,136              | 5,231              |
| Total current assets                             | 41,564             | 45,897             |
| Property, plant and equipment                    |                    |                    |
| Property, plant and equipment                    | 72,311             | 71,652             |
| Accumulated depreciation                         | (29,984 )          | (29,135 )          |
| Total property, plant and equipment, net         | 42,327             | 42,517             |
| Other non-current assets                         | 94,766             | 77,689             |
| Total Assets                                     | <b>Ps. 178,657</b> | <b>Ps. 166,103</b> |

| Liabilities and Equity          | Jun 13             | Dec 12             |
|---------------------------------|--------------------|--------------------|
| Current Liabilities             |                    |                    |
| Short-term bank loans and notes | Ps. 7,994          | Ps. 5,139          |
| Suppliers                       | 12,293             | 14,221             |
| Other current liabilities       | 13,408             | 10,190             |
| Total Current Liabilities       | 33,695             | 29,550             |
| Long-term bank loans            | 29,786             | 24,775             |
| Other long-term liabilities     | 6,864              | 6,950              |
| Total Liabilities               | 70,345             | 61,275             |
| Equity                          |                    |                    |
| Non-controlling interest        | 3,058              | 3,179              |
| Total controlling interest      | 105,254            | 101,649            |
| Total equity <sup>(1)</sup>     | 108,312            | 104,828            |
| Total Liabilities and Equity    | <b>Ps. 178,657</b> | <b>Ps. 166,103</b> |

Includes the effect of the devaluation of the Venezuelan bolivar as of February 13, 2013. For more detailed <sup>(1)</sup>information, please refer to the notes to the financial statements published in our filing to the Mexican Stock Exchange (Bolsa Mexicana de Valores or BMV).

**Mexico & Central America Division**

Expressed in millions of Mexican pesos<sup>(1)</sup>

|   | 2Q 13  | %<br>Rev | 2Q 12  | %<br>Rev | Reported<br>Δ% | Excluding<br>M&A<br>Effects<br>Δ% |       | YTD<br>13 | %<br>Rev | YTD<br>12 | %<br>Rev | Reported<br>Δ% |       |   |
|---|--------|----------|--------|----------|----------------|-----------------------------------|-------|-----------|----------|-----------|----------|----------------|-------|---|
| Volume<br>(million unit<br>cases)   | 523.4  |          | 504.3  |          | 3.8            | %                                 | 0.2   | %         | 959.6    |           | 916.8    |                | 4.7   | % |
| Average<br>price per unit<br>case   | 35.60  |          | 34.71  |          | 2.5            | %                                 | 2.5   | %         | 35.69    |           | 34.77    |                | 2.7   | % |
| Net revenues  | 18,631 |          | 17,507 |          | 6.4            | %                                 |       |           | 34,251   |           | 31,873   |                | 7.5   | % |
| Other<br>operating<br>revenues  | 83     |          | 106    |          | -21.7          | %                                 |       |           | 164      |           | 213      |                | -23.0 | % |
| Total<br>revenues   | 18,714 | 100.0%   | 17,613 | 100.0%   | 6.3            | %                                 | 2.6   | %         | 34,415   | 100.0%    | 32,086   | 100.0%         | 7.3   | % |
| Cost of<br>goods sold   | 9,407  | 50.3 %   | 9,254  | 52.5 %   | 1.7            | %                                 |       |           | 17,453   | 50.7 %    | 16,934   | 52.8 %         | 3.1   | % |
| Gross profit  | 9,307  | 49.7 %   | 8,359  | 47.5 %   | 11.3           | %                                 |       |           | 16,962   | 49.3 %    | 15,152   | 47.2 %         | 11.9  | % |
| Operating<br>expenses   | 6,068  | 32.4 %   | 5,657  | 32.1 %   | 7.3            | %                                 |       |           | 11,403   | 33.1 %    | 10,578   | 33.0 %         | 7.8   | % |
| Other<br>operative<br>(income)  | 15     | 0.1 %    | 49     | 0.3 %    | -69.4          | %                                 |       |           | 86       | 0.2 %     | 31       | 0.1 %          | 177.4 | % |
| expenses, net<br>Share of the<br>(profit) loss<br>of associates<br>and joint<br>ventures<br>accounted<br>for using the<br>equity<br>method <sup>(5)</sup> | (128 ) | -0.7 %   | (3 )   | 0.0 %    | 4,166.7%       |                                   |       | (135 )    | -0.4 %   | 6         | 0.0 %    | -2,350.0%      |       |   |
| Operating<br>income <sup>(2)</sup>  | 3,352  | 17.9 %   | 2,656  | 15.1 %   | 26.2           | %                                 | 23.6% | 5,608     | 16.3 %   | 4,537     | 14.1 %   | 23.6           | %     |   |
| Depreciation,<br>amortization<br>& other  | 818    | 4.4 %    | 851    | 4.8 %    | -3.9           | %                                 |       | 1,643     | 4.8 %    | 1,487     | 4.6 %    | 10.5           | %     |   |

operative  
non-cash  
charges

|                            |       |        |       |        |        |       |       |        |       |        |        |
|----------------------------|-------|--------|-------|--------|--------|-------|-------|--------|-------|--------|--------|
| Operative cash flow (2)(3) | 4,170 | 22.3 % | 3,507 | 19.9 % | 18.9 % | 16.0% | 7,251 | 21.1 % | 6,024 | 18.8 % | 20.4 % |
|----------------------------|-------|--------|-------|--------|--------|-------|-------|--------|-------|--------|--------|

(1) Except volume and average price per unit case figures.

(2) The Operating income and Operative cash flow lines are presented as non-gaap measures for the convenience of the reader.

(3) Operative cash flow = Operating Income + Depreciation, amortization & other operative non-cash charges.

As of May 2013, Grupo Fomento Queretano completed a twelve month period since its integration. Consequently its results are included in Mexico on an organic basis for financial information purposes for the months of May and June of 2013 (the month of April 2013 is not comparable)

As of June 2013, we integrated Grupo Yoli in our Mexican Operations (the month of June 2013 is not comparable)

Excluding M&A effects means, with respect to a year-over-year comparison, the increase in a given measure excluding the effects of mergers, acquisitions and divestitures. We believe this measure allows us to provide

(4) investors and other market participants with a better representation of the performance of our business. In preparing this measure, management has used its best judgment, estimates and assumptions in order to maintain comparability.

(5) As of February 2013, we are incorporating our stake of the results of Coca-Cola Bottlers Philippines, Inc. through the equity method on an estimated basis in this line

## South America Division

Expressed in millions of Mexican pesos<sup>(1)</sup>

|  | 2Q 13  | % Rev   | 2Q 12  | % Rev   | Δ%       | YTD 13 | % Rev   | YTD 12 | % Rev   | Δ%       |
|--|--------|---------|--------|---------|----------|--------|---------|--------|---------|----------|
| Volume (million unit cases) <sup>(2)</sup> | 273.3  |         | 265.7  |         | 2.8 %    | 567.7  |         | 556.3  |         | 2.0 %    |
| Average price per unit case <sup>(2)</sup> | 60.89  |         | 66.42  |         | -8.3 %   | 60.85  |         | 64.92  |         | -6.3 %   |
| Net revenues                               | 17,457 |         | 18,612 |         | -6.2 %   | 36,210 |         | 38,061 |         | -4.9 %   |
| Other operating revenues                   | 89     |         | 70     |         | 27.1 %   | 227    |         | 209    |         | 8.6 %    |
| Total revenues                             | 17,546 | 100.0 % | 18,682 | 100.0 % | -6.1 %   | 36,437 | 100.0 % | 38,270 | 100.0 % | -4.8 %   |
| Cost of goods sold                         | 9,668  | 55.1 %  | 10,339 | 55.3 %  | -6.5 %   | 20,149 | 55.3 %  | 21,257 | 55.5 %  | -5.2 %   |
| Gross profit                               | 7,878  | 44.9 %  | 8,343  | 44.7 %  | -5.6 %   | 16,288 | 44.7 %  | 17,013 | 44.5 %  | -4.3 %   |
| Operating expenses                         | 6,129  | 34.9 %  | 6,280  | 33.6 %  | -2.4 %   | 12,467 | 34.2 %  | 12,505 | 32.7 %  | -0.3 %   |
| Other operative expenses, net (income)     | (39 )  | -0.2 %  | (7 )   | 0.0 %   | 457.1 %  | 141    | 0.4 %   | (22 )  | -0.1 %  | -740.9 % |
| Share of the (profit) loss of              | (2 )   | 0.0 %   | 12     | 0.1 %   | -116.7 % | (13 )  | 0.0 %   | (26 )  | -0.1 %  | -50.0 %  |

associates and  
joint ventures  
accounted for  
using the equity  
method

|   |       |      |   |       |      |   |       |   |       |      |   |       |      |   |       |   |
|---|-------|------|---|-------|------|---|-------|---|-------|------|---|-------|------|---|-------|---|
| Operating<br>income <sup>(3)</sup>  | 1,790 | 10.2 | % | 2,058 | 11.0 | % | -13.0 | % | 3,693 | 10.1 | % | 4,556 | 11.9 | % | -18.9 | % |
| Depreciation,<br>amortization &<br>other operative<br>non-cash<br>charges | 715   | 4.1  | % | 744   | 4.0  | % | -3.9  | % | 1,626 | 4.5  | % | 1,489 | 3.9  | % | 9.2   | % |
| Operative cash<br>flow <sup>(3)(4)</sup>                                  | 2,505 | 14.3 | % | 2,802 | 15.0 | % | -10.6 | % | 5,319 | 14.6 | % | 6,045 | 15.8 | % | -12.0 | % |

(1) Except volume and average price per unit case figures.

(2) Sales volume and average price per unit case exclude beer results

(3) The Operating income and Operative cash flow lines are presented as non-gaap measures for the convenience of the reader.

(4) Operative cash flow = Operating Income + depreciation, amortization & other operative non-cash charges.

**July 24, 2013 Page 18**



**SELECTED INFORMATION****For the three months ended June 30, 2013 and 2012***Expressed in millions of Mexican pesos.*

|                                       |         |                                       |         |
|---------------------------------------|---------|---------------------------------------|---------|
|                                       | 2Q 13   |                                       | 2Q 12   |
| Capex                                 | 2,347.3 | Capex                                 | 1,968.6 |
| Depreciation                          | 1,513.0 | Depreciation                          | 1,230.0 |
| Amortization & Other non-cash charges | 20.0    | Amortization & Other non-cash charges | 365.0   |

**VOLUME***Expressed in million unit cases*

|                          | 2Q 13     |                      |                           |       | 2Q 12 |           |                      |                           |       |       |
|--------------------------|-----------|----------------------|---------------------------|-------|-------|-----------|----------------------|---------------------------|-------|-------|
|                          | Sparkling | Water <sup>(1)</sup> | Bulk Water <sup>(2)</sup> | Still | Total | Sparkling | Water <sup>(1)</sup> | Bulk Water <sup>(2)</sup> | Still | Total |
| Mexico                   | 342.5     | 28.2                 | 87.4                      | 25.8  | 483.9 | 330.8     | 25.2                 | 86.6                      | 24.0  | 466.6 |
| Central America          | 33.1      | 2.1                  | 0.1                       | 4.2   | 39.5  | 32.1      | 1.9                  | 0.1                       | 3.6   | 37.7  |
| Mexico & Central America | 375.6     | 30.3                 | 87.5                      | 30.0  | 523.4 | 362.9     | 27.1                 | 86.7                      | 27.6  | 504.3 |
| Colombia                 | 47.9      | 5.6                  | 7.3                       | 5.2   | 66.0  | 44.9      | 5.1                  | 6.5                       | 4.0   | 60.5  |
| Venezuela                | 47.1      | 2.5                  | 0.7                       | 3.3   | 53.6  | 43.1      | 2.2                  | 0.5                       | 3.4   | 49.2  |
| Brazil                   | 94.1      | 5.0                  | 0.6                       | 5.6   | 105.3 | 97.7      | 5.3                  | 0.6                       | 5.6   | 109.2 |
| Argentina                | 42.8      | 3.3                  | 0.1                       | 2.2   | 48.4  | 42.1      | 2.6                  | 0.2                       | 1.9   | 46.8  |
| South America            | 231.9     | 16.4                 | 8.7                       | 16.3  | 273.3 | 227.8     | 15.2                 | 7.8                       | 14.9  | 265.7 |
| Total                    | 607.5     | 46.7                 | 96.2                      | 46.3  | 796.7 | 590.7     | 42.3                 | 94.5                      | 42.5  | 770.0 |

<sup>(1)</sup> Excludes water presentations larger than 5.0 Lt ; includes flavored water<sup>(2)</sup> Bulk Water = Still bottled water in presentations larger than 5.0 Lt; includes flavored water

Volume of Mexico, the Mexico & Central America division, and Consolidated for the second quarter 2013 results includes the non-comparable results of Grupo Fomento Queretano for the month of April, 2013 and Grupo Yoli for

the month of June, 2013, accounting for 18.0 million unit cases, of which 66.7% is Sparkling Beverages, 9.0% is Water, 20.0% is Bulk Water and 4.3% is Still Beverages.

## SELECTED INFORMATION

For the six months ended June 30, 2013 and 2012

*Expressed in millions of Mexican pesos.*

|                                       | YTD 13  | YTD 12  |
|---------------------------------------|---------|---------|
| Capex                                 | 4,591.3 | 3,243.3 |
| Depreciation                          | 2,948.0 | 2,444.0 |
| Amortization & Other non-cash charges | 321.0   | 532.0   |

## VOLUME

*Expressed in million unit cases*

|                             | YTD 13    |              |                   |       |         | YTD 12    |              |                   |       |         |
|-----------------------------|-----------|--------------|-------------------|-------|---------|-----------|--------------|-------------------|-------|---------|
|                             | Sparkling | Water<br>(1) | Bulk<br>Water (2) | Still | Total   | Sparkling | Water<br>(1) | Bulk<br>Water (2) | Still | Total   |
| Mexico                      | 625.7     | 49.5         | 159.6             | 47.7  | 882.5   | 599.6     | 44.8         | 153.7             | 44.0  | 842.1   |
| Central America             | 64.4      | 4.3          | 0.2               | 8.2   | 77.1    | 63.6      | 3.9          | 0.2               | 7.0   | 74.7    |
| Mexico & Central<br>America | 690.1     | 53.8         | 159.8             | 55.9  | 959.6   | 663.2     | 48.7         | 153.9             | 51.0  | 916.8   |
| Colombia                    | 95.1      | 11.0         | 14.7              | 9.6   | 130.4   | 89.5      | 10.2         | 13.3              | 8.0   | 121.0   |
| Venezuela                   | 94.3      | 5.2          | 1.4               | 7.2   | 108.1   | 87.0      | 4.1          | 0.9               | 6.1   | 98.1    |
| Brazil                      | 197.8     | 11.5         | 1.6               | 11.7  | 222.6   | 205.9     | 12.2         | 1.5               | 11.5  | 231.1   |
| Argentina                   | 94.4      | 7.5          | 0.2               | 4.5   | 106.6   | 94.9      | 6.4          | 0.4               | 4.4   | 106.1   |
| South America               | 481.6     | 35.2         | 17.9              | 33.0  | 567.7   | 477.3     | 32.9         | 16.1              | 30.0  | 556.3   |
| Total                       | 1,171.7   | 89.0         | 177.7             | 88.9  | 1,527.3 | 1,140.5   | 81.6         | 170.0             | 81.0  | 1,473.1 |

(1) Excludes water presentations larger than 5.0 Lt ; includes flavored water

(2) Bulk Water = Still bottled water in presentations larger than 5.0 Lt; includes flavored water

Volume of Mexico, the Mexico & Central America division, and Consolidated for the first six months of 2013 results includes the non-comparable results of Grupo Fomento Queretano for the months of January, 2013 through April, 2013 and Grupo Yoli for the month of June, 2013, accounting for 42.7 million unit cases, of which 61.5% is Sparkling

Beverages, 6.8% is Water, 27.4% is Bulk Water and 4.3% is Still Beverages.

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## Macroeconomic Information

|           | Inflation <sup>(1)</sup> |            |         |
|-----------|--------------------------|------------|---------|
|           | LTM                      | 2Q<br>2013 | YTD     |
| Mexico    | 4.09 %                   | -0.33 %    | 1.30 %  |
| Colombia  | 2.16 %                   | 0.77 %     | 1.73 %  |
| Venezuela | 39.61 %                  | 15.84 %    | 24.99 % |
| Brazil    | 6.70 %                   | 1.18 %     | 3.15 %  |
| Argentina | 10.46 %                  | 2.27 %     | 4.69 %  |

<sup>(1)</sup> Source: inflation is published by the Central Bank of each country.

## Average Exchange Rates for each Period

|            | Quarterly Exchange Rate (local currency per USD) |            |        | YTD Exchange Rate (local currency per USD) |            |        |
|------------|--|------------|--------|--|------------|--------|
|            | 2Q 13  | 2Q 12      | Δ%     | YTD 13                                     | YTD 12     | Δ%     |
| Mexico     | 12.4684  | 13.5134    | -7.7 % | 12.5639                                    | 13.2649    | -5.3 % |
| Guatemala  | 7.8004   | 7.7903     | 0.1 %  | 7.8209                                     | 7.7828     | 0.5 %  |
| Nicaragua  | 24.5682  | 23.4003    | 5.0 %  | 24.4205                                    | 23.2592    | 5.0 %  |
| Costa Rica | 504.5097   | 508.9305   | -0.9 % | 505.2865                                   | 512.1133   | -1.3 % |
| Panama     | 1.0000   | 1.0000     | 0.0 %  | 1.0000                                     | 1.0000     | 0.0 %  |
| Colombia   | 1,863.1919                                       | 1,786.9930 | 4.3 %  | 1,826.8259                                 | 1,793.8324 | 1.8 %  |
| Venezuela  | 6.3000   | 4.3000     | 46.5 % | 5.8238                                     | 4.3000     | 35.4 % |
| Brazil     | 2.0700   | 1.9633     | 5.4 %  | 2.0329                                     | 1.8656     | 9.0 %  |
| Argentina  | 5.2417   | 4.4487     | 17.8 % | 5.1281                                     | 4.3949     | 16.7 % |

## End of Period Exchange Rates

|            | Exchange Rate (local currency per USD) |            |        | Exchange Rate (local currency per USD) |            |        |
|------------|--|------------|--------|--|------------|--------|
|            | Jun 13                                 | Jun 12     | Δ%     | Mar 13                                 | Mar 12     | Δ%     |
| Mexico     | 13.0235                                | 13.6530    | -4.6 % | 12.3546                                | 12.8489    | -3.8 % |
| Guatemala  | 7.8330                                 | 7.8461     | -0.2 % | 7.7774                                 | 7.6919     | 1.1 %  |
| Nicaragua  | 24.7163                                | 23.5409    | 5.0 %  | 24.4175                                | 23.2571    | 5.0 %  |
| Costa Rica | 504.5300                               | 503.8500   | 0.1 %  | 504.6500                               | 513.5800   | -1.7 % |
| Panama     | 1.0000                                 | 1.0000     | 0.0 %  | 1.0000                                 | 1.0000     | 0.0 %  |
| Colombia   | 1,929.0000                             | 1,784.6000 | 8.1 %  | 1,832.2000                             | 1,784.6600 | 2.7 %  |
| Venezuela  | 6.3000                                 | 4.3000     | 46.5 % | 6.3000                                 | 4.3000     | 46.5 % |
| Brazil     | 2.2156                                 | 2.0213     | 9.6 %  | 2.0138                                 | 1.8221     | 10.5 % |
| Argentina  | 5.3880                                 | 4.5270     | 19.0 % | 5.1220                                 | 4.3790     | 17.0 % |

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