

COCA COLA FEMSA SAB DE CV
Form 6-K
February 22, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER

THE SECURITIES EXCHANGE ACT OF 1934

For the month of February 2011
Commission File Number 1-12260

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

(Translation of registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

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

México

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

Yes No

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

Yes__No_X

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

Yes__No_X

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

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

Stock Listing Information

Mexican Stock Exchange

Ticker: KOFL

NYSE (ADR)

Ticker: KOF

Ratio of KOF L to KOF = 10:1

2010 FOURTH-QUARTER AND FULL-YEAR RESULTS

| | Fourth Quarter | | | YTD | | |
|--|----------------|--------|--------|---------|---------|-------|
| | 2010 | 2009 | Δ% | 2010 | 2009 | Δ% |
| Total Revenues | 27,991 | 29,032 | -3.6% | 103,456 | 102,767 | 0.7% |
| Gross Profit | 12,974 | 13,415 | -3.3% | 47,922 | 47,815 | 0.2% |
| Operating Income | 5,080 | 4,827 | 5.2% | 17,079 | 15,835 | 7.9% |
| Net Controlling Interest Income | 3,022 | 2,828 | 6.9% | 9,800 | 8,523 | 15.0% |
| EBITDA ⁽¹⁾ | 6,109 | 5,805 | 5.2% | 21,022 | 19,746 | 6.5% |
| Net Debt ⁽²⁾ | 4,817 | 5,971 | -19.3% | | | |
| Net Debt / EBITDA ⁽³⁾ | 0.23 | 0.30 | | | | |
| EBITDA/ Interest Expense, net ⁽³⁾ | 14.37 | 12.27 | | | | |
| Earnings per Share ⁽³⁾ | 5.31 | 4.62 | | | | |
| Capitalization ⁽⁴⁾ | 19.4% | 20.2% | | | | |

Expressed in millions of Mexican pesos.

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

See reconciliation table on page 9 except for Earnings per Share

⁽²⁾ Net Debt = Total Debt - Cash⁽³⁾ LTM figures⁽⁴⁾ Total debt / (long-term debt + shareholders' equity)**For Further Information:****Investor Relations**

Total revenues reached Ps. 27,991 million in the fourth quarter of 2010, a decrease of 3.6% compared to the fourth quarter of 2009 mainly as a result of the devaluation of the Venezuelan bolivar, which was partially compensated by double-digit total revenue growth in our Mercosur division and a 6.5% total revenue growth in our Mexico division. On a currency neutral basis, total revenues grew approximately 12%.

Consolidated operating income grew 5.2% to Ps. 5,080 million for the fourth quarter of 2010, driven by double-digit operating income growth recorded in our Latincentro division. Our operating margin was 18.1% in the fourth quarter of 2010.

Consolidated net controlling interest income grew 6.9%, reaching Ps. 3,022 million in the fourth quarter of 2010, resulting in earnings per share of Ps. 1.64 in the fourth quarter of 2010.

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Mexico City (February 22, 2011), Coca-Cola FEMSA, S.A.B. de C.V. (BMV: KOFL, NYSE: KOF) (Coca-Cola FEMSA or the Company), the largest public Coca-Cola bottler in the world in terms of sales volume, announces results for the fourth quarter of 2010.

In the face of unusually bad weather conditions across our Mexico and Latincentro divisions during an important part of the year and the effect of the devaluation of the Venezuelan bolivar, we believe the strength of our diversified, defensive business profile enabled us to produce top-line growth for 2010. Our operators' disciplined ability to navigate and adapt our business to challenging, complex market environments produced increased profitability for the fourth quarter and the full year, despite the volatility of sugar costs throughout 2010. Our diversified sources of cash flow allowed us to deliver double-digit consolidated net controlling interest income growth for our shareholders in 2010, extending our track record of earnings per share growth. We are privileged to lead a solid, multinational business that evolves and adapts to our operations' particular conditions; stays focused on our disciplined search to capture opportunities in the beverage industry, which extend the growth path that we have followed over the past several years; and enables us to consolidate our position across our franchise territories delivering value to our shareholders." said Carlos Salazar Lomelin, Chief Executive Officer of the Company.

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CONSOLIDATED RESULTS

Our consolidated total revenues decreased 3.6% to Ps. 27,991 million in the fourth quarter of 2010, compared to the fourth quarter of 2009 mainly as a result of the devaluation of the Venezuelan bolivar. On a currency neutral basis, total revenues grew approximately 12%, mainly driven by volume growth in our Mercosur and Mexico divisions, in combination with average price per unit case growth across our territories.

Total sales volume increased 1.2% to reach 659.9 million unit cases in the fourth quarter of 2010 as compared to the same period in 2009. Strong volume growth across all categories in our Mercosur division in combination with volume growth in our Mexico division, mainly driven by a 3% increase in the sparkling beverage category, supported by 3% growth of the *Coca-Cola* brand, compensated for volume declines in our Latincentro division.

Our gross profit decreased 3.3% to Ps. 12,974 million in the fourth quarter of 2010, compared to the fourth quarter of 2009. Cost of goods sold decreased 3.8%, mainly as a result of the devaluation of the Venezuelan bolivar. In local currency, cost of goods sold increased mainly driven by higher year-over-year sweetener costs across our territories, which were partially offset by the appreciation of the Brazilian real,⁽¹⁾ the Colombian peso⁽¹⁾ and the Mexican peso⁽¹⁾ as applied to our U.S. dollar-denominated raw material costs. Gross margin reached 46.4%, an expansion of 20 basis points as compared to the fourth quarter of 2009.

Our consolidated operating income increased 5.2% to Ps. 5,080 million in the fourth quarter of 2010, driven by double-digit operating income growth in our Latincentro division. Operating expenses decreased 8.1% in the fourth quarter of 2010 mainly as a result of the devaluation of the Venezuelan bolivar. In local currency, operating expenses grew mainly as a result of continued marketing investment in our Mexico division to support our execution in the marketplace, widen our cooler coverage and broaden our returnable base availability and higher labor and freight costs in Argentina. Our operating margin was 18.1% in the fourth quarter of 2010, an expansion of 150 basis points compared to the same period in 2009.

During the fourth quarter of 2010, we recorded Ps. 415 million in the other expenses, net line. These expenses mainly reflect the recording of employee profit sharing and the loss on sale of certain fixed assets.

Our comprehensive financing result in the fourth quarter of 2010 recorded an expense of Ps. 147 million as compared to an expense of Ps. 102 million in the same period of 2009.

During the fourth quarter of 2010, income tax, as a percentage of income before taxes, was 29.7% compared to 32.2% in the same period of 2009.

Our consolidated net controlling interest income⁽²⁾ grew 6.9% reaching Ps. 3,022 million in the fourth quarter of 2010 as compared to the fourth quarter of 2009. Earnings per share (EPS) in the fourth quarter of 2010 were Ps. 1.64 (Ps. 16.37 per ADS) computed on the basis of 1,846.5 million shares outstanding (each ADS represents 10 local shares).

(1) See page 14 for average and end of period exchange rates for the fourth quarter.

(2) Previously referred to as Majority Net Income; name changed in accordance with Mexican Financial Reporting Standards.

BALANCE SHEET

As of December 31, 2010, we had a cash balance of Ps. 12,534 million, including US\$ 593 million denominated in U.S. dollars, an increase of Ps. 2,580 million compared to December 31, 2009, mainly as a result of cash generated by our operations, net of debt and dividend payments made during the year.

As of December 31, 2010, total short-term debt was Ps. 1,840 million and long-term debt was Ps. 15,511 million. Total debt increased by Ps. 1,426 million, compared to year end 2009. During February, 2010 we issued a Yankee Bond in the amount of US\$ 500 million. We used the proceeds to pay the maturity of our Ps. 2,000 million and Ps. 1,000 million *Certificados Bursátiles* on February and April of 2010, respectively, and to prepay US\$ 202 million of bilateral loans. During the fourth quarter, we increased our debt denominated in Colombian pesos by a net amount equivalent to US\$ 38 million. KOF's total debt balance includes U.S. dollar-denominated debt in the amount of US\$ 673 million.(1)

The weighted average cost of debt for the quarter was 5.6%. The following charts set forth the Company's debt profile by currency and interest rate type and by maturity date as of December 31, 2010:

| Currency | % Total Debt(1) | % Interest Rate |
|-----------------|-----------------|-----------------|
| | | Floating(1)(2) |
| Mexican pesos | 33.5% | 38.1% |
| U.S. dollars | 47.4% | 4.6% |
| Colombian pesos | 11.8% | 100.0% |
| Brazilian reais | 0.6% | 0.0% |
| Argentine pesos | 6.8% | 6.9% |

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

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

Debt Maturity Profile

| Maturity Date | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 + |
|-----------------|-------|-------|------|------|-------|--------|
| % of Total Debt | 10.4% | 26.4% | 2.7% | 8.1% | 16.4% | 36.0% |

Consolidated Cash Flow(3)

Expressed in millions of Mexican pesos (Ps.) as of December 31, 2010

| | <i>Dic-10</i> |
|---|---------------|
| | <i>Ps.</i> |
| Income before taxes | 14,559 |
| Non cash charges to net income | 5,806 |
| | 20,365 |
| Change in working capital | (6,016) |
| Resources Generated by Operating Activities | 14,349 |
| Investments | (7,954) |
| Debt Increase | 2,427 |
| Dividends declared and paid | (2,612) |
| Other | (1,823) |
| Increase in cash and cash equivalents | 4,387 |
| Cash, cash equivalents and marketable securities at beginning of period | 9,954 |
| Translation Effect | (1,807) |
| Cash, cash equivalents and marketable securities at end of period | 12,534 |

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(3) The difference between the items presented in the balance sheet and the cash flow is because the cash flow is presented on a historical basis and the balance sheet is presented in nominal terms. These differences are presented separately as a part of the translation effect in the cash flow in accordance with the Mexican Financial Reporting Standards.

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MEXICO DIVISION OPERATING RESULTS

Revenues

Total revenues from our Mexico division increased 6.5% to Ps. 9,922 million in the fourth quarter of 2010, as compared to the same period in 2009. Increased average price per unit case accounted for approximately 60% of incremental revenues during the quarter and volume growth represented the balance. Average price per unit case reached Ps. 31.66, an increase of 3.7%, as compared to the fourth quarter of 2009, mainly reflecting higher volumes sold in our sparkling beverage portfolio and selective price increases across our product portfolio implemented over the past several months. Excluding bulk water under the *Ciel* brand, our average price per unit case was Ps. 36.21, a 3.1% increase as compared to the same period in 2009.

Total sales volume increased 2.6% to 312.2 million unit cases in the fourth quarter of 2010, as compared to the fourth quarter of 2009. Sparkling beverage volume increased 3%, driven by the strong performance of the *Coca-Cola* brand and increases in flavored sparkling beverages. Our still beverage portfolio grew 5% mainly due to the Jugos del Valle line of beverages. These volume increases in sparkling and still beverages compensated for a slight decline in our water portfolio, driven by a 2% decline in bulk water.

Operating Income

Our gross profit increased 3.6% to Ps. 4,887 million in the fourth quarter of 2010 as compared to the same period in 2009. Cost of goods sold increased 9.5% as a result of higher PET and sweetener costs, which were partially compensated by the appreciation of the Mexican peso⁽¹⁾ as applied to our U.S. dollar-denominated raw material costs. Gross margin reached 49.3% in the fourth quarter of 2010 in comparison to 50.6% in the same period of 2009.

Operating income decreased 2.9% to Ps. 1,859 million in the fourth quarter of 2010, compared to Ps. 1,914 million in the same period of 2009. Operating expenses grew 8.0% mainly due to continued marketing investment to support our execution in the marketplace, widen our cooler coverage and broaden our returnable base availability. Our operating margin was 18.7% in the fourth quarter of 2010, compared to 20.5% in the same period of 2009.

(1) See page 14 for average and end of period exchange rates for the fourth quarter.

LATINCENTRO DIVISION OPERATING RESULTS (Colombia, Venezuela, Guatemala, Nicaragua, Costa Rica and Panama)

Revenues

Total revenues reached Ps. 7,984 million in the fourth quarter of 2010, a decrease of 26.2% as compared to the same period of 2009 mainly as a result of the devaluation of the Venezuelan bolivar and a volume decline across the division. On a currency neutral basis, total revenues increased approximately 12% due to selective price increases implemented over the past several months across the division.

Total sales volume in our Latincentro division decreased 8.8% to 151.8 million unit cases in the fourth quarter of 2010 as compared to the same period of 2009. Our bottled water category recorded a double-digit volume decline, while the sparkling and still beverage categories declined 7% and 8%, respectively. Volumes in Venezuela declined approximately 14%, while volumes in Colombia and Central America declined approximately 9% and 1%, respectively. These declines were mainly related to unusually bad weather conditions experienced during the fourth quarter of 2010 in our operations.

Operating Income

Gross profit reached Ps. 3,780 million, a decrease of 23.3% in the fourth quarter of 2010, as compared to the same period of 2009. Cost of goods sold decreased 28.6% mainly as a result of the devaluation of the Venezuelan bolivar. In local currency, cost of goods sold increased mainly as a result of higher year-over-year sweetener costs across the division, which were partially compensated by the appreciation of the Colombian peso⁽¹⁾ as applied to our U.S. dollar-denominated raw material costs. Operating leverage achieved by higher average prices per unit case in local currency resulted in a gross margin expansion of 180 basis points to 47.3% in the fourth quarter of 2010.

Our operating income increased 23.8% to Ps. 1,608 million in the fourth quarter of 2010, compared to the fourth quarter of 2009. Operating expenses decreased 40.1% mainly as a result of the devaluation of the Venezuelan bolivar. In local currency, higher labor costs in Venezuela were partially compensated by lower marketing expenses across the division. Operating leverage achieved through higher average prices per unit case in local currency resulted in an operating margin of 20.1% in the fourth quarter of 2010, as compared to 12.0% in the same period of 2009.

(1) See page 14 for average and end of period exchange rates for the fourth quarter.

MERCOSUR DIVISION OPERATING RESULTS (Brazil and Argentina)

Volume and average price per unit case exclude beer results.

Revenues

Total revenues increased 13.3% to Ps. 10,085 million in the fourth quarter of 2010, as compared to the same period of 2009. Excluding beer, which accounted for Ps. 986 million during the quarter, revenues increased 14.0% to Ps. 9,099 million. Volume growth and higher average prices per unit case in local currency were partially compensated by a negative currency translation effect resulting from the appreciation of the Mexican peso against the Brazilian real⁽¹⁾ and the Argentinean peso⁽¹⁾. On a currency neutral basis, our Mercosur division's revenues increased approximately 18%.

Total sales volume in our Mercosur division increased 8.1% to 195.9 million unit cases in the fourth quarter of 2010 as compared to the same period of 2009. Volume growth was a result of (i) a 7% growth in sparkling beverages, mainly driven by the strong performance of the *Coca-Cola* brand in Brazil and Argentina, growing 7% and 6% respectively, accounting for close to 75% of incremental volumes, (ii) a 43% growth in the still beverage category, driven by the performance of the Jugos del Valle line of business in Brazil and *Aquarius* flavored water in Argentina, in combination with the recent introduction of the *Matte Leao* brand into our portfolio in Brazil, contributing approximately 20% of incremental volumes, and (iii) a 9% increase in our bottled water category, representing the balance.

Operating Income

In the fourth quarter of 2010, our gross profit increased 14.3% to Ps. 4,307 million, as compared to the same period in 2009. Cost of goods sold increased 12.7% mainly due to higher sweetener costs in the division and higher PET costs in Argentina, which were partially compensated by the appreciation of the Brazilian real⁽¹⁾ as applied to our U.S. dollar-denominated raw material costs. Gross margin reached 42.7% in the fourth quarter of 2010, an expansion of 30 basis points as compared to the fourth quarter of 2009.

Operating income remained flat at Ps. 1,613 million in the fourth quarter of 2010, as compared to Ps. 1,614 million in the same period of 2009. Operating expenses increased 25.0%, mainly driven by higher labor and freight costs in Argentina. Our operating margin was 16.0% in the fourth quarter of 2010 as compared to 18.1% in the same period of 2009.

(1) See page 14 for average and end of period exchange rates for the fourth quarter.

SUMMARY OF FULL-YEAR RESULTS

Our consolidated total revenues increased 0.7% to Ps. 103,456 million in 2010, as compared to 2009, as a result of revenue growth in our Mercosur and Mexico divisions and despite the devaluation of the Venezuelan bolivar. On a currency neutral basis and excluding the acquisition of Brisa in Colombia, total revenues increased approximately 15% in 2010.

Total sales volume increased 2.9% to 2,499.5 million unit cases in 2010, as compared to 2009. The sparkling beverage category, driven by a 4% growth of the *Coca-Cola* brand, contributed more than 70% of incremental volumes. The still beverage category, mainly driven by the performance of the Jugos del Valle line of business across our territories, grew 11% and accounted for approximately 20% of incremental volumes. The consolidation of the *Brisa* water brand in Colombia drove an 8% growth in our bottled water portfolio, representing the balance. Excluding the non-comparable effect of *Brisa*, total sales volume increased 2.1% to reach 2,479.6 million unit cases.

Our gross profit increased 0.2% to Ps. 47,922 million in 2010, as compared to 2009, despite the devaluation of the Venezuelan bolivar. Cost of goods sold increased 1.1% as a result of higher cost of sweetener across our operations, which was partially offset by the appreciation of the Brazilian real,⁽¹⁾ the Colombian peso⁽¹⁾ and the Mexican peso ⁽¹⁾ as applied to our U.S. dollar-denominated raw material costs. Gross margin reached 46.3% for 2010, a decrease of 20 basis points as compared to 2009.

Our consolidated operating income increased 7.9% to Ps. 17,079 million in 2010, as compared to 2009. Our Mercosur and Latincentro divisions accounted for this growth. Our operating margin was 16.5% for 2010, a 110 basis points expansion as compared to 2009.

Our consolidated net controlling interest income⁽²⁾ increased by 15.0% to Ps. 9,800 million in 2010 as compared to 2009, mainly as a result of higher operating income. Earnings per share (EPS) in 2010 were Ps. 5.31 (Ps. 53.07 per ADS) computed on the basis of 1,846.5 million shares outstanding (each ADS represents 10 local shares).

(1) See page 14 for average and end of period exchange rates for the fourth quarter and full year.

(2) Previously referred to as Majority Net Income; name changed in accordance with Mexican Financial Reporting Standards.

RECENT DEVELOPMENTS

During December, 2010, authorities of the Venezuelan Government announced the unification of their two fixed foreign exchange rates, stating that the BsF. 4.30 per US dollar exchange rate would remain as the only official exchange rate in the country. We expect this event will affect our financial results, increasing our operating costs, as a result of the impact of the announced exchange rate as applied to our US dollar-denominated raw material costs. This event will not affect the results of our Venezuelan operations when translated into our reporting currency, the Mexican peso, as we have been translating the results of these operations at the BsF. 4.30 per US dollar exchange rate since January 1, 2010.

On January 14, 2011, our Valencia production and distribution facilities in Venezuela went on strike as a result of our negotiations with these facilities' labor union. On February 10, 2011, we reached an agreement and returned to normal operating conditions after 26 days.

During the third quarter of 2010, our Board of Directors approved the anticipated adoption of International Financial Reporting Standards.

On February 18, 2011, based on a recommendation made by the audit committee, the Board of Directors approved the adoption of International Financial Reporting Standards in accordance with Mexican regulations beginning January 1, 2012.

On February 18, 2011, Coca-Cola FEMSA's Board of Directors agreed to propose an ordinary dividend of approximately Ps. 4,358 million, to be paid during the second quarter of 2011. This dividend is subject to approval at the Annual Shareholders meeting to be held in March, 2011 and represents an increase of approximately 67 % as compared to the dividend paid on April 26, 2010.

CONFERENCE CALL INFORMATION

Our fourth-quarter 2010 Conference Call will be held on: February 22, 2011, at 11:00 A.M. Eastern Time (10:00 A.M. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: 866-700-7477 or International: 617-213-8840. We invite investors to listen to the live audiocast of the conference call on the Company's website www.coca-colafemsa.com. If you are unable to participate live, an instant replay of the conference call will be available through March 1, 2011. To listen to the replay, please dial: Domestic U.S.: 888-286-8010 or International: 617-801-6888. Pass code: 95777529.

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Coca-Cola FEMSA, S.A.B. de C.V. produces and distributes *Coca-Cola*, *Sprite*, *Fanta*, *Lift* and other trademark beverages of The Coca-Cola Company in Mexico (a substantial part of central Mexico, including Mexico City and southeast Mexico), Guatemala (Guatemala City and surrounding areas), Nicaragua (nationwide), Costa Rica (nationwide), Panama (nationwide), Colombia (most of the country), Venezuela (nationwide), Brazil (greater São Paulo, Campiñas, Santos, the state of Mato Grosso do Sul, part of the state of Goiás and part of the state of Minas Gerais) and Argentina (federal capital of Buenos Aires and surrounding areas), along with bottled water, beer and other beverages in some of these territories. The Company has 30 bottling facilities in Latin America and serves over 1,500,000 retailers in the region. The Coca-Cola Company owns a 31.6% equity interest in Coca-Cola FEMSA.

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

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

such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated.

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(6 pages of tables to follow)

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Consolidated Income Statement

Expressed in millions of Mexican pesos(1)

| | 4Q 10 | % Rev | 4Q 09 | % Rev | $\Delta\%$ | YTD 10 | % Rev | YTD 09 | % Rev | $\Delta\%$ |
|--|--------|-------|--------|-------|------------|---------|-------|---------|-------|------------|
| Volume (million unit cases) (2) | 659.9 | | 652.0 | | 1.2% | 2,499.5 | | 2,428.6 | | 2.9% |
| Average price per unit case (2) | 40.70 | | 42.90 | | -5.1% | 39.89 | | 40.95 | | -2.6% |
| Net revenues | 27,847 | | 28,889 | | -3.6% | 102,988 | | 102,229 | | 0.7% |
| Other operating revenues | 144 | | 143 | | 0.7% | 468 | | 538 | | -13.0% |
| Total revenues | 27,991 | 100% | 29,032 | 100% | -3.6% | 103,456 | 100% | 102,767 | 100% | 0.7% |
| Cost of goods sold | 15,017 | 53.6% | 15,617 | 53.8% | -3.8% | 55,534 | 53.7% | 54,952 | 53.5% | 1.1% |
| Gross profit | 12,974 | 46.4% | 13,415 | 46.2% | -3.3% | 47,922 | 46.3% | 47,815 | 46.5% | 0.2% |
| Operating expenses | 7,894 | 28.2% | 8,588 | 29.6% | -8.1% | 30,843 | 29.8% | 31,980 | 31.1% | -3.6% |
| Operating income | 5,080 | 18.1% | 4,827 | 16.6% | 5.2% | 17,079 | 16.5% | 15,835 | 15.4% | 7.9% |
| Other expenses, net | 415 | | 277 | | 49.8% | 1,292 | | 1,449 | | -10.8% |
| Interest expense | 437 | | 396 | | 10.4% | 1,748 | | 1,895 | | -7.8% |
| Interest income | 75 | | 93 | | -19.4% | 285 | | 286 | | -0.3% |
| Interest expense, net | 362 | | 303 | | 19.5% | 1,463 | | 1,609 | | -9.1% |
| Foreign exchange (gain) loss | (37) | | (3) | | 1133.3% | 423 | | 370 | | 14.3% |
| Gain on monetary position in Inflationary subsidiaries | (123) | | (107) | | 15.0% | (414) | | (488) | | -15.2% |
| Market value gain on ineffective portion of derivative instruments | (55) | | (91) | | -39.6% | (244) | | (118) | | 106.8% |
| Comprehensive financing result | 147 | | 102 | | 44.1% | 1,228 | | 1,373 | | -10.6% |
| Income before taxes | 4,518 | | 4,448 | | 1.6% | 14,559 | | 13,013 | | 11.9% |
| Income taxes | 1,344 | | 1,431 | | -6.1% | 4,260 | | 4,043 | | 5.4% |
| Consolidated net income | 3,174 | | 3,017 | | 5.2% | 10,299 | | 8,970 | | 14.8% |
| Net controlling interest income | 3,022 | 10.8% | 2,828 | 9.7% | 6.9% | 9,800 | 9.5% | 8,523 | 8.3% | 15.0% |
| Net non-controlling interest income | 152 | | 189 | | -19.6% | 499 | | 447 | | 11.6% |
| Operating income | 5,080 | 18.1% | 4,827 | 16.6% | 5.2% | 17,079 | 16.5% | 15,835 | 15.4% | 7.9% |
| Depreciation | 683 | | 688 | | -0.7% | 2,633 | | 2,810 | | -6.3% |
| Amortization and other operative non-cash charges | 346 | | 290 | | 19.3% | 1,310 | | 1,101 | | 19.0% |
| EBITDA (3) | 6,109 | 21.8% | 5,805 | 20.0% | 5.2% | 21,022 | 20.3% | 19,746 | 19.2% | 6.5% |

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

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

(3) EBITDA = Operating Income + depreciation, amortization & other operative non-cash charges.

As of June 1st, 2009, we integrated the operation of Brisa in the results of Colombia.

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Consolidated Balance Sheet

Expressed in millions of Mexican pesos.

| Assets | | Dec 10 | | Dec 09 |
|---|------------|----------------|------------|----------------|
| Current Assets | | | | |
| Cash, cash equivalents and marketable securities ⁽¹⁾ | Ps. | 12,534 | Ps. | 9,954 |
| Total accounts receivable | | 6,363 | | 5,931 |
| Inventories | | 5,130 | | 5,002 |
| Other current assets | | 2,409 | | 2,752 |
| Total current assets | | 26,436 | | 23,639 |
| Property, plant and equipment | | | | |
| Property, plant and equipment | | 57,330 | | 58,640 |
| Accumulated depreciation | | (25,230) | | (27,397) |
| Total property, plant and equipment, net | | 32,100 | | 31,243 |
| Other non-current assets ⁽¹⁾ | | 55,525 | | 55,779 |
| Total Assets | Ps. | 114,061 | Ps. | 110,661 |
| | | | | |
| Liabilities and Shareholders' Equity | | | | |
| Current Liabilities | | | | |
| Short-term bank loans and notes | Ps. | 1,840 | Ps. | 5,427 |
| Suppliers | | 8,988 | | 9,368 |
| Other current liabilities | | 6,818 | | 8,653 |
| Total Current Liabilities | | 17,646 | | 23,448 |
| Long-term bank loans | | 15,511 | | 10,498 |
| Other long-term liabilities | | 7,023 | | 8,243 |
| Total Liabilities | | 40,180 | | 42,189 |
| Shareholders' Equity | | | | |
| Non-controlling interest | | 2,602 | | 2,296 |
| Total controlling interest | | 71,279 | | 66,176 |
| Total shareholders' equity | | 73,881 | | 68,472 |
| Liabilities and Shareholders' Equity | Ps. | 114,061 | Ps. | 110,661 |

(1) As of January 1, 2010, according to NIF C-1 Cash and cash equivalents, restricted cash presentation is part of the entry "Cash, cash equivalents and marketable securities". Reclassification is made for comparative purposes in 2009.

Mexico Division

Expressed in millions of Mexican pesos(1)

| | 4Q 10 | % Rev | 4Q09 | % Rev | $\Delta\%$ | YTD 10 | % Rev | YTD 09 | % Rev | $\Delta\%$ |
|---|-------|--------|-------|--------|------------|---------|--------|---------|--------|------------|
| Volume (million unit cases) | 312.2 | | 304.3 | | 2.6% | 1,242.3 | | 1,227.2 | | 1.2% |
| Average price per unit case | 31.66 | | 30.52 | | 3.7% | 31.12 | | 29.86 | | 4.2% |
| Net revenues | 9,884 | | 9,289 | | 6.4% | 38,663 | | 36,642 | | 5.5% |
| Other operating revenues | 38 | | 26 | | 46.2% | 119 | | 143 | | -16.8% |
| Total revenues | 9,922 | 100.0% | 9,315 | 100.0% | 6.5% | 38,782 | 100.0% | 36,785 | 100.0% | 5.4% |
| Cost of goods sold | 5,035 | 50.7% | 4,597 | 49.4% | 9.5% | 19,733 | 50.9% | 18,396 | 50.0% | 7.3% |
| Gross profit | 4,887 | 49.3% | 4,718 | 50.6% | 3.6% | 19,049 | 49.1% | 18,389 | 50.0% | 3.6% |
| Operating expenses | 3,028 | 30.5% | 2,804 | 30.1% | 8.0% | 12,444 | 32.1% | 11,540 | 31.4% | 7.8% |
| Operating income | 1,859 | 18.7% | 1,914 | 20.5% | -2.9% | 6,605 | 17.0% | 6,849 | 18.6% | -3.6% |
| Depreciation, amortization & other operative non-cash charges | 378 | 3.8% | 368 | 4.0% | 2.7% | 1,699 | 4.4% | 1,655 | 4.5% | 2.7% |
| EBITDA (2) | 2,237 | 22.5% | 2,282 | 24.5% | -2.0% | 8,304 | 21.4% | 8,504 | 23.1% | -2.4% |

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

(2) EBITDA = Operating Income + Depreciation, amortization & other operative non-cash charges.

Latincentro Division

Expressed in millions of Mexican pesos(1)

| | 4Q 10 | % Rev | 4Q 09 | % Rev | $\Delta\%$ | YTD 10 | % Rev | YTD 09 | % Rev | $\Delta\%$ |
|-----------------------------|-------|--------|--------|--------|------------|--------|--------|--------|--------|------------|
| Volume (million unit cases) | 151.8 | | 166.5 | | -8.8% | 592.3 | | 593.2 | | -0.2% |
| Average price per unit Case | 52.57 | | 64.93 | | -19.0% | 52.82 | | 64.73 | | -18.4% |
| Net revenues | 7,980 | | 10,811 | | -26.2% | 31,285 | | 38,402 | | -18.5% |
| Other operating revenues | 4 | | 8 | | -50.0% | 29 | | 21 | | 38.1% |
| Total revenues | 7,984 | 100.0% | 10,819 | 100.0% | -26.2% | 31,314 | 100.0% | 38,423 | 100.0% | -18.5% |
| Cost of goods sold | 4,204 | 52.7% | 5,891 | 54.5% | -28.6% | 16,716 | 53.4% | 20,783 | 54.1% | -19.6% |
| Gross profit | 3,780 | 47.3% | 4,928 | 45.5% | -23.3% | 14,598 | 46.6% | 17,640 | 45.9% | -17.2% |
| Operating expenses | 2,172 | 27.2% | 3,629 | 33.5% | -40.1% | 9,132 | 29.2% | 12,888 | 33.5% | -29.1% |

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| | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Operating income | 1,608 | 20.1% | 1,299 | 12.0% | 23.8% | 5,466 | 17.5% | 4,752 | 12.4% | 15.0% |
| Depreciation, amortization & other operative non-cash charges | 377 | 4.7% | 410 | 3.8% | -8.0% | 1,406 | 4.5% | 1,415 | 3.7% | -0.6% |
| EBITDA ⁽²⁾ | 1,985 | 24.9% | 1,709 | 15.8% | 16.1% | 6,872 | 21.9% | 6,167 | 16.1% | 11.4% |

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

(2) EBITDA = Operating Income + Depreciation, amortization & other operative non-cash charges.

Since June 2009, we integrated Brisa in the operations of Colombia.

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Mercosur Division

Expressed in millions of Mexican pesos(1)

Financial figures include beer results

| | 4Q 10 | % Rev | 4Q 09 | % Rev | Δ% | YTD 10 | % Rev | YTD 09 | % Rev | Δ% |
|---|--------|--------|-------|--------|-------|--------|--------|--------|--------|--------|
| Volume (million unit cases) ⁽²⁾ | 195.9 | | 181.2 | | 8.1% | 664.9 | | 608.2 | | 9.3% |
| Average price per unit case ⁽²⁾ | 45.92 | | 43.44 | | 5.7% | 44.75 | | 40.12 | | 11.5% |
| Net revenues | 9,983 | | 8,789 | | 13.6% | 33,040 | | 27,185 | | 21.5% |
| Other operating revenues | 102 | | 109 | | -6.4% | 320 | | 374 | | -14.4% |
| Total revenues | 10,085 | 100.0% | 8,898 | 100.0% | 13.3% | 33,360 | 100.0% | 27,559 | 100.0% | 21.0% |
| Cost of goods sold | 5,778 | 57.3% | 5,129 | 57.6% | 12.7% | 19,085 | 57.2% | 15,773 | 57.2% | 21.0% |
| Gross profit | 4,307 | 42.7% | 3,769 | 42.4% | 14.3% | 14,275 | 42.8% | 11,786 | 42.8% | 21.1% |
| Operating expenses | 2,694 | 26.7% | 2,155 | 24.2% | 25.0% | 9,267 | 27.8% | 7,552 | 27.4% | 22.7% |
| Operating income | 1,613 | 16.0% | 1,614 | 18.1% | -0.1% | 5,008 | 15.0% | 4,234 | 15.4% | 18.3% |
| Depreciation, Amortization & Other operative non-cash charges | 274 | 2.7% | 200 | 2.2% | 37.0% | 838 | 2.5% | 841 | 3.1% | -0.4% |
| EBITDA ⁽³⁾ | 1,887 | 18.7% | 1,814 | 20.4% | 4.0% | 5,846 | 17.5% | 5,075 | 18.4% | 15.2% |

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

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

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

SELECTED INFORMATION

For the three months ended December 31, 2010 and 2009

Expressed in millions of Mexican pesos.

| | 4Q 10 | | 4Q 09 |
|---------------------------------------|---------|---------------------------------------|---------|
| Capex | 2,516.1 | Capex | 2,942.8 |
| Depreciation | 683.0 | Depreciation | 688.0 |
| Amortization & Other non-cash charges | 346.0 | Amortization & Other non-cash charges | 290.0 |

VOLUME

Expressed in million unit cases

| | 4Q 10 | | | | | 4Q 09 | | | | |
|-----------------|-----------|-----------|----------------|-----------|-------|-----------|-----------|----------------|-----------|-------|
| | Sparkling | Water (1) | Bulk Water (2) | Still (3) | Total | Sparkling | Water (1) | Bulk Water (2) | Still (3) | Total |
| Mexico | 237.3 | 11.6 | 47.1 | 16.2 | 312.2 | 229.8 | 11.0 | 48.1 | 15.4 | 304.3 |
| Central America | 31.5 | 1.5 | 0.1 | 3.0 | 36.1 | 32.0 | 1.5 | 0.1 | 2.9 | 36.5 |
| Colombia | 46.6 | 5.0 | 6.7 | 4.2 | 62.5 | 48.5 | 7.1 | 8.3 | 4.5 | 68.4 |
| Venezuela | 48.6 | 2.2 | 0.8 | 1.6 | 53.2 | 56.3 | 2.4 | 0.7 | 2.2 | 61.6 |
| Latincentro | 126.7 | 8.7 | 7.6 | 8.8 | 151.8 | 136.8 | 11.0 | 9.1 | 9.6 | 166.5 |
| Brazil | 125.3 | 7.1 | 0.8 | 5.8 | 139.0 | 117.2 | 6.4 | 0.8 | 3.9 | 128.3 |
| Argentina | 51.5 | 0.3 | 0.3 | 4.8 | 56.9 | 48.8 | 0.4 | 0.2 | 3.5 | 52.9 |
| Mercosur | 176.8 | 7.4 | 1.1 | 10.6 | 195.9 | 166.0 | 6.8 | 1.0 | 7.4 | 181.2 |
| Total | 540.8 | 27.7 | 55.8 | 35.6 | 659.9 | 532.6 | 28.8 | 58.2 | 32.4 | 652.0 |

⁽¹⁾ Excludes water presentations larger than 5.0 Lt

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

⁽³⁾ Still Beverages include flavored water

SELECTED INFORMATION

For the twelve months ended December 31, 2010 and 2009

Expressed in millions of Mexican pesos.

| | YTD 10 | YTD 09 |
|---------------------------------------|---------|---------|
| Capex | 7,478.3 | 6,282.2 |
| Depreciation | 2,633.0 | 2,810.0 |
| Amortization & Other non-cash charges | 1,310.0 | 1,101.0 |

VOLUME

Expressed in million unit cases

| | YTD 10 | | | | | YTD 09 | | | | |
|-----------------|-----------|-----------|----------------|-----------|---------|-----------|-----------|----------------|-----------|---------|
| | Sparkling | Water (1) | Bulk Water (2) | Still (3) | Total | Sparkling | Water (1) | Bulk Water (2) | Still (3) | Total |
| Mexico | 921.1 | 51.5 | 203.9 | 65.8 | 1,242.3 | 900.8 | 50.9 | 212.8 | 62.7 | 1,227.2 |
| Central America | 118.4 | 6.0 | 0.4 | 12.2 | 137.0 | 118.6 | 5.6 | 0.4 | 11.2 | 135.8 |
| Colombia | 174.8 | 23.1 | 29.0 | 17.4 | 244.3 | 173.2 | 20.2 | 21.5 | 17.3 | 232.2 |
| Venezuela | 192.5 | 8.9 | 2.4 | 7.2 | 211.0 | 206.5 | 8.7 | 2.6 | 7.4 | 225.2 |
| Latincentro | 485.7 | 38.0 | 31.8 | 36.8 | 592.3 | 498.3 | 34.5 | 24.5 | 35.9 | 593.2 |
| Brazil | 431.8 | 23.4 | 2.6 | 17.8 | 475.6 | 389.4 | 20.3 | 2.4 | 12.0 | 424.1 |
| Argentina | 171.9 | 1.2 | 1.0 | 15.2 | 189.3 | 170.3 | 1.6 | 0.7 | 11.5 | 184.1 |
| Mercosur | 603.7 | 24.6 | 3.6 | 33.0 | 664.9 | 559.7 | 21.9 | 3.1 | 23.4 | 608.2 |
| Total | 2,010.5 | 114.1 | 239.3 | 135.6 | 2,499.5 | 1,958.9 | 107.3 | 240.4 | 122.0 | 2,428.6 |

*(1) Excludes water presentations larger than 5.0 Lt**(2) Bulk Water = Still bottled water in 5.0, 19.0 and 20.0 - liter packaging presentations**(3) Still Beverages include flavored water*

- The Brisa water business was first included in our operations on June 1, 2009. The volume registered by this business in the months of January 2010 through May 2010 was 19.9 million unit cases and is presented separately in this note for comparison purposes. This volume is included in the results of Colombia, the Latincentro division, and Consolidated for the full year of 2010.

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December 2010 Macroeconomic Information

| | LTM | Inflation ⁽¹⁾ | |
|-----------|--------|--------------------------|--------|
| | | 4Q 2010 | YTD |
| Mexico | 4.40% | 1.93% | 4.40% |
| Colombia | 3.17% | 0.75% | 3.17% |
| Venezuela | 27.18% | 4.94% | 27.18% |
| Brazil | 5.91% | 2.23% | 5.91% |
| Argentina | 10.92% | 2.43% | 10.92% |

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

Average Exchange Rates for each Period

| | Quarterly Exchange Rate (local currency per USD) | | | YTD Exchange Rate (local currency per USD) | | |
|------------|--|------------|--------|--|------------|--------|
| | 4Q 10 | 4Q 09 | % | YTD 10 | YTD 09 | % |
| Mexico | 12.3900 | 13.2628 | -6.6% | 12.6383 | 13.6610 | -7.5% |
| Guatemala | 8.0190 | 8.2451 | -2.7% | 8.0597 | 8.1027 | -0.5% |
| Nicaragua | 21.7500 | 20.4620 | 6.3% | 21.3565 | 20.2145 | 5.6% |
| Costa Rica | 514.8583 | 590.0153 | -12.7% | 530.9824 | 578.2441 | -8.2% |
| Panama | 1.0000 | 1.0000 | 0.0% | 1.0000 | 1.0000 | 0.0% |
| Colombia | 1,864.6441 | 2,014.9636 | -7.5% | 1,898.9456 | 2,219.0846 | -14.4% |
| Venezuela | 4.3000 | 2.1500 | 100.0% | 4.2653 | 2.1500 | 98.4% |
| Brazil | 1.6967 | 1.8659 | -9.1% | 1.7601 | 2.0840 | -15.5% |
| Argentina | 3.9674 | 3.8304 | 3.6% | 3.9123 | 3.7008 | 5.7% |

End of Period Exchange Rates

| | Exchange Rate (local currency per USD) | | |
|------------|--|------------|--------|
| | Dec 10 | Dec 09 | Δ% |
| Mexico | 12.3571 | 13.0587 | -5.4% |
| Guatemala | 8.0136 | 8.3544 | -4.1% |
| Nicaragua | 21.8825 | 20.8405 | 5.0% |
| Costa Rica | 518.0900 | 571.8100 | -9.4% |
| Panama | 1.0000 | 1.0000 | 0.0% |
| Colombia | 1,913.9800 | 2,044.2300 | -6.4% |
| Venezuela | 4.3000 | 2.1500 | 100.0% |
| Brazil | 1.6662 | 1.7412 | -4.3% |
| Argentina | 3.9760 | 3.8000 | 4.6% |

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