

COCA COLA FEMSA SAB DE CV
Form 6-K
July 24, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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 2012
Commission File Number 1-12260

COCA-COLA FEMSA, S.A.B. de C.V.

(Translation of registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

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

México

(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)

Yes No

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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)

Yes__No_X

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

Yes__No_X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with

Rule 12g3-2(b): 82-__.

Stock Listing
Information

2012 SECOND-QUARTER AND FIRST SIX-MONTH RESULTS

| | Second Quarter | | | | YTD | | | |
|---|----------------|--------|---------------------------|--|--------|--------|---------------------------|--|
| | 2012 | 2011 | Reported ⁽¹⁾ % | Excluding M&A Effects ⁽⁵⁾ % | 2012 | 2011 | Reported ⁽¹⁾ % | Excluding M&A Effects ⁽⁵⁾ % |
| Total Revenues | 36,295 | 28,388 | 27.9% | 16.5% | 70,356 | 54,390 | 29.4% | 19.5% |
| Gross Profit | 16,702 | 13,040 | 28.1% | | 32,165 | 24,909 | 29.1% | |
| Operating Income | 4,714 | 4,373 | 7.8% | -0.5% | 9,093 | 8,207 | 10.8% | 4.1% |
| Net Controlling Interest Income | 2,713 | 2,749 | -1.3% | | 5,393 | 4,958 | 8.8% | |
| Operative cash flow ⁽¹⁾ | 6,309 | 5,384 | 17.2% | 7.0% | 12,069 | 10,144 | 19.0% | 10.4% |
| Net Debt ⁽²⁾ | 11,997 | 10,344 | 16.0% | | | | | |
| Net Debt / Operative cash flow ⁽³⁾ | 0.49 | 0.44 | | | | | | |
| Operative cash flow / Interest Expense, net | 18.70 | 21.31 | | | | | | |
| Earnings per Share ⁽³⁾ | 5.61 | 5.76 | | | | | | |
| Capitalization ⁽⁴⁾ | 18.1% | 20.5% | | | | | | |

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 + shareholders' 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. 36,295 million in the second quarter of 2012, an increase of 27.9% as compared to the second quarter of 2011, mainly as a result of double-digit revenue growth in both divisions, including the integration of Grupo Tampico, Grupo CIMS A and Grupo Fomento Queretano in our Mexican territories. Excluding the recently integrated territories in Mexico, total revenues increased 16.5%.

Reported consolidated operating income grew 7.8% to Ps. 4,714 million for the second quarter of 2012, driven by double-digit growth in our South America division and the integration of the new territories in Mexico. Our reported operating margin was 13.0% in the second quarter of 2012.

Reported consolidated net controlling interest income reached Ps. 2,713 million in the second quarter of 2012.

Mexico City (July 24, 2012), 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 2012.



"In the face of bad weather conditions in several markets and ongoing currency and commodity volatility, we produced positive results for the second quarter. Consistent with our strategic framework, we continue to pursue growth through accretive mergers and acquisitions. As of May 2012, we started the integration of Grupo Fomento Queretano into our Mexican operations. In fact, we are fully on track to meet our previously announced net synergy targets for our series of mergers announced in 2011. Moreover, during the quarter, we initiated the on-the-ground evaluation process of The Coca-Cola Company's bottling franchise in the Philippines. Furthermore, through Jugos del Valle, our joint venture for non-carbonated products with our partner, The Coca-Cola Company, we took an additional step to reinforce our portfolio with the announcement of the acquisition of Santa Clara, a significant player in the milk and dairy category in Mexico. In summary, our operators' proven capabilities provide us with the flexibility to continue delivering positive results, while building for the future of our business—positioning our company to capture the opportunities that we see ahead in the industry and to generate incremental value for our shareholders," said Carlos Salazar Lomelin, Chief Executive Officer of the Company.

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CONSOLIDATED RESULTS

Our reported total revenues increased 27.9% to Ps. 36,295 million in the second quarter of 2012, compared to the second quarter of 2011 as a result of double-digit total revenue growth in both divisions, including the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in our Mexican operations⁽¹⁾. Excluding the recently integrated territories in Mexico, total revenues grew 16.5%. On a currency neutral basis and excluding the recently merged territories in Mexico, total revenues grew 12.3%, driven by average price per unit case growth in every territory and volume growth mainly in Venezuela, Argentina and Brazil.

Total sales volume increased 15.7% to reach 770.0 million unit cases in the second quarter of 2012 as compared to the same period in 2011. Excluding the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in Mexico, volumes remained flat at 664.0 million unit cases. On the same basis, the still beverage category grew 12%, mainly driven by the introduction of the Jugos del Valle line of business in Venezuela, the performance of the Jugos del Valle line in Mexico and Brazil and the launch of Fuze Tea in most of our territories. Our sparkling beverage category remained flat while our bottled water portfolio, including bulk water, declined 6%.

Our reported gross profit increased 28.1% to Ps. 16,702 million in the second quarter of 2012, as compared to the second quarter of 2011. Reported cost of goods sold increased 27.7%, mainly as a result of increased cost of high fructose corn syrup (HFCS) in Mexico and Argentina in combination with the depreciation of the average exchange rate of the Brazilian real⁽²⁾ and the Mexican peso⁽²⁾ and certain other operating currencies⁽²⁾ as applied to our U.S. dollar-denominated raw material costs; which were offset by lower PET prices in most of our territories and lower sugar prices in our South America division. Reported gross margin reached 46.0%, an expansion of 10 basis points as compared to the second quarter of 2011.

Our reported operating income increased 7.8% to Ps. 4,714 million in the second quarter of 2012, driven by double-digit operating income growth in the South America division, and including the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in Mexico. Our reported operating margin reached 13.0% in the second quarter of 2012, as compared with 15.4% in the same period of 2011. Excluding the integration of the recently merged territories in Mexico, operating income remained flat. On the same basis, operating expenses increased in the second quarter of 2012, mainly as a result of (i) higher labor costs in Venezuela in combination with higher labor and freight costs in Argentina and higher freight costs in Brazil, (ii) increased marketing investment to reinforce our execution in the marketplace, widen our cooler coverage and broaden our returnable base availability across our territories and the depreciation associated with these investments, (iii) additional expenses related to the development of information systems and commercial capabilities in connection with our commercial models and, (iv) certain investments related, among others, to the development of new lines of business.

During the second quarter of 2012, we recorded an expense of Ps. 469 million in the other non-operative expenses, net line. This expense mainly reflects a one-time provision related to a change in labor law in Venezuela.

Our comprehensive financing result in the second quarter of 2012 recorded an expense of Ps. 478 million as compared to an expense of Ps. 318 million in the same period of 2011. This difference was mainly driven by a higher interest expense, net.

During the second quarter of 2012, income tax, as a percentage of income before taxes, was 24.2% as compared to 28.7% in the same period of 2011. The lower effective tax rate registered during the quarter, resulted from a tax shield related to interests on capital, included in a dividend declared by our Brazilian subsidiary.

Our reported consolidated net controlling interest income reached Ps. 2,713 million in the second quarter of 2012. Earnings per share (EPS) in the second quarter of 2012 were Ps. 1.35 (Ps. 13.47 per ADS) computed on the basis of 2,014.2 million shares⁽³⁾ (each ADS represents 10 local shares).

(1) Our Mexican operations include Grupo Tampico's results as of October, 2011, Grupo CIMSA's results as of December, 2011 and Grupo Fomento Queretano's results as of May, 2012 (2) See page 12 for average and end of period exchange rates for the second quarter of 2012 and first six months (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

BALANCE SHEET

As of June 30, 2012, we had a cash balance of Ps. 9,192 million, including US\$ 259 million denominated in U.S. dollars, a decrease of Ps. 2,981 million compared to December 31, 2011. This difference was mainly driven by the payment at maturity of one of our *Certificados Bursátiles* in the amount of Ps. 3,000 million during March, 2012 and the payment of our dividend in the amount of Ps. 5,625 million during May, 2012; net of the cash generated by our operations and debt assumed during the quarter.

As of June 30, 2012, total short-term debt was Ps. 1,869 million and long-term debt was Ps. 19,320 million. Total debt decreased by Ps. 1,328 million, compared to year end 2011. Net debt increased Ps. 1,653 million compared to year end 2011. The Company's total debt balance includes U.S. dollar-denominated debt in the amount of US\$ 715 million.⁽¹⁾ This debt balance includes US\$ 200 million in U.S. dollar-denominated bilateral bank loans assumed during the second quarter.

The weighted average cost of debt for the quarter was 6.1%. The following charts set forth the Company's debt profile by currency and interest rate type and by maturity date as of June 30, 2012.

| Currency | % Total Debt ⁽¹⁾ | % Interest Rate Floating ⁽¹⁾⁽²⁾ |
|-----------------|-----------------------------|--|
| Mexican pesos | 45.0% | 30.0% |
| U.S. dollars | 45.9% | 9.4% |
| Colombian pesos | 4.7% | 80.0% |
| Brazilian reals | 0.4% | 0.0% |
| Argentine pesos | 3.9% | 22.3% |

(1) After giving effect to cross-currency swaps and interest rate swaps

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

Debt Maturity Profile

The weighted average life of our debt profile is 4.8 years.

| Maturity Date | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 + |
|-----------------|------|------|-------|-------|-------|--------|
| % of Total Debt | 5.3% | 5.6% | 19.9% | 13.4% | 11.8% | 44.0% |

Consolidated Cash Flow

The following cash flow statement is presented on a historical basis, whereas the balance sheet included on page 9 is presented in nominal terms. Certain differences resulting from calculations performed with the information contained in the balance sheet may differ from items shown in this cash flow statement. These differences are presented separately as a part of the Translation Effect in the cash flow statement in accordance with International Financial Reporting Standards. **For more detailed information about our consolidated cash flow statement, please refer to the cash flow contained in our quarterly filing to the Mexican Stock Exchange (Bolsa Mexicana de Valores or BMV) available at www.bmv.com.mx in the *Información Financiera* section for Coca-Cola FEMSA (KOF).**

Consolidated Cash Flow

Expressed in millions of Mexican pesos (Ps.) as of June 30, 2012

| | <i>Jun-12</i> |
|---------------------|---------------|
| | <i>Ps.</i> |
| Income before taxes | 7,978 |

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| | |
|---|----------------|
| Non cash charges to net income | 3,542 |
| | 11,520 |
| Change in working capital | (1,810) |
| Resources Generated by Operating Activities | 9,710 |
| Investments | (4,244) |
| Debt decrease | (1,370) |
| Dividends declared and paid | (5,584) |
| Other | (1,037) |
| Increase in cash and cash equivalents | (2,525) |
| Cash, cash equivalents and marketable securities at beginning of period | 12,173 |
| Translation Effect | (456) |
| Cash, cash equivalents and marketable securities at end of period | 9,192 |

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MEXICO & CENTRAL AMERICA DIVISION OPERATING RESULTS (Mexico, Guatemala, Nicaragua, Costa Rica and Panama)

Coca-Cola FEMSA is including the results of Grupo Tampico as of October 2011, Grupo CIMSA as of December 2011 and Grupo Fomento Queretano as of May 2012 in the Company's Mexico & Central America divisions' operating results.

Revenues

Reported total revenues from our Mexico and Central America division increased 30.2% to Ps. 17,613 million in the second quarter of 2012, as compared to the same period in 2011, supported by the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in our Mexican operations⁽¹⁾. Excluding the recently integrated territories in Mexico, total revenues grew 6.2%. On the same basis, increased average price per unit case, mainly reflecting selective price increases across our product portfolio, implemented over the past several months, accounted for the majority of incremental total revenues. On a currency neutral basis and excluding the recently merged territories in Mexico, total revenues increased 4.3%.

Reported total sales volume increased 25.4% to 504.3 million unit cases in the second quarter of 2012, as compared to the second quarter of 2011. Excluding the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in Mexico, volumes declined 1.0% to 398.3 million unit cases. On the same basis, still beverages grew 6% mainly driven by the Jugos del Valle line of products, the successful launch of the Fuze Tea brand in Mexico, Costa Rica and Panama and the performance of the Estrella Azul portfolio in Panama. The sparkling beverage category grew close to 1%. Growth in these categories was offset by an 8% decline in our bottled water portfolio, including bulk water.

Operating Income

Our reported gross profit increased 25.4% to Ps. 8,359 million in the second quarter of 2012 as compared to the same period in 2011. Reported cost of goods sold increased 34.8% as a result of higher HFCS costs in Mexico in combination with the depreciation of the average exchange rate of the Mexican peso⁽²⁾ as applied to our U.S. dollar-denominated raw material costs; which were partially offset by lower PET prices in the division. Reported gross margin reached 47.5% in the second quarter of 2012, as compared with 49.3% in the same period of the previous year.

Reported operating income increased 4.6% to Ps. 2,656 million in the second quarter of 2012, compared to Ps. 2,538 million in the same period of 2011. Our reported operating margin was 15.1% in the second quarter of 2012, as compared with 18.8% in the same period of 2011. Excluding the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in Mexico, operating income declined 9.6%. On the same basis, operating expenses increased mainly as a result of (i) additional expenses related to the development of information systems and commercial capabilities in connection with our commercial models, (ii) continued marketing investments across the division and the depreciation expenses resulting from investments in coolers and the reinforcement of our returnable base and, (iii) certain investments related to the development of new lines of business.

(1) Our Mexican operations include Grupo Tampico's results as of October, 2011, Grupo CIMSA's results as of December, 2011 and Grupo Fomento Queretano's results as of May, 2012 (2) See page 12 for average and end of period exchange rates for the second quarter of 2012 and first six months

SOUTH AMERICA DIVISION OPERATING RESULTS (Colombia, Venezuela, Brazil and Argentina)

Volume and average price per unit case exclude beer results.

Revenues

Reported total revenues were Ps. 18,682 million in the second quarter of 2012, an increase of 25.8% as compared to the same period of 2011 mainly as a result of double-digit total revenue growth in Venezuela, Argentina and Colombia. Excluding beer, which accounted for Ps. 961 million during the quarter, revenues increased 26.5% to Ps. 17,721 million. Excluding beer, higher average prices per unit case across our operations accounted for more than 95% of incremental revenues and volume growth in Venezuela, Argentina and Brazil contributed the balance. On a currency neutral basis, total revenues increased 19.5%.

Reported total sales volume in our South America division increased 0.9% to 265.7 million unit cases in the second quarter of 2012 as compared to the same period of 2011, as a result of volume growth in Venezuela, Argentina and Brazil, which compensated for the volume decline in Colombia. The still beverage category grew 21%, mainly driven by the introduction of the Jugos del Valle line of business in Venezuela and its continued success in Brazil, alongside the launch of Fuze Tea in Venezuela and Colombia. Our water portfolio, including bulk water, grew 2% and our sparkling beverage category remained flat.

Operating Income

Reported gross profit reached Ps. 8,343 million, an increase of 30.9% in the second quarter of 2012, as compared to the same period of 2011. Reported cost of goods sold increased 21.9%. Lower cost of PET in most of the territories and lower cost of sugar in the division, was partially offset by the depreciation of the average exchange rate of the Brazilian real⁽¹⁾ and the Argentine peso⁽¹⁾ as applied to our U.S. dollar-denominated raw material costs. Reported gross margin reached 44.7% in the second quarter of 2012, an expansion of 180 basis points as compared to the same period of 2011.

Our reported operating income increased 12.2% to Ps. 2,058 million in the second quarter of 2012, compared to the same period of 2011. Reported operating expenses increased 38.8%, mainly as a result of (i) higher labor costs in Venezuela in combination with higher labor and freight costs in Argentina and higher freight costs in Brazil and (ii) increased marketing investment to reinforce our execution in the marketplace, widen our cooler coverage and broaden our returnable base availability across the division and the depreciation associated with these investments. Our reported operating margin was 11.0% in the second quarter of 2012 as compared with 12.4% in the same period of 2011.

(1) See page 12 for average and end of period exchange rates for the second quarter of 2012 and first six months

SUMMARY OF SIX-MONTH RESULTS

Our consolidated total revenues increased 29.4% to Ps. 70,356 million in the first six months of 2012, as compared to the same period of 2011, as a result of double-digit total revenue growth in both divisions, including the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in our Mexican operations.⁽¹⁾ Excluding the recently integrated territories in Mexico, total revenues grew 19.5%. On a currency neutral basis and excluding the recently merged territories in Mexico, total revenues increased 14.9% in the first half of 2012.

Total sales volume increased 15.9% to 1,473.1 million unit cases in the first six months of 2012, as compared to the same period in 2011. Excluding the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in Mexico, volumes grew 2.1% to 1,297.3 million unit cases. On the same basis, the sparkling beverage category grew 2%, driven by a 2% growth of the *Coca-Cola* brand and a 5% growth in flavored sparkling beverages. The still beverage category grew 12%, mainly driven by the performance of the Jugos del Valle line of business across our territories. These increases more than compensated for a 3% decline in our bottled water portfolio, including bulk water.

Our gross profit increased 29.1% to Ps. 32,165 million in the first six months of 2012, as compared to the same period of 2011. Cost of goods sold increased 29.5% mainly as a result of higher sweetener costs in the majority of our operations, in addition to the depreciation of the Brazilian real,⁽¹⁾ the Mexican peso⁽¹⁾ and the Argentine peso⁽¹⁾ as applied to our U.S. dollar-denominated raw material costs. Gross margin remained flat at 45.7% for the first six months of 2012 as compared to the same period of 2011.

Our consolidated operating income increased 10.8% to Ps. 9,093 million in the first six months of 2012, as compared to the same period of 2011, mainly driven by double-digit operating income growth in our South America division and the integration of Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano in Mexico. Our reported operating margin was 12.9% for the first six months of 2012, as compared to 15.1% in the same period of 2011. Excluding the integration of the recently merged territories in Mexico, operating income grew 4.1%. On the same basis, operating expenses increased, mainly as a result of (i) higher labor costs in Venezuela, in combination with higher labor and freight costs in Argentina and higher freight costs in Brazil, (ii) increased marketing investment to reinforce our execution in the marketplace, widen our cooler coverage and broaden our returnable base availability across our territories and the depreciation associated with these investments, (iii) additional expenses related to the development of information systems and commercial capabilities in connection with our commercial models and (iv) certain investments related, among others, to the development of new lines of business.

Our consolidated net controlling interest income increased 8.8% to Ps. 5,393 million in the first six months of 2012 as compared to the same period of 2011. Earnings per share (EPS) in the first six months of 2012 were Ps. 2.70 (Ps. 26.97 per ADS) computed on the basis of 1,999.8 million shares⁽³⁾ outstanding (each ADS represents 10 local shares).

(1) Our Mexican operations include Grupo Tampico's results as of October, 2011, Grupo CIMSA's results as of December, 2011 and Grupo Fomento Queretano's results as of May, 2012 (2) See page 12 for average and end of period exchange rates for the second quarter of 2012 and first six months.

(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

RECENT DEVELOPMENTS

On May 7, 2012, Coca-Cola FEMSA and Grupo Fomento Queretano and its shareholders announced the successful merger of Grupo Fomento Queretano's beverage division with Coca-Cola FEMSA. This transaction received all necessary approvals, including the approval of the *Comisión Federal de Competencia*, the Mexican antitrust authority, and The Coca-Cola Company. Subsequently, Coca-Cola FEMSA held an extraordinary shareholders meeting on May 4, 2012, at which the Company's shareholders approved this merger. Our Mexican operations include Grupo Fomento Queretano's results as of May, 2012.

On July 11, 2012, Jugos del Valle, which is jointly owned by The Coca-Cola Company and the Coca-Cola bottling system, received regulatory approval to acquire Santa Clara, one of the leading players in milk, ice cream and dairy related products in Mexico. This will allow the Coca-Cola bottling system to reinforce its portfolio of non-carbonated beverages.

CONFERENCE CALL INFORMATION

Our second-quarter 2012 Conference Call will be held on July 24, 2012, at 05:00 P.M. Eastern Time (04:00 P.M. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: 866-700-7477 or International: 617-213-8840. We invite investors to listen to the live audiocast of the conference call on the Company's website, www.coca-colafemsa.com. If you are unable to participate live, an instant replay of the conference call will be available through July 30, 2012. To listen to the replay, please dial: Domestic U.S.: 888-286-8010 or International: 617-801-6888. Pass code: 72332505.vvv

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), and Argentina (Buenos Aires and surrounding areas), along with bottled water, juices, teas, isotonic, beer, and other beverages in some of these territories. The Company has 37 bottling facilities in Latin America and serves close to 1,800,000 retailers in the region.vvv

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.vvv

(5 pages of tables to follow)

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Consolidated

Income Statement

Expressed in millions of Mexican pesos⁽¹⁾

| | 2Q 12 | % Rev | 2Q 11 | % Rev | Reported ⁽²⁾ % | Excluding M&A Effects ⁽⁵⁾ % | YTD 12 | % Rev | YTD 11 | % Rev | Reported ⁽²⁾ % | Excluding M&A Effects ⁽⁵⁾ % |
|--|--------|----------|--------|----------|---------------------------|--|-----------|----------|-----------|----------|---------------------------|--|
| Volume (million unit cases) ⁽²⁾ | 770.0 | | 665.6 | | 15.7% | -0.2% | 1,473.1 | | 1,270.5 | | 15.9% | 2.1% |
| Average price per unit case ⁽²⁾ | 45.66 | | 41.19 | | 10.8% | 16.8% | 46.16 | | 41.25 | | 11.9% | 17.2% |
| Net revenues | 36,119 | | 28,267 | | 27.8% | | 69,934 | | 54,140 | | 29.2% | |
| Other operating revenues | 176 | | 121 | | 45.5% | | 422 | | 250 | | 68.8% | |
| Total revenues | 36,295 | 100% | 28,388 | 100% | 27.9% | 16.5% | 70,356 | 100% | 54,390 | 100% | 29.4% | 19.5% |
| Cost of goods sold | 19,593 | 54.0% | 15,348 | 54.1% | 27.7% | | 38,191 | 54.3% | 29,481 | 54.2% | 29.5% | |
| Gross profit | 16,702 | 46.0% | 13,040 | 45.9% | 28.1% | | 32,165 | 45.7% | 24,909 | 45.8% | 29.1% | |
| Operating expenses | 11,937 | 32.9% | 8,632 | 30.4% | 38.3% | | 23,083 | 32.8% | 16,663 | 30.6% | 38.5% | |
| Other operative expenses, net | 51 | 0.1% | 35 | 0.1% | 45.7% | | (11) | 0.0% | 39 | 0.1% | -128.2% | |
| Operating income ⁽³⁾ | 4,714 | 13.0% | 4,373 | 15.4% | 7.8% | -0.5% | 9,093 | 12.9% | 8,207 | 15.1% | 10.8% | 4.1% |
| Other non operative expenses, net | 469 | | 59 | | 694.9% | | 499 | | 102 | | 389.2% | |
| Interest expense | 433 | | 401 | | 8.0% | | 920 | | 743 | | 23.8% | |