

MEXICAN ECONOMIC DEVELOPMENT INC  
Form 6-K  
October 26, 2017

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 October 2017

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

(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-\_\_\_\_\_

## FEMSA Announces Third Quarter 2017 Results

**Monterrey, Mexico, October 26, 2017** — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the third quarter of 2017.

### FINANCIAL HIGHLIGHTS:

- 14.3% revenue growth (5.4% on an organic<sup>1</sup> basis) at FEMSA Consolidated
- 11.9% revenue growth at FEMSA Comercio’s Retail Division
- 5.3% income from operations growth at FEMSA Comercio’s Health Division
- 16.2% same-station sales growth at FEMSA Comercio’s Fuel Division
- 16.6% revenue growth (-1.8% on an organic<sup>1</sup> basis) at Coca-Cola FEMSA

### FINANCIAL SUMMARY FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2017

Change vs. same period of last year

|                    | Revenues |       |      | Gross Profit |       |   | Income from Operations |       |       |      | Same-Store Sales |   |      |       |
|--------------------|----------|-------|------|--------------|-------|---|------------------------|-------|-------|------|------------------|---|------|-------|
|                    | 3Q17     | YTD17 |      | 3Q17         | YTD17 |   | 3Q17                   | YTD17 |       | 3Q17 | YTD17            |   | 3Q17 | YTD17 |
| FEMSA CONSOLIDATED | 14.3 %   | 20.9  | %    | 13.3 %       | 18.9  | % | 0.9                    | %     | 8.0   | %    |                  |   |      |       |
| FEMSA COMERCIO     |          |       |      |              |       |   |                        |       |       |      |                  |   |      |       |
| Retail Division    | 11.9 %   | 13.3  | %    | 13.8 %       | 15.7  | % | 6.6                    | %     | 9.0   | %    | 4.9              | % | 7.0  | %     |
| Health Division    | 1.8      | %     | 12.0 | %            | 5.2   | % | 13.6                   | %     | 5.3   | %    | 2.4              | % | 0.2  | %     |
| Fuel Division      | 27.5 %   | 37.2  | %    | 19.2 %       | 20.6  | % | 3.3                    | %     | -11.7 | %    | 16.2             | % | 21.0 | %     |
| COCA-COLA FEMSA    | 16.6 %   | 25.6  | %    | 16.6 %       | 22.9  | % | -2.8                   | %     | 7.0   | %    |                  |   |      |       |

Carlos Salazar Lomelín, FEMSA’s CEO, commented: “The third quarter was atypical, and one that unfortunately we will remember for the number and severity of natural disasters that took place during the month of September. In particular, the earthquakes in Mexico caused tremendous human loss. Much less importantly, but of relevance to our results, these disasters had a moderate impact on our numbers.

However, our business units made progress across markets. FEMSA Comercio's Retail Division added new stores at an accelerated pace, and same-store-sales continued to grow well in spite of some quake-related temporary store closures, while we saw stable results at our Health Division. And at the Fuel Division, we saw sequential improvement in profitability as the industry continues to evolve. Meanwhile, at Coca-Cola FEMSA our Mexico operations had to contend with flooding and business disruptions linked to the natural disasters, while we continued to see challenging conditions in some of our South American markets but early signs of stabilization in Brazil, and encouraging trends in Argentina.

Finally, as you know we successfully monetized a small portion of our Heineken shares, strengthening our balance sheet and improving our financial flexibility in an efficient manner. All told, it was an eventful third quarter that sets us up for a solid close of the year and, more importantly, for sustained growth in 2018 and beyond."

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

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9:00 AM ET [Earnings Conference Call](#)

## Quarterly results

*Results are compared to the same period of previous year*

femsa consolidated

## FEMSA CONSOLIDATED

### 3Q17 Financial Summary

(Millions of Ps.)

|   | 3Q17    | 3Q16    | Var. |     |
|---|---------|---------|------|-----|
| Revenues                                | 114,648 | 100,325 | 14.3 | %   |
| Income from Operations                  | 9,385   | 9,303   | 0.9  | %   |
| Income from Operations Margin (%)       | 8.2     | 9.3     | -110 | bps |
| Operative Cash Flow (EBITDA)            | 14,813  | 13,340  | 11.0 | %   |
| Operative Cash Flow (EBITDA) Margin (%) | 12.9    | 13.3    | -40  | bps |
| Net Income                              | 33,715  | 7,930   | N.S. |     |

## CONSOLIDATED BALANCE SHEET

(Millions of Ps.)

| As of September 30, 2017    | Ps.           | US\$ <sup>3</sup> |
|-----------------------------|---------------|-------------------|
| Cash Balance                | 101,139       | 5,573             |
| Short-term debt             | 6,737         | 371               |
| Long-term debt              | 113,121       | 6,233             |
| <b>Net debt<sup>4</sup></b> | <b>18,719</b> | <b>1,031</b>      |

**Total revenues** increased 14.3%, reflecting growth across all operations including the consolidation of the Philippines and the integration of Vonpar at Coca-Cola FEMSA. On an organic basis,<sup>1</sup> total revenues grew 5.4%.

**Gross profit** grew 13.3%. Gross margin contracted 30 basis points, mostly driven by the growth of lower margin businesses at FEMSA Comercio.

**Income from operations** increased 0.9%. On an organic basis,<sup>1</sup> income from operations decreased 5.9% reflecting a decline at Coca-Cola FEMSA. Consolidated operating margin decreased 110 basis points to 8.2% of total revenues, mostly driven by a margin contraction at Coca-Cola FEMSA. This decrease also reflects higher freight and labor expenses, and the consolidation of Coca-Cola FEMSA's results in the Philippines, as well as a margin contraction at FEMSA Comercio's Retail Division.

Our **effective income tax rate** was 16.8% in 3Q17 compared to 21.9% in 3Q16.

**Net consolidated income** increased significantly to reach Ps. 33,715 million, mainly driven by the extraordinary non-operating income generated from the sale of 5.24% of the combined interest in the Heineken Group completed on September 18, 2017. This increase also reflected a gain in Other financial income driven by Coca-Cola FEMSA, and a foreign exchange gain related to a substantially higher U.S. dollar-denominated cash position at FEMSA coming from the sale of the Heineken shares, as impacted by the depreciation of the Mexican peso during the final days of the quarter.

**Net majority income** was Ps. 9.07 per FEMSA Unit<sup>2</sup> and US\$ 5.00 per FEMSA ADS.

**Capital expenditures** amounted to Ps. 6,139 million, reflecting higher investments in Coca-Cola FEMSA.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

<sup>2</sup> 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 September 30, 2017 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

<sup>3</sup> The exchange rate published by the Federal Reserve Bank of New York for September 29, 2017 was 18.1480 MXN per USD.

<sup>4</sup> Includes the effect of derivative financial instruments on long-term debt.

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## FEMSA COMERCIO – RETAIL DIVISION

## FEMSA COMERCIO – RETAIL DIVISION

## 3Q17 Financial Summary

(Millions of Ps. except same-stores sales)

|  | 3Q17   | 3Q16   | Var. |            |
|--|--------|--------|------|------------|
| Same-store sales (thousands of Ps.)            | 788    | 751    | 4.9  | %          |
| Revenues                                       | 40,292 | 35,997 | 11.9 | %          |
| Income from Operations                         | 3,267  | 3,064  | 6.6  | %          |
| <i>Income from Operations Margin (%)</i>       | 8.1    | 8.5    | -40  | <i>bps</i> |
| Operative Cash Flow (EBITDA)                   | 4,446  | 4,084  | 8.9  | %          |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 11.0   | 11.3   | -30  | <i>bps</i> |

**Total revenues** increased 11.9% reflecting the opening of 225 net new OXXO stores in the quarter to reach 1,304 total net new store openings for the last twelve months. As of September 30, 2017, FEMSA Comercio's Retail Division had a total of 15,999 OXXO stores. OXXO's same-store sales increased an average of 4.9%, reflecting resilient consumer trends that were partially offset by the headwinds from natural disasters that affected central and southern Mexico during September. This performance was driven by 3.8% growth in average customer ticket and an increase of 1.1% in store traffic.

**Gross profit** increased by 13.8%, resulting in a gross margin expansion of 60 basis points to 37.4% of total revenues, on top of a challenging comparison base in 2016. This expansion mainly reflects: i) sustained growth of the services category, including income from financial services; ii) increased and more efficient promotional programs with our key supplier partners; and iii) healthy trends in our commercial income activity.

**Income from operations** increased 6.6%. Operating expenses increased 15.9% to Ps. 11,788 million, above revenues, mainly reflecting: i) our continuing initiative to improve the compensation structure of key in-store personnel; ii) a sustained increase in electricity tariffs year over year; and iii) higher secure cash transportation costs driven by increased volume and higher fuel prices. Operating margin contracted 40 basis points to 8.1% of total revenues.

## FEMSA COMERCIO – HEALTH DIVISION

## FEMSA COMERCIO – HEALTH DIVISION

## 3Q17 Financial Summary

(Millions of Ps. except same-stores sales)

|  | 3Q17   | 3Q16   | Var. |            |
|--|--------|--------|------|------------|
| Same-store sales (thousands of Ps.)            | 1,482  | 1,479  | 0.2  | %          |
| Revenues                                       | 11,395 | 11,194 | 1.8  | %          |
| Income from Operations                         | 417    | 396    | 5.3  | %          |
| <i>Income from Operations Margin (%)</i>       | 3.7    | 3.5    | 20   | <i>bps</i> |
| Operative Cash Flow (EBITDA)                   | 636    | 625    | 1.8  | %          |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 5.6    | 5.6    | 0    | <i>bps</i> |

**Total revenues** increased 1.8%, mainly driven by growth in our South American operations. As of September 30, 2017, FEMSA Comercio's Health Division had a total of 2,178 points of sale across our territories, reflecting the addition of 24 net new stores in the quarter to reach 77 total net new store openings for the last twelve months. Same-store sales for drugstores increased an average of 0.2%, reflecting soft growth trends in the Chilean market as well as in Mexico, where we continued to experience pressure in oil-dependent southeastern markets as well as increased competitive dynamics overall.

**Gross profit** increased by 5.2%, resulting in a gross margin expansion of 90 basis points to 29.9% of total revenues, reflecting positive sales mix as well as a more effective collaboration and execution with our key supplier partners.

**Income from operations** grew 5.3%. Operating expenses increased 5.1% to Ps. 2,992 million, ahead of revenues. Operating margin increased 20 basis points to 3.7% of total revenues. In Mexico we again saw pressure on profitability as we continue advancing the integration of a single operating platform, building our distribution capabilities and increased services at our drugstores such as on-site doctors and home delivery in Mexico.

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## FEMSA COMERCIO – FUEL DIVISION

## FEMSA COMERCIO – FUEL DIVISION

## 3Q17 Financial Summary

(Millions of Ps. except same-stations sales)

|  | 3Q17  | 3Q16  | Var. |            |
|--|-------|-------|------|------------|
| Same-station sales (thousands of Ps.)          | 8,520 | 7,335 | 16.2 | %          |
| Revenues                                       | 9,624 | 7,548 | 27.5 | %          |
| Income from Operations                         | 94    | 91    | 3.3  | %          |
| <i>Income from Operations Margin (%)</i>       | 1.0   | 1.2   | -20  | <i>bps</i> |
| Operative Cash Flow (EBITDA)                   | 130   | 115   | 13.0 | %          |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 1.4   | 1.5   | -10  | <i>bps</i> |

**Total revenues** increased 27.5% reflecting a national price increase established at the beginning of the year as well as moderate growth in the number of stations. As of September 30, 2017, FEMSA Comercio's Fuel Division had a total of 397 OXXO GAS service stations. Same-station sales increased an average of 16.2%, as the average price per liter increased by 18.2% reflecting the national price increase mentioned above, while the average volume decreased by 1.7% mainly from consumer reaction to the higher prices.

**Gross profit** increased by 19.2%, below revenues, resulting in a gross margin contraction of 50 basis points to 7.5% of total revenues as a consequence of the aforementioned national price increase.

**Income from operations** increased 3.3%. Operating expenses increased 22.1% to Ps. 625 million, below revenues. Operating margin contracted 20 basis points to 1.0% of total revenues, reflecting the gross margin contraction described in the previous paragraph, partially offset by expense containment and certain operating efficiencies at our service stations.

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**results FOR THE FIRST NINE MONTHS OF 2017**

*Results are compared to the same period of previous year*

femsa consolidated

**FEMSA CONSOLIDATED**

**YTD Financial Summary**

(Millions of Ps.)

|  | YTD17   | YTD16   | Var.        |
|--|---------|---------|-------------|
| Revenues                                       | 340,950 | 281,970 | 20.9 %      |
| Income from Operations                         | 27,580  | 25,548  | 8.0 %       |
| <i>Income from Operations Margin (%)</i>       | 8.1     | 9.1     | -100<br>bps |
| Operative Cash Flow (EBITDA)                   | 43,287  | 36,556  | 18.4 %      |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 12.7    | 13.0    | -30<br>bps  |
| Net Income                                     | 45,693  | 18,356  | 148.9 %     |

**Total revenues** increased 20.9%, mainly driven by the consolidation of Coca-Cola FEMSA Philippines and Vonpar into Coca-Cola FEMSA's results and by solid growth across all operations. On an organic basis,<sup>1</sup> total revenues increased 11.0%.

**Gross profit** increased 18.9%. Gross margin decreased 60 basis points to 36.1% of total revenues, reflecting a contraction in Coca-Cola FEMSA's gross margin as a result of higher sugar costs in Mexico, as well as the incorporation and growth of lower margin businesses at FEMSA Comercio.

**Income from operations** increased 8.0%. On an organic basis,<sup>1</sup> income from operations decreased 1.8%. Our consolidated operating margin decreased 100 basis points to 8.1% of total revenues, reflecting: i) the incorporation of structurally lower-margin results from Coca-Cola FEMSA Philippines, ii) an operating margin contraction across several businesses, and iii) the integration and faster growth of FEMSA Comercio's three divisions, whose lower margins tend to compress FEMSA's consolidated margins over time.

**Net consolidated income** increased 148.9% to Ps. 45,693 million, reflecting growth in our income from operations and higher non-operating income resulting from the sale of 5.24% of the combined interest in the Heineken Group completed on September 18, 2017, which more than offset higher financing expenses.

**Net majority income** per FEMSA Unit<sup>2</sup> was Ps. 11.00 (US\$ 6.06 per ADS).

**Capital expenditures** amounted to Ps. 17,183 million, reflecting higher investments in most of our business units.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

<sup>2</sup> 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 September 30, 2017 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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**femsa comercio – retail division**

**FEMSA COMERCIO – RETAIL DIVISION**

**YTD Financial Summary**

(Millions of Ps. except same-stores sales)

|  | YTD17   | YTD16   | Var. |            |
|--|---------|---------|------|------------|
| Same-store sales (thousands of Ps.)            | 764     | 714     | 7.0  | %          |
| Revenues                                       | 114,022 | 100,646 | 13.3 | %          |
| Income from Operations                         | 8,064   | 7,401   | 9.0  | %          |
| <i>Income from Operations Margin (%)</i>       | 7.1     | 7.4     | -30  | <i>bps</i> |
| Operative Cash Flow (EBITDA)                   | 11,533  | 10,346  | 11.5 | %          |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 10.1    | 10.3    | -20  | <i>bps</i> |

**Total revenues** increased 13.3%. OXXO's same-store sales increased an average of 7.0%, driven by a 4.2% increase in average customer ticket and a 2.6% increase in store traffic.

**Gross profit** increased by 15.7%. Gross margin expanded by 80 basis points to 36.7% of total revenues.

**Income from operations** increased 9.0% resulting in an operating margin of 7.1%, which represents a contraction of 30 basis points, largely reflecting our continuing initiative to improve the compensation structure of key in-store personnel and a sustained increase in electricity tariffs.

**femsa comercio – health division**

**FEMSA COMERCIO – HEALTH DIVISION**

**YTD Financial Summary**

(Millions of Ps. except same-stores sales)

|                                     | YTD17  | YTD16  | Var. |   |
|-------------------------------------|--------|--------|------|---|
| Same-store sales (thousands of Ps.) | 1,551  | 1,428  | 8.6  | % |
| Revenues                            | 34,850 | 31,119 | 12.0 | % |

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|  |       |       |     |            |
|--|-------|-------|-----|------------|
| Income from Operations                         | 996   | 973   | 2.4 | %          |
| <i>Income from Operations Margin (%)</i>       | 2.9   | 3.1   | -20 | <i>bps</i> |
| Operative Cash Flow (EBITDA)                   | 1,694 | 1,613 | 5.0 | %          |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 4.9   | 5.2   | -30 | <i>bps</i> |

**Total revenues** increased by 12.0%. Same-store sales for drugstores increased by an average of 8.6%.

**Gross profit** increased by 13.6%. Gross margin expanded by 40 basis points to 29.2% of total revenues.

**Income from operations** increased 2.4% resulting in an operating margin of 2.9%, which represents a contraction of 20 basis points, reflecting: i) higher expenses in Mexico stemming from the ongoing integration of a shared business platform, ii) improvements to the incentive and compensation structure for our in-store personnel, and iii) increased services at our drugstores in Mexico.

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## FEMSA COMERCIO – FUEL DIVISION

## FEMSA COMERCIO – FUEL DIVISION

### YTD Financial Summary

(Millions of Ps. except same-stations sales)

|  | YTD17  | YTD16  | Var.  |            |
|--|--------|--------|-------|------------|
| Same-station sales (thousands of Ps.)          | 8,437  | 6,972  | 21.0  | %          |
| Revenues                                       | 28,211 | 20,562 | 37.2  | %          |
| Income from Operations                         | 158    | 179    | -11.7 | %          |
| <i>Income from Operations Margin (%)</i>       | 0.6    | 0.9    | -30   | <i>bps</i> |
| Operative Cash Flow (EBITDA)                   | 259    | 250    | 3.6   | %          |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 0.9    | 1.2    | -30   | <i>bps</i> |

**Total revenues** increased 37.2%. Same-station sales increased an average of 21.0%, driven by a 21.6% increase in the average price per liter and a slight decrease of 0.5% in the average volume.

**Gross profit** increased by 20.6%. Gross margin contracted by 100 basis points to 6.9% of total revenues, reflecting the fact that gross profit per liter remained flat in peso terms compared to the same period in 2016.

**Income from operations** decreased 11.7%, resulting in an operating margin contraction of 30 basis points, as expense containment and operational efficiencies only partially offset the contraction in gross margin described above.

### 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).*

### recent developments

**FEMSA COMPLETES SHARE OFFERING OF A 5.24% COMBINED INTEREST IN THE HEINEKEN GROUP**

On September 18, 2017, FEMSA announced the sale of 5.24% of the combined interest in the Heineken Group (the “Equity Offering”), comprising a combination of existing issued ordinary shares of both Heineken N.V. and Heineken Holding N.V.

The Equity Offering consisted of:

22,485,000 Shares in Heineken N.V. representing 3.90% of the issued share capital at a price of €84.50 per share, raising gross proceeds of approximately 1.9 billion Euros.  
7,700,000 Shares in Heineken Holding N.V. representing 2.67% of the issued share capital at a price of €78.00 per share, raising gross proceeds of approximately 600 million Euros.

Following the completion of the Equity Offering, FEMSA’s shareholding in Heineken N.V. decreased from 12.53% to 8.63% and in Heineken Holding N.V. from 14.94% to 12.26%, for an overall decrease of FEMSA’s economic interest in the Heineken Group from 20.00% to 14.76%. L'Arche Green N.V., the entity through which the Heineken family exercises control of Heineken Holding N.V., acquired 2,564,102 shares of Heineken Holding N.V. in the Equity Offering.

After the Equity Offering, FEMSA, under the terms of the Corporate Governance Agreement dated April 30, 2010, retained its existing governance rights, including one seat on the Board of Directors of Heineken Holding N.V. and two seats on the Supervisory Board of Heineken N.V.

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FEMSA continues to be a significant shareholder in the Heineken Group and a long term supporter of the Heineken Group's strategy.

#### CONFERENCE CALL INFORMATION:

Our Third Quarter 2017 Conference Call will be held on: Friday, October 27, 2017, 9:00 AM Eastern Time (8:00 AM Mexico City Time). To participate in the conference call, please dial: Domestic US: (888) 602 6363; International: (719) 457 2735; Conference Id: 9150893. 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 by volume; 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 through FEMSA Comercio, comprising a Retail Division operating various small-format store chains including OXXO, a Fuel Division, operating the OXXO GAS chain of retail service stations, and a Health Division, which includes drugstores and related operations. Additionally, through its Strategic Businesses unit, it provides logistics, point-of-sale refrigeration solutions and plastics solutions to FEMSA's business units and third-party clients.

The translations of Mexican pesos into US dollars are included solely for the convenience of the reader, using the noon buying rate for Mexican pesos as published by the Federal Reserve Bank of New York on September 29, 2017, which was 18.1480 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.*

Seven pages of tables and Coca-Cola FEMSA's press release to follow



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

|   | For the third quarter of: |              |         |              |           |                 | For the nine months of: |              |          |              |  |
|---|---------------------------|--------------|---------|--------------|-----------|-----------------|-------------------------|--------------|----------|--------------|--|
|   | 2017                      | % of<br>rev. | 2016    | % of<br>rev. | % Var.    | %<br>Org<br>(A) | 2017                    | % of<br>rev. | 2016     | % of<br>rev. |  |
| Total revenues  | 114,648                   | 100.0        | 100,325 | 100.0        | 14.3      | 5.4             | 340,950                 | 100.0        | 281,970  | 100.0        |  |
| Cost of sales   | 73,130                    | 63.8         | 63,694  | 63.5         | 14.8      |                 | 217,818                 | 63.9         | 178,384  | 63.3         |  |
| Gross profit  | 41,518                    | 36.2         | 36,631  | 36.5         | 13.3      |                 | 123,132                 | 36.1         | 103,586  | 36.7         |  |
| Administrative expenses   | 3,895                     | 3.4          | 3,316   | 3.3          | 17.5      |                 | 12,151                  | 3.6          | 10,475   | 3.7          |  |
| Selling expenses  | 27,920                    | 24.3         | 23,883  | 23.8         | 16.9      |                 | 83,247                  | 24.4         | 67,541   | 23.9         |  |
| Other operating expenses<br>(income), net <sup>(1)</sup>            | 318                       | 0.3          | 129     | 0.1          | 146.5     |                 | 154                     | -            | 22       | -            |  |
| Income from operations <sup>(2)</sup>                               | 9,385                     | 8.2          | 9,303   | 9.3          | 0.9       | (5.9)           | 27,580                  | 8.1          | 25,548   | 9.1          |  |
| Other non-operating expenses<br>(income)                            | (28,161 )                 |              | 965     |              | N.S.      |                 | (27,793 )               |              | 2,261    |              |  |
| Interest expense  | 2,734                     |              | 2,506   |              | 9.1       |                 | 8,544                   |              | 6,958    |              |  |
| Interest income   | 443                       |              | 329     |              | 34.7      |                 | 1,083                   |              | 821      |              |  |
| Interest expense, net   | 2,291                     |              | 2,177   |              | 5.2       |                 | 7,461                   |              | 6,137    |              |  |
| Foreign exchange loss (gain)  | (771 )                    |              | (147 )  |              | N.S.      |                 | 1,409                   |              | -        |              |  |
| Other financial expenses<br>(income), net.                          | (1,535 )                  |              | (378 )  |              | N.S.      |                 | (2,819 )                |              | (1,159 ) |              |  |
| Financing expenses, net   | (15 )                     |              | 1,652   |              | (100.9)   |                 | 6,051                   |              | 4,978    |              |  |
| Income before income tax and<br>participation in associates results | 37,561                    |              | 6,686   |              | N.S.      |                 | 49,322                  |              | 18,309   |              |  |
| Income tax  | 6,302                     |              | 1,468   |              | N.S.      |                 | 9,197                   |              | 4,827    |              |  |
| Participation in associates<br>results <sup>(3)</sup>               | 2,456                     |              | 2,712   |              | (9.4 )    |                 | 5,568                   |              | 4,874    |              |  |
| Net consolidated income   | 33,715                    |              | 7,930   |              | N.S.      |                 | 45,693                  |              | 18,356   |              |  |
| Net majority income   | 32,449                    |              | 6,691   |              | N.S.      |                 | 39,368                  |              | 14,477   |              |  |
| Net minority income   | 1,266                     |              | 1,239   |              | 2.2       |                 | 6,325                   |              | 3,879    |              |  |
|   |                           |              |         |              |           |                 |                         |              |          |              |  |
| Operative Cash Flow & CAPEX   | 2017                      | % of<br>rev. | 2016    | % of<br>rev. | %<br>Var. | %<br>Org<br>(A) | 2017                    | % of<br>rev. | 2016     | % of<br>rev. |  |
| Income from operations  | 9,385                     | 8.2          | 9,303   | 9.3          | 0.9       | (5.9)           | 27,580                  | 8.1          | 25,548   | 9.1          |  |
| Depreciation  | 4,148                     | 3.6          | 3,074   | 3.1          | 34.9      |                 | 11,858                  | 3.5          | 8,602    | 3.1          |  |
| Amortization & other non-cash<br>charges                            | 1,280                     | 1.1          | 963     | 0.9          | 32.9      |                 | 3,849                   | 1.1          | 2,406    | 0.8          |  |
| Operative Cash Flow (EBITDA)  | 14,813                    | 12.9         | 13,340  | 13.3         | 11.0      | 1.3             | 43,287                  | 12.7         | 36,556   | 13.0         |  |
| CAPEX   | 6,139                     |              | 5,704   |              | 7.6       |                 | 17,183                  |              | 13,320   |              |  |

| Financial Ratios                 | 2017    | 2016    | Var.<br>p.p. |
|----------------------------------|---------|---------|--------------|
| Liquidity <sup>(4)</sup>         | 1.88    | 1.37    | 0.51         |
| Interest coverage <sup>(5)</sup> | 6.47    | 6.13    | 0.34         |
| Leverage <sup>(6)</sup>          | 0.81    | 0.91    | (0.10 )      |
| Capitalization <sup>(7)</sup>    | 28.11 % | 31.92 % | (3.81 )      |

(A) Organic basis (% Org.) Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place at the beginning of first quarter 2016.

(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) Mainly 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  | Sep-17         | Dec-16         | %<br>Var.  |
|---|----------------|----------------|------------|
| Cash and cash equivalents                         | 101,139        | 43,757         | 131.1      |
| Accounts receivable                               | 24,666         | 26,222         | (5.9 )     |
| Inventories                                       | 30,751         | 31,932         | (3.7 )     |
| Other current assets                              | 18,631         | 16,040         | 16.2       |
| Total current assets                              | 175,187        | 117,951        | 48.5       |
| Investments in shares                             | 86,954         | 128,601        | (32.4 )    |
| Property, plant and equipment, net                | 114,256        | 102,223        | 11.8       |
| Intangible assets <sup>(1)</sup>                  | 151,238        | 153,268        | (1.3 )     |
| Other assets                                      | 39,081         | 43,580         | (10.3 )    |
| <b>TOTAL ASSETS</b>                               | <b>566,716</b> | <b>545,623</b> | <b>3.9</b> |
| <b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>     |                |                |            |
| Bank loans  | 2,434          | 1,912          | 27.3       |
| Current maturities of long-term debt              | 4,303          | 5,369          | (19.9 )    |
| Interest payable                                  | 1,562          | 976            | 60.0       |
| Operating liabilities                             | 84,921         | 78,032         | 8.8        |
| Total current liabilities                         | 93,220         | 86,289         | 8.0        |
| Long-term debt <sup>(2)</sup>                     | 113,121        | 123,494        | (8.4 )     |
| Labor liabilities                                 | 5,008          | 4,447          | 12.6       |
| Other liabilities                                 | 42,167         | 45,223         | (6.8 )     |
| Total liabilities                                 | 253,516        | 259,453        | (2.3 )     |
| Total stockholders' equity                        | 313,200        | 286,170        | 9.4        |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>566,716</b> | <b>545,623</b> | <b>3.9</b> |

| <b>DEBT MIX <sup>(2)</sup></b> | September 30, 2017 |              |      |   |
|--------------------------------|--------------------|--------------|------|---|
|                                | % of<br>Total      | Average Rate |      |   |
| Denominated in:                |                    |              |      |   |
| Mexican pesos                  | 42.1               | %            | 7.9  | % |
| U.S. Dollars                   | 0.6                | %            | 4.5  | % |
| Euros                          | 16.8               | %            | 1.8  | % |
| Colombian pesos                | 2.0                | %            | 8.3  | % |
| Argentine pesos                | 0.1                | %            | 22.4 | % |
| Brazilian reais                | 34.7               | %            | 9.1  | % |
| Chilean pesos                  | 3.7                | %            | 5.8  | % |
| Total debt                     | 100.0              | %            | 7.2  | % |

|                              |      |   |
|------------------------------|------|---|
| Fixed rate <sup>(2)</sup>    | 77.2 | % |
| Variable rate <sup>(2)</sup> | 22.8 | % |

|                       |       |        |       |       |       |        |
|-----------------------|-------|--------|-------|-------|-------|--------|
| DEBT MATURITY PROFILE | 2017  | 2018   | 2019  | 2020  | 2021  | 2022+  |
| % of Total Debt       | 2.8 % | 13.0 % | 6.0 % | 9.0 % | 5.7 % | 63.5 % |

<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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**FEMSA Comercio - Retail Division****Results of Operations****Millions of Pesos**

|  | For the third quarter of: |              |        |              |           | For the nine months of: |              |         |              |           |
|--|---------------------------|--------------|--------|--------------|-----------|-------------------------|--------------|---------|--------------|-----------|
|  | 2017                      | % of<br>rev. | 2016   | % of<br>rev. | %<br>Var. | 2017                    | % of<br>rev. | 2016    | % of<br>rev. | %<br>Var. |
| Total revenues                         | 40,292                    | 100.0        | 35,997 | 100.0        | 11.9      | 114,022                 | 100.0        | 100,646 | 100.0        | 13.3      |
| Cost of sales                          | 25,237                    | 62.6         | 22,764 | 63.2         | 10.9      | 72,171                  | 63.3         | 64,473  | 64.1         | 11.9      |
| Gross profit                           | 15,055                    | 37.4         | 13,233 | 36.8         | 13.8      | 41,851                  | 36.7         | 36,173  | 35.9         | 15.7      |
| Administrative expenses                | 777                       | 1.9          | 726    | 2.0          | 7.0       | 2,358                   | 2.1          | 2,149   | 2.1          | 9.7       |
| Selling expenses                       | 10,954                    | 27.3         | 9,372  | 26.1         | 16.9      | 31,245                  | 27.3         | 26,437  | 26.2         | 18.2      |
| Other operating expenses (income), net | 57                        | 0.1          | 71     | 0.2          | (19.7 )   | 184                     | 0.2          | 186     | 0.2          | (1.1 )    |
| Income from operations                 | 3,267                     | 8.1          | 3,064  | 8.5          | 6.6       | 8,064                   | 7.1          | 7,401   | 7.4          | 9.0       |
| Depreciation                           | 1,077                     | 2.7          | 914    | 2.5          | 17.8      | 3,128                   | 2.7          | 2,632   | 2.6          | 18.8      |
| Amortization & other non-cash charges  | 102                       | 0.2          | 106    | 0.3          | (3.8 )    | 341                     | 0.3          | 313     | 0.3          | 8.9       |
| Operative cash flow                    | 4,446                     | 11.0         | 4,084  | 11.3         | 8.9       | 11,533                  | 10.1         | 10,346  | 10.3         | 11.5      |
| CAPEX                                  | 2,247                     |              | 2,232  |              | 0.7       | 5,898                   |              | 5,068   |              | 16.4      |

**Information of OXXO****Stores**

|                             |       |  |       |  |        |        |  |        |  |     |
|-----------------------------|-------|--|-------|--|--------|--------|--|--------|--|-----|
| Total stores                |       |  |       |  |        | 15,999 |  | 14,695 |  | 8.9 |
| Net new convenience stores: |       |  |       |  |        |        |  |        |  |     |
| vs. Last quarter            | 225   |  | 234   |  | (3.8 ) |        |  |        |  |     |
| Year-to-date                | 774   |  | 634   |  | 22.1   |        |  |        |  |     |
| Last-twelve-months          | 1,304 |  | 1,154 |  | 13.0   |        |  |        |  |     |

**Same-store data: <sup>(1)</sup>**

|                                     |       |  |       |  |     |       |  |       |  |     |
|-------------------------------------|-------|--|-------|--|-----|-------|--|-------|--|-----|
| Sales (thousands of pesos)          | 787.7 |  | 750.8 |  | 4.9 | 763.6 |  | 713.9 |  | 7.0 |
| Traffic (thousands of transactions) | 23.6  |  | 23.3  |  | 1.1 | 23.2  |  | 22.6  |  | 2.6 |
| Ticket (pesos)                      | 33.4  |  | 32.2  |  | 3.8 | 33.0  |  | 31.6  |  | 4.2 |

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

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**FEMSA Comercio - Health Division****Results of Operations****Millions of Pesos**

|  | For the third quarter of: |              |         |              |           | For the nine months of: |              |         |              |           |
|--|---------------------------|--------------|---------|--------------|-----------|-------------------------|--------------|---------|--------------|-----------|
|  | 2017                      | % of<br>rev. | 2016    | % of<br>rev. | %<br>Var. | 2017                    | % of<br>rev. | 2016    | % of<br>rev. | %<br>Var. |
| Total revenues                         | 11,395                    | 100.0        | 11,194  | 100.0        | 1.8       | 34,850                  | 100.0        | 31,119  | 100.0        | 12.0      |
| Cost of sales                          | 7,986                     | 70.1         | 7,952   | 71.0         | 0.4       | 24,686                  | 70.8         | 22,168  | 71.2         | 11.4      |
| Gross profit                           | 3,409                     | 29.9         | 3,242   | 29.0         | 5.2       | 10,164                  | 29.2         | 8,951   | 28.8         | 13.6      |
| Administrative expenses                | 392                       | 3.4          | 527     | 4.7          | (25.6 )   | 1,226                   | 3.5          | 1,288   | 4.1          | (4.8 )    |
| Selling expenses                       | 2,560                     | 22.4         | 2,310   | 20.7         | 10.8      | 7,878                   | 22.6         | 6,675   | 21.6         | 18.0      |
| Other operating expenses (income), net | 40                        | 0.4          | 9       | 0.1          | N.S.      | 64                      | 0.2          | 15      | -            | N.S.      |
| Income from operations                 | 417                       | 3.7          | 396     | 3.5          | 5.3       | 996                     | 2.9          | 973     | 3.1          | 2.4       |
| Depreciation                           | 158                       | 1.4          | 127     | 1.1          | 24.4      | 470                     | 1.3          | 398     | 1.3          | 18.1      |
| Amortization & other non-cash charges  | 61                        | 0.5          | 102     | 1.0          | (40.2 )   | 228                     | 0.7          | 242     | 0.8          | (5.8 )    |
| Operative cash flow                    | 636                       | 5.6          | 625     | 5.6          | 1.8       | 1,694                   | 4.9          | 1,613   | 5.2          | 5.0       |
| CAPEX                                  | 155                       |              | 187     |              | (17.1 )   | 527                     |              | 255     |              | 106.7     |
| Information of Stores                  |                           |              |         |              |           |                         |              |         |              |           |
| Total stores                           |                           |              |         |              |           | 2,178                   |              | 2,101   |              | 3.7       |
| Net new stores <sup>(1)</sup> :        |                           |              |         |              |           |                         |              |         |              |           |
| vs. Last quarter                       | 24                        |              | 67      |              | (64.2 )   |                         |              |         |              |           |
| Year-to-date                           | 58                        |              | 201     |              | (71.1 )   |                         |              |         |              |           |
| Last-twelve-months                     | 77                        |              | 1,218   |              | (93.7 )   |                         |              |         |              |           |
| Same-store data: <sup>(2)</sup>        |                           |              |         |              |           |                         |              |         |              |           |
| Sales (thousands of pesos)             | 1,481.8                   |              | 1,478.7 |              | 0.2       | 1,550.6                 |              | 1,428.2 |              | 8.6       |

<sup>(1)</sup> Aquisitions are included.

<sup>(2)</sup> Monthly average information per store, considering same stores with more than twelve months of all the operations of FEMSA Comercio - Health Division.



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**FEMSA Comercio - Fuel Division****Results of Operations****Millions of Pesos**

|   | For the third quarter of: |              |         |              |           | For the nine months of: |              |         |              |           |
|---|---------------------------|--------------|---------|--------------|-----------|-------------------------|--------------|---------|--------------|-----------|
|   | 2017                      | % of<br>rev. | 2016    | % of<br>rev. | %<br>Var. | 2017                    | % of<br>rev. | 2016    | % of<br>rev. | %<br>Var. |
| Total revenues                            | 9,624                     | 100.0        | 7,548   | 100.0        | 27.5      | 28,211                  | 100.0        | 20,562  | 100.0        | 37.2      |
| Cost of sales                             | 8,905                     | 92.5         | 6,945   | 92.0         | 28.2      | 26,263                  | 93.1         | 18,947  | 92.1         | 38.6      |
| Gross profit                              | 719                       | 7.5          | 603     | 8.0          | 19.2      | 1,948                   | 6.9          | 1,615   | 7.9          | 20.6      |
| Administrative expenses                   | 38                        | 0.4          | 32      | 0.4          | 18.8      | 113                     | 0.4          | 95      | 0.5          | 18.9      |
| Selling expenses                          | 582                       | 6.0          | 480     | 6.4          | 21.3      | 1,666                   | 5.9          | 1,340   | 6.5          | 24.3      |
| Other operating expenses (income), net    | 5                         | 0.1          | -       | -            | N.S.      | 11                      | -            | 1       | -            | N.S.      |
| Income from operations                    | 94                        | 1.0          | 91      | 1.2          | 3.3       | 158                     | 0.6          | 179     | 0.9          | (11.7 )   |
| Depreciation                              | 27                        | 0.3          | 21      | 0.3          | 28.6      | 76                      | 0.3          | 60      | 0.3          | 26.7      |
| Amortization & other non-cash charges     | 9                         | 0.1          | 3       | -            | N.S.      | 25                      | -            | 11      | -            | 127.3     |
| Operative cash flow                       | 130                       | 1.4          | 115     | 1.5          | 13.0      | 259                     | 0.9          | 250     | 1.2          | 3.6       |
| CAPEX                                     | 72                        |              | 86      |              | (16.3 )   | 151                     |              | 180     |              | (16.1 )   |
| Information of OXXO GAS Service Stations  |                           |              |         |              |           |                         |              |         |              |           |
| Total service stations                    |                           |              |         |              |           | 397                     |              | 348     |              | 14.1      |
| Net new service stations                  |                           |              |         |              |           |                         |              |         |              |           |
| vs. Last quarter                          | 7                         |              | 13      |              | (46.2 )   |                         |              |         |              |           |
| Year-to-date                              | 15                        |              | 41      |              | (63.4 )   |                         |              |         |              |           |
| Last-twelve-months                        | 49                        |              | 75      |              | (34.7 )   |                         |              |         |              |           |
| Volume (million of liters) total stations | 670                       |              | 622     |              | 7.8       | 1,963                   |              | 1,740   |              | 12.8      |
| Same-stations data: <sup>(1)</sup>        |                           |              |         |              |           |                         |              |         |              |           |
| Sales (thousands of pesos)                | 8,519.8                   |              | 7,334.9 |              | 16.2      | 8,436.5                 |              | 6,972.1 |              | 21.0      |
| Volume (thousands of liters)              | 594.1                     |              | 604.3   |              | (1.7 )    | 586.9                   |              | 589.9   |              | (0.5 )    |
|   | 14.3                      |              | 12.1    |              | 18.2      | 14.4                    |              | 11.8    |              | 21.6      |

Average price per  
liter  
Ticket (pesos)

- -

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

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

|  | For the third quarter of: |              |        |              |           |                          | For the nine months of: |              |         |              |           |                          |
|--|---------------------------|--------------|--------|--------------|-----------|--------------------------|-------------------------|--------------|---------|--------------|-----------|--------------------------|
|  | 2017                      | % of<br>rev. | 2016   | % of<br>rev. | %<br>Var. | %<br>Org. <sup>(A)</sup> | 2017                    | % of<br>rev. | 2016    | % of<br>rev. | %<br>Var. | %<br>Org. <sup>(A)</sup> |
| Total revenues                         | 49,363                    | 100.0        | 42,351 | 100.0        | 16.6      | (1.8 )                   | 151,459                 | 100.0        | 120,628 | 100.0        | 25.6      | 5.1                      |
| Cost of sales                          | 27,347                    | 55.4         | 23,474 | 55.4         | 16.5      |                          | 84,266                  | 55.6         | 65,950  | 54.7         | 27.8      |                          |
| Gross profit                           | 22,016                    | 44.6         | 18,877 | 44.6         | 16.6      |                          | 67,193                  | 44.4         | 54,678  | 45.3         | 22.9      |                          |
| Administrative expenses                | 2,412                     | 4.9          | 1,434  | 3.4          | 68.2      |                          | 6,991                   | 4.6          | 5,144   | 4.3          | 35.9      |                          |
| Selling expenses                       | 13,852                    | 28.1         | 11,761 | 27.7         | 17.8      |                          | 42,482                  | 28.2         | 33,147  | 27.5         | 28.2      |                          |
| Other operating expenses (income), net | 266                       | 0.5          | 38     | 0.1          | N.S.      |                          | (25 )                   | -            | (189 )  | (0.2 )       | (86.8)    |                          |
| Income from operations                 | 5,487                     | 11.1         | 5,644  | 13.3         | (2.8 )    | (12.6)                   | 17,744                  | 11.7         | 16,576  | 13.7         | 7.0       | (6.5)                    |
| Depreciation & other non-cash charges  | 2,788                     | 5.6          | 1,853  | 4.4          | 50.5      |                          | 7,892                   | 5.2          | 5,231   | 4.3          | 50.9      |                          |
| Amortization & other non-cash charges  | 1,028                     | 2.1          | 683    | 1.6          | 50.5      |                          | 3,002                   | 2.0          | 1,666   | 1.5          | 80.2      |                          |
| Operative cash flow                    | 9,303                     | 18.8         | 8,180  | 19.3         | 13.7      | (0.9 )                   | 28,638                  | 18.9         | 23,473  | 19.5         | 22.0      | 4.7                      |
| CAPEX                                  | 3,292                     |              | 2,742  |              | 20.1      |                          | 9,642                   |              | 6,893   |              | 39.9      |                          |
| Sales volumes (Millions of unit cases) |                           |              |        |              |           |                          |                         |              |         |              |           |                          |
| Mexico and Central America             | 506.1                     | 52.7         | 521.9  | 63.3         | (3.0 )    |                          | 1,522.8                 | 53.7         | 1,523.4 | 61.4         | (0.0 )    |                          |
| South America                          | 133.3                     | 13.9         | 155.6  | 18.9         | (14.3)    |                          | 383.7                   | 13.5         | 498.8   | 20.0         | (23.1)    |                          |
| Brazil                                 | 181.9                     | 18.9         | 146.9  | 17.8         | 23.8      |                          | 538.4                   | 19.0         | 461.5   | 18.6         | 16.6      |                          |
| Philippines                            | 139.5                     | 14.5         | -      | -            | N/A       |                          | 392.3                   | 13.8         | -       | -            | N/A       |                          |
| Total                                  | 960.9                     | 100.0        | 824.5  | 100.0        | 16.6      |                          | 2,837.3                 | 100.0        | 2,483.8 | 100.0        | 14.2      |                          |

(A) Organic basis (% Org.) Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

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## FEMSA

### Macroeconomic Information

|             | Inflation  |   |                           | End-of-period Exchange Rates |         |          |         |
|-------------|------------|---|---------------------------|------------------------------|---------|----------|---------|
|             | 3Q<br>2017 |   | LTM <sup>(1)</sup> Sep-17 | Sep-17                       |         | Dec-16   |         |
|             |            |   |                           | Per USD                      | Per MXN | Per USD  | Per MXN |
| Mexico      | 1.62       | % | 6.55                      | % 18.20                      | 1.0000  | 20.66    | 1.0000  |
| Colombia    | 0.12       | % | 4.35                      | % 2,936.67                   | 0.0062  | 3,000.71 | 0.0069  |
| Venezuela   | 153.43     | % | 1158.69                   | % 3,345.00                   | 0.0054  | 673.76   | 0.0307  |
| Brazil      | 0.08       | % | 2.20                      | % 3.17                       | 5.7443  | 3.26     | 6.3404  |
| Argentina   | 4.86       | % | 25.12                     | % 17.31                      | 1.0513  | 15.89    | 1.3004  |
| Chile       | 0.13       | % | 2.01                      | % 636.85                     | 0.0286  | 667.29   | 0.0310  |
| Philippines | 0.88       | % | 2.05                      | % 51.07                      | 0.3563  | 49.81    | 0.4148  |
| Euro Zone   | 0.18       | % | 1.68                      | % 0.85                       | 21.4521 | 0.95     | 21.7741 |

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

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## 2017 THIRD QUARTER AND FIRST NINE MONTHS RESULTS

Mexico City, October 25, 2017, 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 by sales volume, announces results for the third quarter of 2017.

### Operational and Financial Highlights

**Revenues grew 16.6%, while comparable revenues grew 3.9% for the third quarter of 2017.**

**Operating income decreased 2.8%, while comparable operating income grew 3.3% during the third quarter of 2017.**

**Operating cash flow increased 13.7%, while comparable operating cash flow grew 5.2% for the third quarter of 2017.**

**Majority net income increased 39.2% in the third quarter of 2017.**

### Results Summary

|  | Third Quarter |                           |      | Year to Date |                           |      |
|--|---------------|---------------------------|------|--------------|---------------------------|------|
|  | as Reported   | Comparable <sup>(1)</sup> |      | as Reported  | Comparable <sup>(1)</sup> |      |
|  | 2017          | D%                        | D%   | 2017         | D%                        | D%   |
| Total revenues   | 49,363        | 16.6%                     | 3.9% | 151,459      | 25.6%                     | 2.8% |
| Gross profit   | 22,016        | 16.6%                     | 6.6% | 67,193       | 22.9%                     | 5.0% |
| Operating income   | 5,487         | -2.8%                     | 3.3% | 17,744       | 7.0%                      | 3.5% |
| Operating cash flow <sup>(2)</sup>                       | 9,303         | 13.7%                     | 5.2% | 28,638       | 22.0%                     | 3.5% |
| Net income attributable to equity holders of the company | 3,152         | 39.2%                     |      | 10,233       | 55.5%                     |      |
| Earnings per share <sup>(3)</sup>                        | 1.50          |                           |      | 4.90         |                           |      |

Expressed in millions of Mexican pesos.

<sup>(1)</sup> Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements (iii) the results of hyperinflationary economies in both periods, and (iv) includes the results of Coca-Cola FEMSA Philippines Inc., as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy.

<sup>(2)</sup> Operating cash flow = operating income + depreciation + amortization & other operative non-cash charges.

<sup>(3)</sup> 3Q EPS calculated with 2,100.8 million shares outstanding as of September 30 2017. YTD EPS calculated with 2,088.2 million shares, the weighted average of the Company’s outstanding shares over the period.

**Message from the Chief Executive Officer**

“As we strengthen our focus on improving our operational efficiency, rolling out our portfolio initiatives, and effectively executing at the point of sale across our markets, our revenues and operating cash flow for the third quarter grew 16.6% and 13.7%, respectively, resulting in majority net income growth of 39.2%.

Underscoring our company’s ability to adapt to diverse conditions, our Mexico and Central America division continues implementing our transformational initiatives, which helped mitigate margin pressures and the effects that hurricanes and earthquakes had on the consumer. Importantly, our operations’ effort to maintain our levels of excellence—while supporting our affected communities—merits our recognition. In South America, our affordability initiatives are showing encouraging results in Argentina and Brazil’s recovering consumer environments. In addition, our Brazilian operation continues to improve margins, driven by favorable raw material costs and efficiencies generated by our transformational initiatives. Finally, our operation in the Philippines continues to build on the growth achieved last year, delivering comparable volume and operating cash flow growth.

As we approach the final stretch of the year, we remain focused on our strategic framework to continue strengthening our portfolio, digitizing our operational capabilities, and creating a strong unified corporate culture to continue delivering value for all our stakeholders,” said John Santa Maria Otazua, Chief Executive Officer of the Company.

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### **Consolidated results for the third quarter**

*Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of: (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements, (iii) the results of hyperinflationary economies in both periods; and (iv) includes the results of Coca-Cola FEMSA Philippines, Inc., as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy. In our “as reported” figures, our Venezuelan operation’s results were translated into Mexican pesos using the DICOM exchange rate published on September 30, 2017, of 3,345.00 bolivars per US dollar.*

### **Comparable figures:**

**Revenues:** Comparable total revenues grew 3.9% in the third quarter of 2017 as compared to the same period of 2016, driven by average price per unit case growth across most of our operations and volume growth in the Philippines and Argentina, partially offset by volume declines in the rest of our operations.

**Transactions:** Comparable number of transactions declined 0.7%. Our water category grew 5.0% mainly driven by the positive performance of the Philippines, Argentina and Central America. Our sparkling category had a slight contraction of 0.8% driven by growth in Argentina and the Philippines offset by declines in the rest of our operations. Finally, our still beverage category declined 4.2% where growth in Brazil, Argentina and the Philippines was mainly offset by a decline in Colombia.

**Volume:** Comparable sales volume declined 1.6% in the third quarter of 2017 as compared to the same period in 2016. Our personal water portfolio’s volume grew 2.7% due to a positive performance in most of our operations. Our bulk water portfolio’s volume remained flat, driven by growth in most of our operations which was offset by a decline in Mexico. Our sparkling beverage portfolio’s volume contracted 1.7% despite growth obtained in the Philippines and Argentina. Finally, our still beverage category’s volume decreased 5.9% where growth in Brazil and Argentina was mainly offset by a decline in Colombia.

**Gross profit:** Comparable gross profit grew 6.6%. Our pricing initiatives, coupled with lower PET and sweetener prices in most of our operations, offset higher sweetener and concentrate prices in Mexico and the depreciation in the average exchange rate of the Argentine Peso, the Philippine Peso, and the Colombian Peso as applied to our U.S. dollar-denominated raw material costs.

**Operating Income:** Comparable operating income grew 3.3% for the third quarter of 2017 as compared to the same period of 2016.

**Operating cash flow:** Comparable operating cash flow increased 5.2% in the third quarter of 2017.

**As reported figures:**

**Revenues:** Total revenues increased 16.6% to Ps. 49,363 million in the third quarter of 2017, including the acquisition of Vonpar in Brazil and the consolidation of our operation in the Philippines, combined with price increases aligned with or above inflation in key territories such as Mexico, Brazil and Colombia, supported by volume growth in Argentina, the Philippines, and improvements in Brazil; all despite the negative translation effect resulting from the depreciation of all our operating currencies as compared to the Mexican Peso.

**Transactions:** Reported total number of transactions increased 32.1% to 6,485.1 million in the third quarter of 2017 as compared to the same period in 2016.

**Volume:** Reported total sales volume increased 16.6% to 960.9 million unit cases in the third quarter of 2017 as compared to the same period in 2016.

**Gross profit:** Gross profit grew 16.6% to Ps. 22,016 million, and gross margin remained flat at 44.6%.

*(Continued on next page)*

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**Equity method:** The reported share of the profits of associates and joint ventures recorded a loss of Ps. 6 million in the third quarter of 2017, compared to a gain of Ps. 49 million recorded in the third quarter of 2016. This is mainly due to (i) the consolidation of Coca-Cola FEMSA Philippines, Inc., which is not included in the equity method as of February 2017 (ii) gains in Jugos Del Valle and our joint ventures in Brazil; and (iii) a loss in our dairy joint venture in Panama.

**Operating Income:** Operating income declined 2.8% to Ps. 5,487 million, and operating margin contracted 220 basis points to 11.1%, mainly driven by higher labor costs, higher freight costs, and higher diesel and gasoline prices. Due to the consolidation of Coca-Cola FEMSA Philippines in February 2017, the results of this operation are not included in our share of the profit of associates for 2017, as compared to 2016. These effects were partially offset by an operative foreign exchange gain.

**Other non-operative expenses, net:** Other non-operative expenses, net, recorded an expense of Ps. 597 million, compared to Ps. 806 million during the third quarter of 2016, due mainly to negative currency fluctuation effects in our Venezuela operation.

**Comprehensive financing result:** Comprehensive financing result in the third quarter of 2017 recorded an expense of Ps. 295 million, compared to an expense of Ps. 1,860 million in the same period of 2016.

During the third quarter of 2017, we recorded an interest expense of Ps. 2,170 million, compared to Ps. 1,925 million in the third quarter of 2016. This increase was driven by: (i) the interest rate increase from swapping U.S. dollar-denominated debt to Brazilian Real and Mexican Peso-denominated debt, as part of our strategy to eliminate our U.S. dollar net debt exposure; (ii) additional interest expense related to our refinancing strategy, as we issued new debt in Mexican Pesos at the end of June and made a partial early redemption of U.S. dollar-denominated notes in August; (iii) additional debt related to the acquisition of Vonpar; and (iv) the interest rate increase in Mexico.

These effects were partially offset by the decrease of interest rates in Brazil, the average exchange rate depreciation of the Brazilian Real compared to the Mexican Peso as applied to the existing Brazilian Real-denominated interest expense, and the reduction of debt in Argentina.

In addition, for the third quarter, we recorded a foreign exchange gain of Ps. 97 million as compared to a loss of Ps. 432 million in 2016, which was generated as a result of the quarterly depreciation of the Mexican peso as applied to our U.S. dollar-denominated net debt position in 2016.

During the third quarter of 2017, we recorded a gain on monetary position in inflationary subsidiaries of Ps. 1,301 million as compared to Ps. 478 million during the same period of 2016, related to higher inflation during the period in our operation in Venezuela.

Market value on financial instruments recorded a gain of Ps. 203 million as compared to a loss of Ps. 134 million in the third quarter of 2016 due to the recent decrease of interest rates in Brazil as applied to our floating rate cross-currency swaps.

**Income tax:** During the third quarter of 2017, reported income tax as a percentage of income before taxes was 28.0%, compared to 23.2% in the same period of 2016. The increase of the tax rate in 2017 resulted from (i) a higher effective tax rate in Colombia; and (ii) a higher effective tax rate in the Philippines. These effects were not fully offset by tax efficiencies and ongoing efforts to reduce non-deductibles across our operations.

**Net income:** Reported consolidated net controlling interest income increased 39.2% to Ps. 3,152 million in the third quarter of 2017, resulting in reported earnings per share (EPS) of Ps. 1.50 (Ps. 15.01 per ADS).

**Operating cash flow:** Operating cash flow grew 13.7% to Ps. 9,303 million, and operating cash flow margin contracted 50 basis points to 18.8%.

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**Balance Sheet <sup>(1)</sup>**

As of September 30, 2017, we had a cash balance of Ps. 20,206 million, including US\$209 million denominated in U.S. dollars, an increase of Ps. 9,730 million as compared to December 31, 2016. This difference was mainly driven by the cash obtained from the issuance of shares to former Vonpar's shareholders, the consolidation of the Philippines, and the cash flow generation across our territories.

As of September 30, 2017, total short-term debt was Ps. 2,155 million, and long-term debt was Ps. 76,510 million. Total debt decreased by Ps. 10,244 million, compared to year-end 2016, mainly due to the positive translation effect resulting from the appreciation of the end-of-period exchange rate of the Mexican Peso as applied to our U.S. dollar-denominated debt position. Net debt decreased by Ps. 19,974 million compared to year-end 2016.

The weighted average cost of debt for the quarter, including the effect of debt swapped to Brazilian Reals and Mexican Pesos at a floating and fixed rates, was 8.72%, a reduction as compared to the second quarter 2017 due mainly to the reduction of interest rates in Brazil. The following charts set forth the Company's debt profile by currency and interest rate type and by maturity date as of September 30, 2017.

| <b>Currency</b> | <b>% Total Debt<sup>(2)</sup></b> | <b>% Interest Rate Floating<sup>(2)(3)</sup></b> |
|-----------------|-----------------------------------|--|
| Mexican Pesos   | 44.8%                             | 3.2%   |
| U.S. Dollars    | 0.8%                              | 0.0%   |
| Colombian Pesos | 2.9%                              | 72.8%  |
| Brazilian Reals | 51.3%                             | 84.7%  |
| Argentine Pesos | 0.1%                              | 0.0%   |

**Debt Maturity Profile**

| <b>Maturity Date</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022+</b> |
|----------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| % of Total Debt      | 0.2%        | 14.3%       | 8.5%        | 12.0%       | 8.1%        | 57.0%        |

(1) See page 18 for detailed information.

(2)

After giving effect to cross-currency swaps.

(3)

Calculated by weighting each year's outstanding debt balance mix.

**Selected Financial Ratios**

**LTM 2017 FY 2016 D %**

|   |        |        |        |
|---|--------|--------|--------|
| Net debt including effect of hedges <sup>(1)(3)</sup>                       | 65,742 | 80,043 | -17.9% |
| Net debt including effect of hedges / Operating cash flow <sup>(1)(3)</sup> | 1.76   | 2.26   |        |
| Operating cash flow/ Interest expense, net <sup>(1)</sup>                   | 4.63   | 5.25   |        |
| Capitalization <sup>(2)</sup>   | 37.1%  | 41.3%  |        |

(1) Net debt = total debt - cash

(2) Total debt / (long-term debt + shareholders' equity)

(3) After giving effect to cross-currency swaps.

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## Mexico & Central America Division

(Mexico, Guatemala, Nicaragua, Costa Rica and Panama)

*Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of: (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements, (iii) the results of hyperinflationary economies in both periods; and (iv) includes the results of Coca-Cola FEMSA Philippines, Inc., as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy. In our “as reported” figures, our Venezuelan operation’s results were translated into Mexican pesos using the DICOM exchange rate published on September 30, 2017, of 3,345.00 bolivars per US dollar.*

### Comparable figures:

**Revenues:** Comparable total revenues from our Mexico and Central America division increased 4.1% in the third quarter of 2017, compared to the same period in 2016, driven by an increase in average price per unit case in Mexico, partially offset by volume declines in the division.

**Transactions:** Total transactions in our Mexico and Central America division declined 4.1% in the third quarter of 2017. Our sparkling beverage portfolio’s transactions contracted 4.3%. Our still beverage category’s transactions decreased by 4.7%. Our water transactions, including bulk water, remained flat driven mainly by flat performance in Mexico, not fully offset by growth in Central America.

**Volume:** Total sales volume for the division decreased 3.0% in the third quarter of 2017, compared to the same period of 2016. Volume decline during the quarter was mostly generated by natural disasters impacting the region. Our sparkling beverage category’s volume declined 3.6% in the division, driven by colas and partially offset by a flat performance in our flavored sparkling portfolio. Our still beverage category’s volume declined 1.6% while our personal water portfolio’s volume grew 2.0% driven by positive performance in both Mexico and Central America. Our bulk water portfolio’s volume declined 2.5% in the division due to a contraction in Mexico, which was not fully offset by growth in Central America.

**Gross profit:** Comparable gross profit grew 2.4% in the third quarter of 2017 as compared to the same period in 2016. In Mexico our pricing initiatives, lower PET prices, and the appreciation of the average exchange rate of the Mexican Peso as applied to U.S. dollar-denominated raw material costs were offset by the increase of concentrate cost, higher prices of sweeteners. and an unfavorable currency hedging position. In Central America, lower sweetener, PET, and aluminum prices were partially offset by the depreciation of the average exchange rates of local currencies as applied to U.S. dollar-denominated raw material costs.

**Operating income:** Comparable operating income in the division decreased 7.0% in the third quarter of 2017 as compared to the same period in 2016.

**Operating cash flow:** Comparable operating cash flow decreased 1.8% in the third quarter of 2017 as compared to the same period in 2016.

**As reported figures:**

**Revenues:** Reported total revenues increased 3.2% in the third quarter of 2017, driven by an average price per unit case increase in Mexico, offset by volume declines in the division.

**Gross profit:** Reported gross profit increased 1.6% in the third quarter of 2017, and gross profit margin reached 48.6%, a gross margin contraction of 70 basis points.

**Operating income:** Reported operating income decreased 8.2% in the third quarter of 2017, and operating income margin reached 15.2%, contracting 190 basis points during the period, due mainly to extraordinary one-time expenses related to earthquake relief, an increase in freight expenses, higher diesel and gasoline prices in Mexico, and higher labor costs in Central America. In addition, due to the consolidation of Coca-Cola FEMSA Philippines, the results of this operation are not included in the share of the profit of associates for 2017, as compared to 2016.

**Operating cash flow:** Reported operating cash flow decreased 2.5% in the third quarter of 2017, resulting in a margin contraction of 120 basis points, reaching 21.6%.

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## South America Division

(Colombia, Venezuela, Brazil and Argentina)

*Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of: (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements, (iii) the results of hyperinflationary economies in both periods; and (iv) includes the results of Coca-Cola FEMSA Philippines, Inc., as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy. In our “as reported” figures, our Venezuelan operation’s results were translated into Mexican pesos using the DICOM exchange rate published on September 30, 2017, of 3,345.00 bolivars per US dollar.*

### Comparable figures:

**Revenues:** Comparable total revenues increased 3.1%, driven mainly by an average price per unit case increase in most of our operations and volume growth in Argentina, which were not fully offset by volume declines in Colombia and Brazil.

**Transactions:** Comparable transactions in the division declined 3.3% during the third quarter of 2017. Our sparkling beverage portfolio’s transactions decreased 2.5% driven by growth in Argentina offset by a decline in Colombia and Brazil. Our still beverage category’s transactions decreased 10.9% where growth in Brazil and Argentina was offset by Colombia. Our water transactions, including bulk water, decreased 1.8% driven by growth in Argentina and a flat performance in Brazil.

**Volume:** Comparable total sales volume in South America contracted 3.0% during the third quarter of 2017 as compared to the same period of 2016. Our sparkling beverage category’s volume decreased 3.3%, driven by growth in Argentina, offset by Brazil and Colombia. Our still beverage category’s volume decreased 3.8% driven by growth in Brazil and Argentina, offset by Colombia. Our personal water category’s volume declined 3.8%, where growth in Argentina and Brazil was offset by Colombia. Our bulk water business’s volume grew 13.5%, driven by growth in all territories.

**Gross profit:** Comparable gross profit increased 11.4% as a result of our pricing initiatives, the benefit of lower PET and sweetener prices, and the appreciation of the Brazilian Real as applied to U.S. dollar-denominated raw material costs, which offset the depreciation of the average exchange rate of the Argentine Peso and the Colombian Peso as applied to U.S. dollar-denominated raw material costs.

**Operating income:** Comparable operating income in the division increased 18.3% as compared to the same period in 2016.

**Operating cash flow:** Comparable operating cash flow increased 13.6% as compared to the same period of 2016.

**As reported figures:**

**Revenues:** Reported total revenues grew 7.1% to Ps. 21,226 million in the third quarter of 2017, driven by the integration of Vonpar in Brazil, coupled with price increases aligned with inflation in Brazil and Colombia, volume growth in Argentina, and an improving performance in Brazil. These effects were partially offset by volume declines in Colombia and Venezuela and the negative translation effect resulting from the depreciation of all operating currencies of the division as compared to the Mexican Peso.

**Transactions:** Reported total number of transactions increased 3.8% to 2,076.1 million in the third quarter of 2017 as compared to the same period in 2016.

**Volume:** Reported total sales volume increased 4.2% to 315.3 million unit cases in the third quarter of 2017 as compared to the same period in 2016.

**Gross profit:** Reported gross profit increased 13.5% to Ps. 8,810 million in the third quarter of 2017, and gross profit margin expanded 230 basis points to 41.5%.

**Operating income:** Reported operating income grew 0.7% to Ps. 1,801 million in the third quarter of 2017, resulting in a margin of 8.5%, a contraction of 50 basis points.

**Operating cash flow:** Reported operating cash flow grew 17.9% to reach Ps. 3,580 million in the third quarter of 2017, resulting in a margin of 16.9%, an expansion of 160 basis points.

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## Asia Division

(The Philippines)

*Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of: (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements, (iii) the results of hyperinflationary economies in both periods; and (iv) includes the results of Coca-Cola FEMSA Philippines, Inc., as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy. In our “as reported” figures, our Venezuelan operation’s results were translated into Mexican pesos using the DICOM exchange rate published on September 30, 2017, of 3,345.00 bolivars per US dollar.*

### Comparable figures:

**Revenues:** Comparable total revenues increased 6.1% during the third quarter of 2017, driven by volume growth.

**Transactions:** Comparable transactions increased 9.0% in the third quarter of 2017. Our sparkling beverage portfolio’s transactions increased 7.5%. Our still beverage category’s transactions increased by 7.9%. Our water transactions, including bulk water, increased 49.1%.

**Volume:** Comparable total sales volume increased 7.0% in the third quarter of 2017. Our sparkling beverage category’s volume grew 9.1%, driven by 9.9% growth in colas and 7.7% growth in flavors. Our still beverage category’s volume, excluding powders, increased 28.7%. Our personal water category’s volume increased 32.4%. Our bulk water business volume grew 12.6%.

**Gross profit:** Comparable gross profit increased 15.8% as compared to the same period of 2016, mainly driven by lower prices of sweeteners and PET resin, partially offset by the devaluation of the Philippine Peso as applied to our U.S. dollar-denominated raw material costs.

**Operating income:** Comparable operating income increased to Ps. 145 million during the third quarter of 2017.

**Operating cash flow:** Comparable operating cash flow increased 35.0% as compared to the same period of 2016.

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### **YTD Consolidated Results**

*Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of: (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements, (iii) the results of hyperinflationary economies in both periods; and (iv) includes the results of Coca-Cola FEMSA Philippines, Inc., as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy. In our “as reported” figures, our Venezuelan operation’s results were translated into Mexican pesos using the DICOM exchange rate published on September 30, 2017, of 3,345.00 bolivars per US dollar.*

### **Comparable figures:**

**Revenues:** Comparable total revenues grew 2.8%, driven by average price per unit case growth across most of our operations and volume growth in Mexico and the Philippines, which was partially offset by volume declines in the rest of our operations.

**Transactions:** Comparable number of transactions declined 3.2%. Our sparkling beverage portfolio’s transactions declined 3.4%, driven by growth in Argentina, offset by the rest of our operations. Our still beverage category’s transactions decreased 3.9%, driven by growth in Mexico, Argentina, and the Philippines offset by declines in Colombia and Brazil. Our water transactions, including bulk water, remained flat, driven by growth in Mexico and the Philippines, offset by the rest of our operations.

**Volume:** Comparable sales volume contracted 2.6% in the first nine months of 2017 as compared to the same period in 2016. Our sparkling beverage portfolio’s volume declined 2.9%, driven by growth in the Philippines and a flat performance in Mexico, offset by a contraction in South America. Our still beverage category’s volume declined 4.2%, driven by growth in Mexico and Argentina that was offset by declines in other operations. Our personal water portfolio’s volume decreased 1.0%, driven mainly by growth in Mexico, Central America and the Philippines offset by contractions in South America. Our bulk water portfolio’s volume declined 0.3%, driven by growth in the Philippines and a flat performance in Mexico, which were offset by declines in South America and Central America.

**Gross profit:** Comparable gross profit grew 5.0%. Our pricing initiatives, coupled with our currency and raw material hedging strategies, offset higher sweetener prices and the depreciation in the average exchange rate of the Mexican Peso, the Argentine Peso, and the Philippine Peso as applied to U.S dollar-denominated raw material costs.

**Operating Income:** Comparable operating income grew 3.5% in the first nine months of 2017.

**Operating cash flow:** Comparable operating cash flow increased 3.5% in the first nine months of 2017.

**As reported figures:**

**Revenues:** Total revenues increased 25.6% to Ps. 151,459 million in the first nine months of 2017, including the results of the Vonpar acquisition in Brazil and the consolidation of our operation in the Philippines beginning in February. Total revenues were also driven by price increases aligned with or above inflation in key territories, supported by the positive translation effect resulting from the appreciation of the Brazilian Real and the Colombian Peso, despite the depreciation of the Argentine Peso, the Philippine Peso, and the Venezuelan Bolivar; all as compared to the Mexican Peso.

**Transactions:** Reported total number of transactions increased 27.9% to 18,917.0 million in the first nine months of 2017 as compared to the same period in 2016.

**Volume:** Reported total sales volume increased 14.2% to 2,837.3 million unit cases in the first nine months of 2017 as compared to the same period in 2016.

**Gross profit:** Gross profit grew 22.9% to Ps. 67,193 million, and gross margin declined 90 basis points to 44.4%.

**Equity method:** The reported share of the profits of associates and joint ventures recorded a gain of Ps. 5 million in the first nine months of 2017, compared to a gain of Ps. 318 million recorded in the first nine months of 2016. This is due to (i) the consolidation of Coca-Cola FEMSA Philippines, Inc., which is no longer included in the equity method as of February 2017, (ii) gains from our Jugos Del Valle joint venture and our joint ventures in Brazil; and (iii) a loss in our dairy joint venture in Panama.

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**Operating Income:** Operating income increased 7.0% to Ps. 17,744 million, and operating margin contracted 200 basis points to 11.7%, due mainly to an increase in operating expenses, partially offset by an operative foreign exchange gain.

**Other non-operative expenses, net:** Other non-operative expenses, net, recorded an expense of Ps. 707 million, compared to expenses of Ps. 1,839 million during the first nine months of 2016, due mainly to the negative currency fluctuation effects in our operation in Venezuela, partially offset by income related to the consolidation of Coca-Cola FEMSA Philippines.

**Comprehensive financing result:** Our comprehensive financing result in the first nine months of 2017 recorded an expense of Ps. 3,190 million, compared to an expense of Ps. 5,687 million in the same period of 2016.

During the first nine months of 2017, we recorded an interest expense of Ps. 6,829 million, compared to Ps. 5,336 million in the first nine months of 2016. This increase was driven by: (i) the interest rate increase from swapping U.S. dollar-denominated debt to Brazilian Real and Mexican Peso-denominated debt, as part of our strategy to eliminate our U.S. dollar net debt exposure; (ii) additional debt related to the acquisition of Vonpar; (iii) the average exchange rate appreciation of the Brazilian Real compared to the Mexican Peso as applied to our existing Brazilian Real-denominated interest expense; and (iv) the interest rate increase in Mexico. These effects were partially offset by the decrease of interest rates in Brazil and the reduction of debt in Argentina.

In addition, for the first nine months, we recorded a foreign exchange gain of Ps. 279 million as compared to a loss of Ps. 1,838 million in 2016, which resulted from the depreciation of the Mexican peso as applied to our U.S. dollar-denominated net debt position in 2016.

During the first nine months of 2017, we recorded a gain on monetary position in inflationary subsidiaries of Ps. 2,163 million as compared to Ps. 794 million during the same period of 2016 related to our operation in Venezuela.

Market value on financial instruments recorded a gain of Ps. 556 million due to the recent decrease of interest rates in Brazil as applied to our floating rate cross-currency swaps.

**Income tax:** During the first nine months of 2017, reported income tax as a percentage of income before taxes was 21.3%, compared to 25.1% in the same period of 2016. This reduction was driven mainly by the one-time non-operative income recorded in connection with the consolidation of Coca-Cola FEMSA Philippines, Inc. in

February.

**Net income:** Reported consolidated net controlling interest income increased 55.5% to Ps. 10,233 million in the first nine months of 2017, resulting in reported earnings per share (EPS) of Ps. 4.90 (Ps. 49.00 per ADS).

**Operating cash flow:** Operating cash flow grew 22.0% to Ps. 28,638 million, and operating cash flow margin contracted 60 basis points to 18.9%.

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## Recent Developments

During September 2017, Coca-Cola FEMSA was selected as a member of the Dow Jones Sustainability Emerging Markets Index for the fifth consecutive year.

As of November 1, 2017, we will pay the second installment of the 2016 dividend in the amount of Ps. 1.67 per share.

## Conference Call Information

Our third quarter 2017 conference call will be held on October 25, 2017, at 12:00 P.M. Eastern Time (11:00 A.M. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: 800-839-7875 or International: 719-457-2628. Participant code: 6110147. We invite investors to listen to the live audio cast of the conference call on the Company's website, [www.coca-colafemsa.com](http://www.coca-colafemsa.com). If you are unable to participate live, the conference call audio will be available at [www.coca-colafemsa.com](http://www.coca-colafemsa.com).

## 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, including segment information. This filing is available at [www.bmv.com.mx](http://www.bmv.com.mx) in the *Información Financiera* section for Coca-Cola FEMSA (KOF) and on our corporate website at [www.coca-colafemsa.com/inversionistas/registros-bmv](http://www.coca-colafemsa.com/inversionistas/registros-bmv).

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## **Additional Information**

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.

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

In an effort to provide our readers with a more useful representation of our company's underlying financial and operating performance we are including the term "Comparable." This means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of: (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements, (iii) the results of hyperinflationary economies in both periods, and (iv) includes the results of Coca-Cola FEMSA Philippines, Inc., as if the consolidation had taken place at the beginning of the first quarter of 2016. Currently, the only operation that qualifies as a hyperinflationary economy is Venezuela. In preparing this measure, management has used its best judgment, estimates, and assumptions in order to maintain comparability.

As a result of newly issued KOF L shares, year-to-date earnings per share were computed based on 2,088.2 million shares, the weighted average outstanding shares over the period. At the end of September 2017, total outstanding shares were 2,100.8 million shares (each ADS represents 10 local shares).

For reporting purposes, all corporate expenses, including the equity method recorded from our stake of the results of Coca-Cola FEMSA Philippines, Inc., were included in the results of the Mexico and Central America division. Starting on February 2013 and ending on January 2017, we incorporated our stake of the results of Coca-Cola FEMSA Philippines, Inc. through the equity method.

## **About the Company**

Stock listing information: Mexican Stock Exchange, Ticker: KOFL | NYSE (ADR), Ticker: KOF | Ratio of KOF L to KOF = 10:1

Coca-Cola FEMSA, S.A.B. de C.V. is the largest franchise bottler in the world by sales volume. The company produces and distributes trademark beverages of *The Coca-Cola Company*, offering a wide portfolio of 154 brands to more than 375 million consumers daily. With over 100 thousand employees, the company markets and sells approximately 4 billion unit cases through 2.8 million points of sale a year. Operating 66 manufacturing plants and 328 distribution centers, Coca-Cola FEMSA is committed to generating economic, social, and environmental value for all of its stakeholders across the value chain. The company is a member of the Dow Jones Sustainability Emerging Markets Index, FTSE4Good Emerging Index, and the Mexican Stock Exchange's IPC and Social Responsibility and Sustainability Indices, among other indexes. Its operations encompass franchise territories in Mexico, Brazil, Colombia, Argentina, and Guatemala and, nationwide, in the Philippines, Venezuela, Nicaragua, Costa Rica, and Panama. For more information, please visit [www.coca-colafemsa.com](http://www.coca-colafemsa.com).

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*(7 pages of tables to follow)*

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

|  | 3Q 17    | % Rev   | 3Q 16   | % Rev   | D %<br>Reported |   | D %<br>Comparable<br>(8) |   |  |
|--|----------|---------|---------|---------|-----------------|---|--------------------------|---|--|
| Transactions (million transactions)                                  | 6,485.1  |         | 4,908.2 |         | 32.1            | % | -0.7                     | % |  |
| <b>Volume (million unit cases) <sup>(2)</sup></b>                    | 960.9    |         | 824.5   |         | 16.6            | % | -1.6                     | % |  |
| Average price per unit case <sup>(2)</sup>                           | 48.37    |         | 49.01   |         | -1.3            | % |                          |   |  |
| Net revenues   | 49,252   |         | 42,242  |         | 16.6            | % |                          |   |  |
| Other operating revenues   | 112      |         | 109     |         | 2.5             | % |                          |   |  |
| <b>Total revenues <sup>(3)</sup></b>                                 | 49,363   | 100.0 % | 42,351  | 100.0 % | 16.6            | % | 3.9                      | % |  |
| Cost of goods sold   | 27,347   | 55.4 %  | 23,474  | 55.4 %  | 16.5            | % |                          |   |  |
| Gross profit   | 22,016   | 44.6 %  | 18,877  | 44.6 %  | 16.6            | % | 6.6                      | % |  |
| Operating expenses   | 16,264   | 32.9 %  | 13,195  | 31.2 %  | 23.3            | % |                          |   |  |
| Other operative expenses, net  | 260      | 0.5 %   | 87      | 0.2 %   | 199.8           | % |                          |   |  |
| Operative equity method (gain) loss in associates <sup>(4)</sup>     | 6        | 0.0 %   | (49 )   | -0.1 %  | -112.2          | % |                          |   |  |
| <b>Operating income <sup>(5)</sup></b>                               | 5,487    | 11.1 %  | 5,644   | 13.3 %  | -2.8            | % | 3.3                      | % |  |
| Other non operative expenses, net                                    | 597      | 1.2 %   | 806     | 1.9 %   | -25.9           | % |                          |   |  |
| Non Operative equity method (gain) loss in associates <sup>(6)</sup> | (40 )    | -0.1 %  | 0       | 0.0 %   | -11943.1        | % |                          |   |  |
| Interest expense   | 2,170    |         | 1,925   |         | 12.7            | % |                          |   |  |
| Interest income  | 274      |         | 153     |         | 79.1            | % |                          |   |  |
| Interest expense, net  | 1,896    |         | 1,772   |         | 7.0             | % |                          |   |  |
| Foreign exchange loss (gain)   | (97 )    |         | 432     |         | -122.4          | % |                          |   |  |
| Loss (gain) on monetary position in inflationary subsidiaries        | (1,301 ) |         | (478 )  |         | 172.1           | % |                          |   |  |
| Market value (gain) loss on financial instruments                    | (203 )   |         | 134     |         | -251.4          | % |                          |   |  |
| Comprehensive financing result                                       | 295      |         | 1,860   |         | -84.1           | % |                          |   |  |
| Income before taxes  | 4,635    |         | 2,978   |         | 55.6            | % |                          |   |  |
| Income taxes   | 1,296    |         | 691     |         | 87.7            | % |                          |   |  |
| Consolidated net income  | 3,339    |         | 2,287   |         | 46.0            | % |                          |   |  |
| Net income attributable to equity holders of the company             | 3,152    | 6.4 %   | 2,265   | 5.3 %   | 39.2            | % |                          |   |  |
| Non-controlling interest   | 186      |         | 23      |         | 720.2           | % |                          |   |  |
| Operating income <sup>(5)</sup>                                      | 5,487    | 11.1 %  | 5,644   | 13.3 %  | -2.8            | % |                          |   |  |
| Depreciation   | 2,788    |         | 1,853   |         | 50.5            | % |                          |   |  |
| Amortization and other operative non-cash charges                    | 1,028    |         | 683     |         | 50.5            | % |                          |   |  |
| <b>Operating cash flow <sup>(5)(7)</sup></b>                         | 9,303    | 18.8 %  | 8,180   | 19.3 %  | 13.7            | % | 5.2                      | % |  |
| CAPEX  | 3,292    |         | 2,742   |         |                 |   |                          |   |  |

- (1) Except volume and average price per unit case figures.
- (2) Sales volume and average price per unit case exclude beer results.
- (3) Includes total revenues of Ps. 20,332 million from our Mexican operation, Ps. 13,190 million from our Brazilian operation, Ps. 3,415 million from our Colombian operation, Ps. 2,851 million from our Argentine operation, and Ps. 4,899 million from our Philippines operation for the third quarter of 2017; and Ps. 19,362 million from our Mexican operation, Ps. 10,676 million from our Brazilian operation, Ps. 3,849 from our Colombian operation, and Ps. 2,774 million from our Argentine operation for the same period of the previous year. Total Revenues includes Beer revenues in Brazil of Ps. 2,768 million for the third quarter of 2017 and Ps. 1,836 million for the same period of the previous year.
- (4) Includes equity method in Jugos del Valle, Leao Alimentos, Estrella Azul, among others. For the 3Q16 includes Coca-Cola FEMSA Philippines, Inc.
- (5) The operating income and operative cash flow lines are presented as non-gaap measures for the convenience of the reader.
- (6) Includes equity method in PIASA, IEQSA, Beta San Miguel, IMER and KSP Participacoes among others.
- (7) Operative cash flow = operating income + depreciation, amortization & other operative non-cash charges.
- (8) Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements (iii) the results of hyperinflationary economies in both periods, and (iv) includes the results of Coca-Cola FEMSA Philippines Inc, as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy.

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

|  | YTD 17   | % Rev   | YTD 16   | % Rev   | D %<br>Reported | D %<br>Comparable<br>(8) |      |   |
|--|----------|---------|----------|---------|-----------------|--------------------------|------|---|
| Transactions (million transactions)                                  | 18,917.0 |         | 14,793.1 |         | 27.9            | %                        | -3.2 | % |
| <b>Volume (million unit cases) <sup>(2)</sup></b>                    | 2,837.3  |         | 2,483.8  |         | 14.2            | %                        | -2.6 | % |
| Average price per unit case <sup>(2)</sup>                           | 50.22    |         | 46.46    |         | 8.1             | %                        |      |   |
| Net revenues   | 151,193  |         | 120,296  |         | 25.7            | %                        |      |   |
| Other operating revenues   | 266      |         | 332      |         | -19.8           | %                        |      |   |
| <b>Total revenues <sup>(3)</sup></b>                                 | 151,459  | 100.0 % | 120,628  | 100.0 % | 25.6            | %                        | 2.8  | % |
| Cost of goods sold   | 84,266   | 55.6 %  | 65,950   | 54.7 %  | 27.8            | %                        |      |   |
| Gross profit   | 67,193   | 44.4 %  | 54,678   | 45.3 %  | 22.9            | %                        | 5.0  | % |
| Operating expenses   | 49,473   | 32.7 %  | 38,291   | 31.7 %  | 29.2            | %                        |      |   |
| Other operative expenses, net  | (20 )    | -0.0 %  | 129      | 0.1 %   | -115.2          | %                        |      |   |
| Operative equity method (gain) loss in associates <sup>(4)</sup>     | (5 )     | -0.0 %  | (318 )   | -0.3 %  | -98.4           | %                        |      |   |
| <b>Operating income <sup>(5)</sup></b>                               | 17,744   | 11.7 %  | 16,576   | 13.7 %  | 7.0             | %                        | 3.5  | % |
| Other non operative expenses, net                                    | 707      | 0.5 %   | 1,839    | 1.5 %   | -61.6           | %                        |      |   |
| Non Operative equity method (gain) loss in associates <sup>(6)</sup> | (66 )    | -0.0 %  | (71 )    | -0.1 %  | -7.4            | %                        |      |   |
| Interest expense   | 6,829    |         | 5,336    |         | 28.0            | %                        |      |   |
| Interest income  | 641      |         | 430      |         | 49.0            | %                        |      |   |
| Interest expense, net  | 6,188    |         | 4,906    |         | 26.1            | %                        |      |   |
| Foreign exchange loss (gain)   | (279 )   |         | 1,838    |         | -115.2          | %                        |      |   |
| Loss (gain) on monetary position in inflationary subsidiaries        | (2,163 ) |         | (794 )   |         | 172.4           | %                        |      |   |
| Market value (gain) loss on financial instruments                    | (556 )   |         | (263 )   |         | 111.1           | %                        |      |   |
| Comprehensive financing result                                       | 3,190    |         | 5,687    |         | -43.9           | %                        |      |   |
| Income before taxes  | 13,913   |         | 9,121    |         | 52.5            | %                        |      |   |
| Income taxes   | 2,966    |         | 2,288    |         | 29.6            | %                        |      |   |
| Consolidated net income  | 10,947   |         | 6,833    |         | 60.2            | %                        |      |   |
| Net income attributable to equity holders of the company             | 10,233   | 6.8 %   | 6,581    | 5.5 %   | 55.5            | %                        |      |   |
| Non-controlling interest   | 714      |         | 252      |         | 183.4           | %                        |      |   |
| Operating income <sup>(5)</sup>                                      | 17,744   | 11.7 %  | 16,576   | 13.7 %  | 7.0             | %                        |      |   |
| Depreciation   | 7,892    |         | 5,231    |         | 50.9            | %                        |      |   |
| Amortization and other operative non-cash charges                    | 3,002    |         | 1,666    |         | 80.2            | %                        |      |   |
| <b>Operating cash flow <sup>(5)(7)</sup></b>                         | 28,638   | 18.9 %  | 23,473   | 19.5 %  | 22.0            | %                        | 3.5  | % |
| CAPEX  | 9,642    |         | 6,893    |         |                 |                          |      |   |

- (1) Except volume and average price per unit case figures.
- (2) Sales volume and average price per unit case exclude beer results.
- (3) Includes total revenues of Ps. 59,806 million from our Mexican operation, Ps. 41,500 million from our Brazilian operation, Ps. 10,514 million from our Colombian operation, and Ps. 9,579 million from our Argentine operation for the first nine months of 2017; Ps. 55,337 million from our Mexican operation, Ps. 29,011 million from our Brazilian operation, Ps. 10,856 from our Colombian operation, and Ps. 8,145 million from our Argentine operation for the same period of the previous year. Total Revenues includes Beer revenues in Brazil of Ps. 8,695 million for the first nine months of 2017 and Ps. 4,899 million for the same period of the previous year.
- (4) Includes equity method in Jugos del Valle, Leao Alimentos, Estrella Azul, one month of 2017 and nine months of 2016 from Coca-Cola FEMSA Philippines, Inc., among others.
- (5) The operating income and operative cash flow lines are presented as non-gaap measures for the convenience of the reader.
- (6) Includes equity method in PIASA, IEQSA, Beta San Miguel, IMER and KSP Participacoes among others.
- (7) Operative cash flow = operating income + depreciation, amortization & other operative non-cash charges.
- (8) Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements (iii) the results of hyperinflationary economies in both periods, and (iv) includes the results of Coca-Cola FEMSA Philippines Inc, as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy.

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**Mexico & Central America Division**Expressed in millions of Mexican pesos<sup>(1)</sup>**Quarterly information**

|  | 3Q 17   | % Rev   | 3Q 16   | % Rev   | D %<br>Reported | D %<br>Comparable <sup>(6)</sup> |      |   |
|--|---------|---------|---------|---------|-----------------|----------------------------------|------|---|
| Transactions (million transactions)                              | 2,789.9 |         | 2,908.4 |         | -4.1            | %                                | -4.1 | % |
| Volume (million unit cases)                                      | 506.1   |         | 521.9   |         | -3.0            | %                                | -3.0 | % |
| Average price per unit case                                      | 45.89   |         | 43.13   |         | 6.4             | %                                |      |   |
| Net revenues   | 23,223  |         | 22,512  |         |                 |                                  |      |   |
| Other operating revenues   | 15      |         | 14      |         |                 |                                  |      |   |
| <b>Total revenues</b> <sup>(2)</sup>                             | 23,239  | 100.0 % | 22,527  | 100.0 % | 3.2             | %                                | 4.1  | % |
| Cost of goods sold   | 11,942  | 51.4 %  | 11,412  | 50.7 %  |                 |                                  |      |   |
| Gross profit   | 11,297  | 48.6 %  | 11,114  | 49.3 %  | 1.6             | %                                | 2.4  | % |
| Operating expenses   | 7,652   | 32.9 %  | 7,244   | 32.2 %  |                 |                                  |      |   |
| Other operative expenses, net                                    | 57      | 0.2 %   | 42      | 0.2 %   |                 |                                  |      |   |
| Operative equity method (gain) loss in associates <sup>(3)</sup> | 48      | 0.2 %   | (27 )   | -0.1 %  |                 |                                  |      |   |
| <b>Operating income</b> <sup>(4)</sup>                           | 3,540   | 15.2 %  | 3,855   | 17.1 %  | -8.2            | %                                | -7.0 | % |
| Depreciation, amortization & other operative non-cash charges    | 1,475   | 6.3 %   | 1,288   | 5.7 %   |                 |                                  |      |   |
| <b>Operating cash flow</b> <sup>(4)(5)</sup>                     | 5,015   | 21.6 %  | 5,143   | 22.8 %  | -2.5            | %                                | -1.8 | % |

**Accumulated information**

|  | YTD 17  | % Rev   | YTD 16  | % Rev   | D %<br>Reported | D %<br>Comparable <sup>(6)</sup> |      |   |
|--|---------|---------|---------|---------|-----------------|----------------------------------|------|---|
| Transactions (million transactions)                              | 8,467.8 |         | 8,567.0 |         | -1.2            | %                                | -1.2 | % |
| Volume (million unit cases)                                      | 1,522.8 |         | 1,523.4 |         | -0.0            | %                                | -0.0 | % |
| Average price per unit case                                      | 45.45   |         | 42.62   |         | 6.7             | %                                |      |   |
| Net revenues   | 69,218  |         | 64,926  |         |                 |                                  |      |   |
| Other operating revenues   | 41      |         | 39      |         |                 |                                  |      |   |
| <b>Total revenues</b> <sup>(2)</sup>                             | 69,259  | 100.0 % | 64,965  | 100.0 % | 6.6             | %                                | 6.3  | % |
| Cost of goods sold   | 35,375  | 51.1 %  | 32,518  | 50.1 %  |                 |                                  |      |   |
| Gross profit   | 33,883  | 48.9 %  | 32,447  | 49.9 %  | 4.4             | %                                | 4.1  | % |
| Operating expenses   | 23,051  | 33.3 %  | 21,393  | 32.9 %  |                 |                                  |      |   |
| Other operative expenses, net                                    | (36 )   | -0.1 %  | 190     | 0.3 %   |                 |                                  |      |   |
| Operative equity method (gain) loss in associates <sup>(3)</sup> | 94      | 0.1 %   | (300 )  | -0.5 %  |                 |                                  |      |   |
| <b>Operating income</b> <sup>(4)</sup>                           | 10,774  | 15.6 %  | 11,164  | 17.2 %  | -3.5            | %                                | -1.3 | % |
| Depreciation, amortization & other operative non-cash charges    | 4,117   | 5.9 %   | 3,627   | 5.6 %   |                 |                                  |      |   |
| <b>Operating cash flow</b> <sup>(4)(5)</sup>                     | 14,890  | 21.5 %  | 14,791  | 22.8 %  | 0.7             | %                                | 0.3  | % |



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

(2) For the quarter: Includes total revenues of Ps. 20,332 million from our Mexican operation for the third quarter of 2017 and 19,362 for the same period of the previous year

YTD information: Includes total revenues of Ps. 59,806 million from our Mexican operation for the first nine months of 2017 and 55,337 for the same period of the previous year

(3) For the quarter: Includes equity method in Jugos del Valle, Estrella Azul, among others.

For YTD information: Includes Jugos del Valle, Estrella Azul, one month of 2017 and nine months of 2016 of Coca-Cola FEMSA Philippines, Inc., among others.

(4) The operating income and operative cash flow lines are presented as non-gaap measures for the convenience of the reader.

(5) Operative cash flow = operating income + depreciation, amortization & other operative non-cash charges.

(6) Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements (iii) the results of hyperinflationary economies in both periods, and (iv) includes the results of Coca-Cola FEMSA Philippines Inc, as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy.

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**South America Division**Expressed in millions of Mexican pesos<sup>(1)</sup>**Quarterly information**

|  | 3Q 17   | % Rev   | 3Q 16   | % Rev   | D %<br>Reported | D %<br>Comparable <sup>(7)</sup> |      |   |
|--|---------|---------|---------|---------|-----------------|----------------------------------|------|---|
| Transactions (million transactions)                              | 2,076.1 |         | 1,999.8 |         | 3.8             | %                                | -3.3 | % |
| <b>Volume (million unit cases) <sup>(2)</sup></b>                | 315.3   |         | 302.5   |         | 4.2             | %                                | -3.0 | % |
| Average price per unit case <sup>(2)</sup>                       | 58.24   |         | 59.15   |         | -1.5            | %                                |      |   |
| Net revenues   | 21,129  |         | 19,729  |         |                 |                                  |      |   |
| Other operating revenues   | 96      |         | 95      |         |                 |                                  |      |   |
| <b>Total revenues <sup>(3)</sup></b>                             | 21,226  | 100.0 % | 19,824  | 100.0 % | 7.1             | %                                | 3.1  | % |
| Cost of goods sold   | 12,416  | 58.5 %  | 12,061  | 60.8 %  |                 |                                  | 0.0  | % |
| Gross profit   | 8,810   | 41.5 %  | 7,763   | 39.2 %  | 13.5            | %                                | 11.4 | % |
| Operating expenses   | 6,883   | 32.4 %  | 5,951   | 30.0 %  |                 |                                  |      |   |
| Other operative expenses, net                                    | 167     | 0.8 %   | 45      | 0.2 %   |                 |                                  |      |   |
| Operative equity method (gain) loss in associates <sup>(4)</sup> | (42 )   | -0.2 %  | (22 )   | -0.1 %  |                 |                                  |      |   |
| <b>Operating income <sup>(5)</sup></b>                           | 1,801   | 8.5 %   | 1,789   | 9.0 %   | 0.7             | %                                | 18.3 | % |
| Depreciation, amortization & other operative non-cash charges    | 1,779   | 8.4 %   | 1,249   | 6.3 %   |                 |                                  |      |   |
| <b>Operating cash flow <sup>(5)(6)</sup></b>                     | 3,580   | 16.9 %  | 3,038   | 15.3 %  | 17.9            | %                                | 13.6 | % |

**Accumulated information**

|  | YTD 17  | % Rev   | YTD 16  | % Rev   | D %<br>Reported | D %<br>Comparable <sup>(7)</sup> |      |   |
|--|---------|---------|---------|---------|-----------------|----------------------------------|------|---|
| Transactions (million transactions)                              | 6,005.0 |         | 6,226.2 |         | -3.6            | %                                | -9.4 | % |
| <b>Volume (million unit cases) <sup>(2)</sup></b>                | 922.1   |         | 960.4   |         | -4.0            | %                                | -9.1 | % |
| Average price per unit case <sup>(2)</sup>                       | 63.84   |         | 52.55   |         | 21.5            | %                                |      |   |
| Net revenues   | 67,557  |         | 55,370  |         |                 |                                  |      |   |
| Other operating revenues   | 226     |         | 293     |         |                 |                                  |      |   |
| <b>Total revenues <sup>(3)</sup></b>                             | 67,783  | 100.0 % | 55,663  | 100.0 % | 21.8            | %                                | 0.1  | % |
| Cost of goods sold   | 40,217  | 59.3 %  | 33,432  | 60.1 %  |                 |                                  |      |   |
| Gross profit   | 27,566  | 40.7 %  | 22,231  | 39.9 %  | 24.0            | %                                | 6.8  | % |
| Operating expenses   | 21,644  | 31.9 %  | 16,898  | 30.4 %  |                 |                                  |      |   |
| Other operative expenses, net                                    | (35 )   | -0.1 %  | (60 )   | -0.1 %  |                 |                                  |      |   |
| Operative equity method (gain) loss in associates <sup>(4)</sup> | (99 )   | -0.1 %  | (19 )   | -0.0 %  |                 |                                  |      |   |
| <b>Operating income <sup>(5)</sup></b>                           | 6,057   | 8.9 %   | 5,412   | 9.7 %   | 11.9            | %                                | 7.6  | % |
| Depreciation, amortization & other operative non-cash charges    | 5,325   | 7.9 %   | 3,269   | 5.9 %   |                 |                                  |      |   |
| <b>Operating cash flow <sup>(5)(6)</sup></b>                     | 11,382  | 16.8 %  | 8,681   | 15.6 %  | 31.1            | %                                | 6.1  | % |

- (1) Except volume and average price per unit case figures.
- (2) Sales volume and average price per unit case exclude beer results.
- (3) **Quarter information:** Includes total revenues of Ps. 13,190 million from our Brazilian operation, Ps. 3,415 million from our Colombian operation, and Ps. 2,851 million from our Argentine operation for the third quarter of 2017; and Ps. 10,676 million from our Brazilian operation, Ps. 3,849 from our Colombian operation, and Ps. 2,774 million from our Argentine operation for the same period of the previous year. Total Revenues includes Beer revenues in Brazil of Ps. 2,768 million for the third quarter of 2017 and Ps. 1,836 million for the same period of the previous year.
- (3) **Year to date information:** Includes total revenues of Ps. 41,500 million from our Brazilian operation, Ps. 10,514 million from our Colombian operation, and Ps. 9,579 million from our Argentine operation for the first nine months of 2017; and Ps. 29,011 million from our Brazilian operation, Ps. 10,856 from our Colombian operation, and Ps. 8,145 million from our Argentine operation for the same period of the previous year. Total Revenues includes Beer revenues in Brazil of Ps. 8,695 million for the first nine months of 2017 and Ps. 4,899 million for the same period of the previous year.
- (4) Includes equity method in Leao Alimentos, Verde Campo, among others.
- (5) The operating income and operative cash flow lines are presented as non-gaap measures for the convenience of the reader.
- (6) Operative cash flow = operating income + depreciation, amortization & other operative non-cash charges.
- (7) Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements (iii) the results of hyperinflationary economies in both periods, and (iv) includes the results of Coca-Cola FEMSA Philippines Inc, as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy.

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**Venezuela Operation**Expressed in millions of Mexican pesos<sup>(1)</sup>**Quarterly information**

|   | 3Q 17  | % Rev   | 3Q 16 | % Rev   | D %<br>Reported |   |
|---|--------|---------|-------|---------|-----------------|---|
| Transactions (million transactions)                           | 129.3  |         | 195.1 |         | -33.7           | % |
| Volume (million unit cases)                                   | 18.8   |         | 35.3  |         | -46.7           | % |
| Average price per unit case                                   | 94.20  |         | 71.61 |         | 31.5            | % |
| Net revenues  | 1,770  |         | 2,525 |         |                 |   |
| Other operating revenues                                      | -      |         | -     |         |                 |   |
| Total revenues  | 1,770  | 100.0 % | 2,525 | 100.0 % | -29.9           | % |
| Cost of goods sold  | 1,522  | 86.0 %  | 1,804 | 71.5 %  |                 |   |
| Gross profit  | 248    | 14.0 %  | 721   | 28.5 %  | -65.6           | % |
| Operating expenses  | 942    | 53.2 %  | 695   | 27.5 %  |                 |   |
| Other operative expenses, net                                 | 20     | 1.2 %   | 38    | 1.5 %   |                 |   |
| Operating income  | (715 ) | -40.4 % | (12 ) | -0.5 %  | 5743.2          | % |
| Depreciation, amortization & other operative non-cash charges | 939    | 53.0 %  | 451   | 17.9 %  |                 |   |
| <b>Operating cash flow <sup>(2)</sup></b>                     | 224    | 12.7 %  | 439   | 17.4 %  | -48.9           | % |

**Accumulated information**

|   | YTD 17   | % Rev   | YTD 16 | % Rev   | D %<br>Reported |   |
|---|----------|---------|--------|---------|-----------------|---|
| Transactions (million transactions)                           | 318.1    |         | 635.2  |         | -49.9           | % |
| Volume (million unit cases)                                   | 44.7     |         | 119.6  |         | -62.6           | % |
| Average price per unit case                                   | 138.38   |         | 63.99  |         | 116.2           | % |
| Net revenues  | 6,189    |         | 7,651  |         |                 |   |
| Other operating revenues                                      | -        |         | -      |         |                 |   |
| Total revenues  | 6,189    | 100.0 % | 7,651  | 100.0 % | -19.1           | % |
| Cost of goods sold  | 4,953    | 80.0 %  | 5,022  | 65.6 %  |                 |   |
| Gross profit  | 1,236    | 20.0 %  | 2,630  | 34.4 %  | -53.0           | % |
| Operating expenses  | 2,991    | 48.3 %  | 2,444  | 31.9 %  |                 |   |
| Other operative expenses, net                                 | (22 )    | -0.4 %  | 5      | 0.1 %   |                 |   |
| Operating income  | (1,733 ) | -28.0 % | 180    | 2.4 %   | -1060.7         | % |
| Depreciation, amortization & other operative non-cash charges | 2,616    | 42.3 %  | 1,046  | 13.7 %  |                 |   |
| <b>Operating cash flow <sup>(2)</sup></b>                     | 884      | 14.3 %  | 1,226  | 16.0 %  | -27.9           | % |

<sup>(1)</sup> Except volume and average price per unit case figures.<sup>(2)</sup> Operative cash flow = operating income + depreciation, amortization & other operative non-cash charges.

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# Asia Division

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

## Quarterly information

|   | 3Q 17   | % Rev   | D %    | Comparable <sup>(4)</sup> |
|---|---------|---------|--------|---------------------------|
| Transactions (million transactions)                           | 1,619.1 |         | 9.0    | %                         |
| <b>Volume (million unit cases) <sup>(2)</sup></b>             | 139.5   |         | 7.0    | %                         |
| Average price per unit case <sup>(2)</sup>                    | 35.11   |         |        |                           |
| Net revenues  | 4,899   |         |        |                           |
| Other operating revenues                                      | -       |         |        |                           |
| <b>Total revenues <sup>(3)</sup></b>                          | 4,899   | 100.0 % | 6.1    | %                         |
| Cost of goods sold  | 2,989   | 61.0 %  |        |                           |
| Gross profit  | 1,910   | 39.0 %  | 15.8   | %                         |
| Operating expenses  | 1,728   | 35.3 %  |        |                           |
| Other operative expenses, net                                 | 36      | 0.7 %   |        |                           |
| <b>Operating income <sup>(5)</sup></b>                        | 145     | 3.0 %   | 1933.0 | %                         |
| Depreciation, amortization & other operative non-cash charges | 562     | 11.5 %  |        |                           |
| <b>Operating cash flow <sup>(5)(6)</sup></b>                  | 707     | 14.4 %  | 35.0   | %                         |

## Accumulated information

|   | YTD 17  | % Rev   | D %  | Comparable <sup>(4)</sup> |
|---|---------|---------|------|---------------------------|
| Transactions (million transactions)                           | 4,444.2 |         | 0.3  | %                         |
| <b>Volume (million unit cases) <sup>(2)</sup></b>             | 392.3   |         | 0.9  | %                         |
| Average price per unit case <sup>(2)</sup>                    | 36.75   |         |      |                           |
| Net revenues  | 14,417  |         |      |                           |
| Other operating revenues                                      | -       |         |      |                           |
| <b>Total revenues <sup>(3)</sup></b>                          | 14,417  | 100.0 % | -1.9 | %                         |
| Cost of goods sold  | 8,674   | 60.2 %  |      |                           |
| Gross profit  | 5,743   | 39.8 %  | 3.0  | %                         |
| Operating expenses  | 4,778   | 33.1 %  |      |                           |
| Other operative expenses, net                                 | 51      | 0.4 %   |      |                           |
| <b>Operating income <sup>(5)</sup></b>                        | 914     | 6.3 %   | 43.5 | %                         |
| Depreciation, amortization & other operative non-cash charges | 1,452   | 10.1 %  |      |                           |
| <b>Operating cash flow <sup>(5)(6)</sup></b>                  | 2,366   | 16.4 %  | 14.0 | %                         |

<sup>(1)</sup> Except volume and average price per unit case figures.

<sup>(2)</sup> YTD Includes the results of February to September

<sup>(3)</sup> Operative cash flow = operating income + depreciation, amortization & other operative non-cash charges.

<sup>(4)</sup> Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements

(iii) the results of hyperinflationary economies in both periods, and (iv) includes the results of Coca-Cola FEMSA Philippines Inc, as if the consolidation had taken place at the beginning of first quarter 2016. From our operations, only Venezuela qualifies as a hyperinflationary economy.

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**Consolidated Balance Sheet**

Expressed in millions of Mexican pesos.

|  | Sep-17            | Dec-16            |
|--|-------------------|-------------------|
| Assets   |                   |                   |
| Current Assets                                   |                   |                   |
| Cash, cash equivalents and marketable securities | Ps. 20,206        | Ps. 10,476        |
| Total accounts receivable                        | 12,073            | 15,005            |
| Inventories                                      | 11,240            | 10,744            |
| Other current assets                             | 10,464            | 9,229             |
| Total current assets                             | 53,983            | 45,454            |
| Property, plant and equipment                    |                   |                   |
| Property, plant and equipment                    | 126,202           | 106,696           |
| Accumulated depreciation                         | (50,729 )         | (41,408 )         |
| Total property, plant and equipment, net         | 75,473            | 65,288            |
| Investment in shares                             | 11,292            | 22,357            |
| Intangibles assets and other assets              | 123,607           | 123,964           |
| Other non-current assets                         | 18,824            | 22,194            |
| Total Assets                                     | <b>Ps.283,179</b> | <b>Ps.279,256</b> |
| Liabilities and Equity                           |                   |                   |
| Current Liabilities                              |                   |                   |
| Short-term bank loans and notes payable          | Ps. 2,155         | Ps. 3,052         |
| Suppliers  | 18,796            | 21,489            |
| Other current liabilities                        | 21,244            | 15,327            |
| Total current liabilities                        | 42,195            | 39,868            |
| Long-term bank loans and notes payable           | 76,510            | 85,857            |
| Other long-term liabilities                      | 29,040            | 24,298            |
| Total liabilities                                | 147,745           | 150,023           |
| Equity   |                   |                   |
| Non-controlling interest                         | 16,341            | 7,096             |
| Total controlling interest                       | 119,093           | 122,137           |
| Total equity                                     | 135,434           | 129,233           |
| Total Liabilities and Equity                     | <b>Ps.283,179</b> | <b>Ps.279,256</b> |

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**Quarter - Volume & Transactions**

For the three months ended September 30, 2017 and 2016

**Volume***Expressed in million unit cases*

|                                     | <b>3Q 2017</b> |                      |                              | <b>3Q 2016</b> |              |              |                      |                              |                |
|-------------------------------------|----------------|----------------------|------------------------------|----------------|--------------|--------------|----------------------|------------------------------|----------------|
|                                     | Sparkling      | Water <sup>(1)</sup> | Bulk<br>Water <sup>(2)</sup> | Still          | Total        | Sparkling    | Water <sup>(1)</sup> | Bulk<br>Water <sup>(2)</sup> | Still<br>Total |
| Mexico                              | 340.0          | 23.6                 | 73.3                         | 27.4           | 464.3        | 353.2        | 23.3                 | 75.2                         | 27.9           |
| Central America                     | 34.4           | 2.5                  | 0.1                          | 4.9            | 41.9         | 35.0         | 2.3                  | 0.1                          | 4.9            |
| <b>Mexico &amp; Central America</b> | <b>374.4</b>   | <b>26.1</b>          | <b>73.4</b>                  | <b>32.2</b>    | <b>506.1</b> | <b>388.2</b> | <b>25.6</b>          | <b>75.3</b>                  | <b>32.7</b>    |
| Colombia                            | 51.2           | 6.0                  | 5.0                          | 5.7            | 67.9         | 56.1         | 7.2                  | 4.7                          | 7.6            |
| Venezuela                           | 16.2           | 1.8                  | 0.2                          | 0.6            | 18.8         | 29.9         | 3.4                  | 0.1                          | 1.9            |
| Brazil                              | 161.8          | 9.4                  | 1.5                          | 9.2            | 181.9        | 130.2        | 8.2                  | 1.1                          | 7.4            |
| Argentina                           | 37.6           | 4.6                  | 0.9                          | 3.5            | 46.6         | 37.0         | 4.3                  | 0.5                          | 2.8            |
| <b>South America</b>                | <b>266.8</b>   | <b>21.8</b>          | <b>7.6</b>                   | <b>19.1</b>    | <b>315.3</b> | <b>253.2</b> | <b>23.1</b>          | <b>6.5</b>                   | <b>19.7</b>    |
| Philippines                         | 110.1          | 6.5                  | 9.4                          | 13.6           | 139.5        | -            | -                    | -                            | -              |
| <b>Asia</b>                         | <b>110.1</b>   | <b>6.5</b>           | <b>9.4</b>                   | <b>13.6</b>    | <b>139.5</b> | -            | -                    | -                            | -              |
| <b>Total</b>                        | <b>751.2</b>   | <b>54.4</b>          | <b>90.4</b>                  | <b>64.9</b>    | <b>960.9</b> | <b>641.4</b> | <b>48.7</b>          | <b>81.8</b>                  | <b>52.5</b>    |

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

(2) Bulk Water = Still bottled water in 5.0, 19.0 and 20.0 - liter packaging presentations; includes flavored water

**Transactions***Expressed in million transactions*

|                                     | <b>3Q 2017</b> |              |              |                | <b>3Q 2016</b> |              |              |                |
|-------------------------------------|----------------|--------------|--------------|----------------|----------------|--------------|--------------|----------------|
|                                     | Sparkling      | Water        | Still        | Total          | Sparkling      | Water        | Still        | Total          |
| Mexico                              | 2,027.5        | 175.9        | 223.3        | 2,426.7        | 2,128.2        | 176.7        | 234.6        | 2,539.5        |
| Central America                     | 286.1          | 14.8         | 62.3         | 363.1          | 289.5          | 14.3         | 65.0         | 368.8          |
| <b>Mexico &amp; Central America</b> | <b>2,313.5</b> | <b>190.7</b> | <b>285.6</b> | <b>2,789.9</b> | <b>2,417.7</b> | <b>191.0</b> | <b>299.6</b> | <b>2,908.4</b> |
| Colombia                            | 388.1          | 91.6         | 55.5         | 535.2          | 424.3          | 97.2         | 84.2         | 605.7          |
| Venezuela                           | 105.7          | 17.3         | 6.3          | 129.3          | 148.1          | 32.0         | 15.0         | 195.1          |
| Brazil                              | 984.6          | 81.7         | 106.0        | 1,172.2        | 817.5          | 71.1         | 83.0         | 971.5          |
| Argentina                           | 191.9          | 24.3         | 23.3         | 239.4          | 185.0          | 21.8         | 20.7         | 227.5          |
| <b>South America</b>                | <b>1,670.2</b> | <b>214.8</b> | <b>191.1</b> | <b>2,076.1</b> | <b>1,574.8</b> | <b>222.1</b> | <b>202.9</b> | <b>1,999.8</b> |
| Philippines                         | 1,419.5        | 77.5         | 122.2        | 1,619.1        | -              | -            | -            | -              |
| <b>Asia</b>                         | <b>1,419.5</b> | <b>77.5</b>  | <b>122.2</b> | <b>1,619.1</b> | -              | -            | -            | -              |
| <b>Total</b>                        | <b>5,403.2</b> | <b>483.0</b> | <b>598.9</b> | <b>6,485.1</b> | <b>3,992.5</b> | <b>413.1</b> | <b>502.5</b> | <b>4,908.2</b> |

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**YTD - Volume & Transactions**

For the nine months ended September 30, 2017 and 2016

**Volume***Expressed in million unit cases*

|                                     | <b>YTD 2017</b> |                      |                              |              | <b>YTD 2016</b> |                |                      |                              |              |                |
|-------------------------------------|-----------------|----------------------|------------------------------|--------------|-----------------|----------------|----------------------|------------------------------|--------------|----------------|
|                                     | Sparkling       | Water <sup>(1)</sup> | Bulk<br>Water <sup>(2)</sup> | Still        | Total           | Sparkling      | Water <sup>(1)</sup> | Bulk<br>Water <sup>(2)</sup> | Still        | Total          |
| Mexico                              | 1,012.6         | 75.7                 | 223.7                        | 84.9         | 1,397.0         | 1,016.4        | 72.6                 | 223.9                        | 80.1         | 1,393.0        |
| Central America                     | 103.3           | 7.6                  | 0.4                          | 14.5         | 125.9           | 107.9          | 7.5                  | 0.5                          | 14.6         | 130.5          |
| <b>Mexico &amp; Central America</b> | <b>1,115.9</b>  | <b>83.3</b>          | <b>224.2</b>                 | <b>99.4</b>  | <b>1,522.8</b>  | <b>1,124.2</b> | <b>80.2</b>          | <b>224.3</b>                 | <b>94.7</b>  | <b>1,523.4</b> |
| Colombia                            | 145.2           | 16.9                 | 14.2                         | 17.4         | 193.7           | 167.6          | 22.1                 | 16.0                         | 24.9         | 230.6          |
| Venezuela                           | 38.3            | 4.4                  | 0.3                          | 1.7          | 44.7            | 101.3          | 9.7                  | 1.1                          | 7.4          | 119.6          |
| Brazil                              | 479.6           | 28.2                 | 4.6                          | 26.0         | 538.4           | 406.4          | 27.2                 | 4.1                          | 23.9         | 461.5          |
| Argentina                           | 116.8           | 15.0                 | 2.4                          | 11.1         | 145.3           | 119.8          | 16.9                 | 2.4                          | 9.6          | 148.7          |
| <b>South America</b>                | <b>780.0</b>    | <b>64.5</b>          | <b>21.5</b>                  | <b>56.1</b>  | <b>922.1</b>    | <b>795.2</b>   | <b>75.9</b>          | <b>23.6</b>                  | <b>65.8</b>  | <b>960.4</b>   |
| Philippines <sup>(3)</sup>          | 311.3           | 18.3                 | 24.3                         | 38.5         | 392.3           | -              | -                    | -                            | -            | -              |
| <b>Asia</b>                         | <b>311.3</b>    | <b>18.3</b>          | <b>24.3</b>                  | <b>38.5</b>  | <b>392.3</b>    | <b>-</b>       | <b>-</b>             | <b>-</b>                     | <b>-</b>     | <b>-</b>       |
| <b>Total</b>                        | <b>2,207.2</b>  | <b>166.1</b>         | <b>270.0</b>                 | <b>194.0</b> | <b>2,837.3</b>  | <b>1,919.4</b> | <b>156.0</b>         | <b>247.9</b>                 | <b>160.5</b> | <b>2,483.8</b> |

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

(2) Bulk Water = Still bottled water in 5.0, 19.0 and 20.0 - liter packaging presentations; includes flavored water

**Transactions***Expressed in million transactions*

|                                     | <b>YTD 2017</b> |                |                |                 | <b>YTD 2016</b> |                |                |                 |
|-------------------------------------|-----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|
|                                     | Sparkling       | Water          | Still          | Total           | Sparkling       | Water          | Still          | Total           |
| Mexico                              | 6,119.3         | 560.8          | 697.2          | 7,377.2         | 6,208.2         | 548.0          | 681.5          | 7,437.6         |
| Central America                     | 856.7           | 46.1           | 187.7          | 1,090.5         | 887.6           | 47.0           | 194.7          | 1,129.3         |
| <b>Mexico &amp; Central America</b> | <b>6,976.0</b>  | <b>606.9</b>   | <b>884.9</b>   | <b>8,467.8</b>  | <b>7,095.7</b>  | <b>595.1</b>   | <b>876.2</b>   | <b>8,567.0</b>  |
| Colombia                            | 1,109.6         | 231.3          | 171.8          | 1,512.7         | 1,272.1         | 290.4          | 257.2          | 1,819.7         |
| Venezuela                           | 261.3           | 41.9           | 14.9           | 318.1           | 482.3           | 86.5           | 66.4           | 635.2           |
| Brazil                              | 2,903.3         | 249.2          | 294.2          | 3,446.7         | 2,539.9         | 236.5          | 265.9          | 3,042.3         |
| Argentina                           | 579.0           | 76.1           | 72.4           | 727.5           | 577.3           | 81.4           | 70.2           | 728.9           |
| <b>South America</b>                | <b>4,853.1</b>  | <b>598.6</b>   | <b>553.3</b>   | <b>6,005.0</b>  | <b>4,871.5</b>  | <b>694.9</b>   | <b>659.8</b>   | <b>6,226.2</b>  |
| Philippines <sup>(3)</sup>          | 3,920.0         | 214.1          | 310.1          | 4,444.2         | -               | -              | -              | -               |
| <b>Asia</b>                         | <b>3,920.0</b>  | <b>214.1</b>   | <b>310.1</b>   | <b>4,444.2</b>  | <b>-</b>        | <b>-</b>       | <b>-</b>       | <b>-</b>        |
| <b>Total</b>                        | <b>15,749.1</b> | <b>1,419.6</b> | <b>1,748.3</b> | <b>18,917.0</b> | <b>11,967.3</b> | <b>1,289.9</b> | <b>1,536.0</b> | <b>14,793.1</b> |

(3) YTD information for the Philippines includes February to September

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**Macroeconomic Information***Third quarter 2017***Inflation<sup>(1)</sup>**

|                          | <b>LTM</b> | <b>3Q 17</b> | <b>YTD</b> |
|--------------------------|------------|--------------|------------|
| Mexico                   | 6.55%      | 1.62%        | 4.26%      |
| Colombia                 | 4.35%      | 0.12%        | 3.59%      |
| Venezuela <sup>(2)</sup> | 1158.69%   | 153.43%      | 556.23%    |
| Brazil                   | 2.20%      | 0.08%        | 1.81%      |
| Argentina                | 25.12%     | 4.86%        | 17.31%     |
| Philippines              | 3.78%      | 0.88%        | 2.35%      |

<sup>(1)</sup> Source: inflation estimated by the company based on historic publications from the Central Banks of each country.

<sup>(2)</sup> Inflation based on unofficial publications.

**Average Exchange Rates for each Period <sup>(3)</sup>**

|             | Quarterly Exchange Rate (local currency per USD) |              |            | Accumulated Exchange Rate (local currency per USD) |               |            |
|-------------|--|--------------|------------|--|---------------|------------|
|             | <b>3Q 17</b>                                     | <b>3Q 16</b> | <b>D %</b> | <b>YTD 17</b>                                      | <b>YTD 16</b> | <b>D %</b> |
| Mexico      | 17.82  | 18.72        | -4.8%      | 18.94  | 18.27         | 3.7%       |
| Guatemala   | 7.29   | 7.55         | -3.4%      | 7.36   | 7.64          | -3.7%      |
| Nicaragua   | 30.23  | 28.79        | 5.0%       | 29.87  | 28.45         | 5.0%       |
| Costa Rica  | 577.25   | 556.68       | 3.7%       | 572.43   | 548.15        | 4.4%       |
| Panama      | 1.00   | 1.00         | 0.0%       | 1.00   | 1.00          | 0.0%       |
| Colombia    | 2,976.12   | 2,951.04     | 0.8%       | 2,938.94   | 3,067.67      | -4.2%      |
| Venezuela   | 3,035.00   | 646.09       | 369.7%     | 1,675.25   | 437.17        | 283.2%     |
| Brazil      | 3.16   | 3.25         | -2.6%      | 3.17   | 3.56          | -10.8%     |
| Argentina   | 17.28  | 14.95        | 15.6%      | 16.23  | 14.56         | 11.5%      |
| Philippines | 50.84  | 47.06        | 8.0%       | 50.23  | 46.95         | 7.0%       |

**End of Period Exchange Rates**

|           | Quarter Exchange Rate (local currency per USD) |                 |            | Previous Quarter Exchange Rate (local currency per USD) |                 |            |
|-----------|--|-----------------|------------|---|-----------------|------------|
|           | <b>Sep 2017</b>                                | <b>Sep 2016</b> | <b>D %</b> | <b>Jun 2017</b>   | <b>Jun 2016</b> | <b>D %</b> |
| Mexico    | 18.20  | 19.50           | -6.7%      | 17.90   | 18.91           | -5.4%      |
| Guatemala | 7.34   | 7.52            | -2.3%      | 7.34  | 7.64            | -4.0%      |

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|             |          |          |        |          |          |        |
|-------------|----------|----------|--------|----------|----------|--------|
| Nicaragua   | 30.41    | 28.97    | 5.0%   | 30.04    | 28.61    | 5.0%   |
| Costa Rica  | 574.13   | 558.80   | 2.7%   | 579.87   | 554.20   | 4.6%   |
| Panama      | 1.00     | 1.00     | 0.0%   | 1.00     | 1.00     | 0.0%   |
| Colombia    | 2,936.67 | 2,879.95 | 2.0%   | 3,038.26 | 2,916.15 | 4.2%   |
| Venezuela   | 3,345.00 | 658.89   | 407.7% | 2,640.00 | 628.34   | 320.2% |
| Brazil      | 3.17     | 3.25     | -2.4%  | 3.31     | 3.21     | 3.1%   |
| Argentina   | 17.31    | 15.31    | 13.1%  | 16.63    | 15.04    | 10.6%  |
| Philippines | 51.07    | 48.26    | 5.8%   | 50.47    | 46.96    | 7.5%   |

(3) Average exchange rate for each period computed with the average exchange rate of each month.

(\*) Exchange rate as of September, 30 2017

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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/ Eduardo Padilla  
Eduardo Padilla  
Chief Financial and Corporate Officer

Date: October 26, 2017