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ARCACONTINENTAL

AC

EARNINGS RELEASE

NET INCOME INCREASED 15% WITH EBITDA MARGIN GROWTH OF 70BPS IN 3Q13

Monterrey, Mexico, October 28, 2013 – Arca Continental, S.A.B. de C.V. (BMV: AC*), the second-largest Coca-Cola bottler in Latin America and the third largest Coca-Cola bottler worldwide announced today its results for the third quarter ("3Q13").

Table 1: Financial Highlights

Data in millions of Mexican pesos

	3Q13	3Q12	Variation %	Jan - Sep '13	Jan - Sep '12	Variation %
Total Beverage Volume (MUC)	354.0	357.7	-1.0	1,016.8	1,016.6	0.0
Net Sales	15,851	14,629	8.3	45,051	41,766	7.9
EBITDA	3,503	3,137	11.7	9,559	8,438	13.3
Net Income	1,721	1,496	15.1	4,688	3,965	18.3

Total Beverage Volume includes jug water
EBITDA = Operating income + Depreciation + Amortization + Non Recurring Expenses

THIRD QUARTER 2013 (3Q13) HIGHLIGHTS:

- Net sales reached Ps. 15,851 million representing an increase of 8.3%.
- EBITDA was Ps. 3,503 million with a margin of 22.1%, up 70 bps
- Net income grew 15.1% to Ps. 1,721 million with a margin of 10.9%, up 70 bps

FIRST NINE MONTH 2013 HIGHLIGHTS (9M13)

- Net sales reached Ps. 45,051 million, representing a 7.9% increase
- EBITDA was Ps. 9,559 million with an EBITDA margin of 21.2%, up 100 bps
- Net income grew 18.3% to Ps. 4,688 million with a net margin of 10.4%, up 90 bps

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER:

"As a result of a competitive price architecture, and consistent with the premium value of our brands, we reported an 8.3% increase in net sales and EBITDA margin up 70 bps. We achieved these results despite a challenging environment that combined a weak consumption environment and extreme weather events in Mexico," stated Francisco Garza Egloff, Chief Executive Officer of Arca Continental.

"Under the current conditions, our returnable and single-serve product mix has become a major competitive advantage differentiating us from other players and enabling us to more effectively manage the different economic scenarios that emerge, by offering consumers various price points and presentations to maximize the affordability of our products. Furthermore, we reached the highest market share of the last decade in Mexico, reflecting outstanding execution and continuous market investment," he added.

CONSOLIDATED RESULTS

The figures presented in this report were prepared in accordance with International Financial Reporting Standards ("IFRS").

Table 2: Consolidated Data

	3Q13	3Q12	Variation %	Jan - Sep '13	Jan - Sep '12	Variation %
Volume by category (MUC)						
Colas	215.2	219.2	-1.8	613.2	619.5	-1.0
Flavors	52.4	54.0	-2.9	152.5	155.3	-1.8
Sparkling Total Volume	**267.7**	**273.2**	-2.0	**765.7**	**774.8**	-1.2
*Water**	25.6	23.7	8.1	68.9	61.9	11.3
*Still Beverages***	15.8	15.9	-0.9	48.2	46.9	2.7
Volume excluding Jug	**309.1**	**312.8**	-1.2	**882.8**	**883.6**	-0.1
Jug	45.0	44.9	0.1	134.0	133.0	0.7
Total Volume	**354.0**	**357.7**	-1.0	**1,016.8**	**1,016.6**	0.0
***Income Statement** (MM MXP)*						
Net sales	15,851	14,629	8.3	45,051	41,766	7.9
EBITDA	3,503	3,137	11.7	9,559	8,438	13.3

***** Includes all single-serve presentations of purified, flavored, and mineral water.***

***** Includes teas, isotonics, energy drinks, juices, nectars, and fruit beverages.***

FINANCIAL ANALYSIS

INCOME STATEMENT

- Consolidated net sales reached Ps. 15,851 million in 3Q13 and Ps. 45,051 million for the first nine months of 2013, representing increases of 8.3% and 7.9%, respectively (11.5% and 11.2% on a currency neutral basis) compared to the same periods in 2012 (2.7% and 2.2% excluding Wise and Inalecsa, respectively).
- Total volume decreased 1% in 3Q13 to 354 MUC as a result of the challenging economic environment, extreme weather events that occurred in September, and consumers' low disposable income levels particularly in Mexico.

- During 3Q13, cost of goods sold rose 7.7% compared to 3Q12 mainly due to lower sweetener prices and the appreciation of the peso (0.3% excluding Wise and Inalecsa). Consolidated gross profit grew 9% to Ps. 7,610 million. Consolidated gross margin was 48%, an increase of 30 bps. During 9M13, consolidated gross profit was Ps. 21,258 million with a 47.2% gross margin, up 150 bps compared to last year.
- Selling and administrative expenses rose 8.2% (4.1% excluding Wise and Inalecsa) from Ps. 4,447 million in 3Q12 to Ps. 4,814 million in 3Q13 primarily as a result of the increase in marketing expenses and higher depreciation from a larger investment in CAPEX. As of September 30, 2013, selling and administrative expenses reached Ps. 13,672 million, an increase of 9.3% (5.4% excluding Wise and Inalecsa).
- Consolidated operating income for 3Q13 increased 12.2% (10% excluding Wise and Inalecsa) compared to 3Q12, reaching Ps. 2,748 million with an operating margin of 17.3%. For the first nine months of 2013, operating income totaled Ps. 7,461 million with an operating margin of 16.6%.
- Consolidated EBITDA for 3Q13 grew 11.7% (8.8% excluding Wise and Inalecsa) to Ps. 3,503 million representing a margin of 22.1%, up 70 bps. For the first nine months of 2013, EBITDA rose 13.3% (10.4% excluding Wise and Inalecsa) to Ps. 9,559 million with a margin of 21.2%, up 100 bps compared to 9M12. On a currency neutral basis, EBITDA grew 14.2% during 3Q13 and 16% during 9M13.
- The integral cost of financing in 3Q13 reached Ps. 241 million compared to Ps. 243 million in 3Q12. Net financial expenses were Ps. 294 million in 3Q13 compared to Ps. 236 million in 3Q12 due largely to the CEBURES issued in March 2013.
- Provisions for income taxes were Ps. 788 million in 3Q13, an increase of 13.3% compared to 3Q12. The effective tax rate for the period was 31.4%.
- As a result of the above, Arca Continental reported net income of Ps. 1,721 million in 3Q13, up 15.1%, with a net margin of 10.9%. For the first nine months of 2013, net income reached Ps. 4,688 million reflecting a net margin of 10.4%, a 90 bps increase.

BALANCE SHEET AND CASH FLOW STATEMENT

- As of September 30, 2013, the Company reported a cash balance of Ps. 5,125 million and debt of Ps. 14,289 million, resulting in net debt to cash of Ps. 9,164 million. Net debt to EBITDA ratio was 0.7x.
- Net operating cash flow reached Ps. 7,075 million as of September 30, 2013.
- Investment in fixed assets reached Ps. 3,348 million, mainly allocated towards coolers, returnable bottles, production capacity and logistics.

AC NORTH AMERICA

Due to the acquisitions of the snack companies Wise Foods ("Wise") in the U.S., and Industrias Alimenticias Ecuatorianas ("Inalecsa") in Ecuador, as of 4Q12, Arca Continental will begin reporting information for AC North America and AC South America. AC North America includes results for the beverage and snack businesses in Mexico as well as snacks in the U.S., while AC South America include results for the beverage business in Argentina and beverages and snacks in Ecuador.

Table 3: North America Data

	3Q13	3Q12	Variation %	Jan - Sep '13	Jan - Sep '12	Variation %
Volumen by Category (MUC)						
Colas	174.2	179.2	-2.7	493.8	500.0	-1.2
Flavors	33.6	35.1	-4.2	94.6	97.8	-3.2
Sparkling Total Volume	**207.8**	**214.2**	-3.0	**588.5**	**597.8**	-1.6
*Water**	19.5	19.0	2.4	52.2	50.0	4.4
*Still Beverages***	11.8	11.7	0.6	35.1	32.9	6.8
Volume excluding jug	**239.0**	**244.9**	-2.4	**675.8**	**680.7**	-0.7
Jug	45.0	44.9	0.1	134.0	133.0	0.7
Total Volume	**284.0**	**289.8**	-2.0	**809.8**	**813.7**	-0.5
Mix (%)						
Returnable	36.0	35.6	0.4	35.5	35.8	-0.3
Non Returnable	64.0	64.4	-0.4	64.5	64.2	0.3
Multi-serve	51.8	51.1	0.7	51.3	50.5	0.8
Single-serve	48.2	48.9	-0.7	48.7	49.5	-0.8
***Income Statement** (MM MXP)*						
Net Sales	12,361	11,419	8.2	35,003	32,317	8.3
EBITDA	2,904	2,647	9.7	7,863	6,998	12.4

**** Includes all single-serve presentations of purified, flavored, and mineral water.***

***** Includes teas, isotonics, energy drinks, juices, nectars, and fruit beverages.***

OPERATING RESULTS – NORTH AMERICA

- In 3Q13, EBITDA reached Ps. 2,904 million, an increase of 9.7%, representing a margin of 23.5%, up 30 bps when compared to 3Q12.
- Net sales for Mexico Beverages reached Ps. 11,322 million in 3Q13, an increase of 2.1% while sales volume declined 2.0% to 284.0 MUC. The average price per unit case excluding jug water increased 4.7% to Ps. 46.30.

- The water and still beverages segments posted solid growth this quarter. Due mainly to adverse weather conditions in our franchise territories, as well as a weak consumer climate, the sparkling beverage segment posted a 3% drop in volume during 3Q13.
- Powerade continued generating positive results in 3Q13, and thanks to the launch of the new Powerade Training Water brand, we grew more than 25% in total volume vis-à-vis 3Q12 which helped maintain our leadership position in 7 of the 8 zones of our franchise.
- The Direct-to-Home ("DTH") program registered sales growth of 17.0%, increasing the coverage of sparkling, emerging beverages and jug water. Jug water sales volume increased 0.7%, while sparkling and emerging beverages grew 7.2%.
- We initiated the "S&OP" Project, which stands for Sales and Operation Planning. This project will help improve the planning process of the supply chain in order to establish standards that ensure a profitable supply throughout the market.
- We reached 55% coverage of RTM (Route to Market) in our territories, with 60% coverage targeted for year-end.
- Vending revenues increased 9.6% when compared to 3Q12. Arca Continental continues its vending machine growth plan with nearly 30 thousand machines installed in the market to become the largest operating of vending machines in Mexico.
- Topo Chico continued to strengthen as a quality brand in the United States, with exports up 2.1% in 3Q13 and the Nostalgia Project continues to grow with launches planned for Fanta in various flavors that will complement the beverage portfolio in these markets.
- During 3Q13, despite the negative weather effects, Bokados reported revenue growth of 2.4% when compared to 3Q12. The Company continued expanding its coverage in Mexico and inaugurated a branch in Guadalajara dedicated to the modern channel, with an additional opening planned in the state of Queretaro for the traditional channel. We initiated our commercial transformation project, named "Omega", which seeks to change certain processes, organization and tools within Bokados to improve commercial efficiencies and profitability.
- Wise continued its growth trend with double-digit EBITDA growth in the first nine months of 2013 supported by the wide acceptance of the Chicago market, combined with an increase in distribution among new stores within the Eastern and Southern U.S. and an improved product mix.

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AC SOUTH AMERICA

Table 4: South America Data

	3Q13	3Q12	Variation %	Jan - Sep '13	Jan - Sep '12	Variation %
Volumen by Category (MUC)						
Colas	41.0	40.1	2.3	119.4	119.5	-0.1
Flavors	18.9	18.9	-0.2	57.8	57.5	0.6
Sparkling Total Volume	**59.9**	**59.0**	1.5	**177.3**	**177.0**	0.1
*Water**	6.2	4.7	31.3	16.7	11.9	40.4
*Still Beverages***	4.0	4.2	-5.2	13.0	14.0	-6.9
Total Volume	**70.0**	**67.9**	3.1	**207.0**	**202.9**	2.0
Mix (%)						
Returnable	28.9	30.7	-1.8	29.6	31.6	-2.0
Non Returnable	71.1	69.3	1.8	70.4	68.4	2.0
Multi-serve	83.3	83.2	0.1	83.1	82.7	0.4
Single-serve	16.7	16.8	-0.1	16.9	17.3	-0.4
Income Statement *(MM MXP)*						
Net Sales	3,490	3,211	8.7	10,048	9,449	6.3
EBITDA	599	490	22.3	1,696	1,441	17.7

**** Includes all single-serve presentations of purified, flavored, and mineral water.***

***** Includes teas, isotonics, energy drinks, juices, nectars, and fruit beverages.***

OPERATING RESULTS - SOUTH AMERICA

- Net sales for the South America Division rose 8.7% to Ps. 3,490 million in 3Q13. This increase was mainly due to proper revenue management as well as greater sales volumes in Argentina and Ecuador.
- During 3Q13, total sales volume for South America grew 3.1%, driven by an increase of 1.5% in the sparkling beverage segment and a 31.3% increase in water, offset by a 5.2% decline in still beverages.
- EBITDA for South America increased 22.3% to Ps. 599 million in 3Q13, reflecting an EBITDA margin of 17.2%, up 190 bps.
- Net Income increased 230 bps to Ps. 236 million, up 63.5%.

Argentina

- Due to effective strategies and improved market execution, sales volume grew 4.1% in 3Q13. The colas segment increased 6.5%, which contributed the bulk of the quarterly volume growth.
- We continue maintaining our leadership in the colas and flavors segments with the Coca-Cola, Fanta and Sprite brands, registering a 0.6 percentage point increase in market share compared to last year.
- As part of our strategy to improve our sales mix of returnable packages, year-to-date we have invested approximately US$17 million in containers.
- We increased coverage of key presentations such as Coca-Cola 2.5-liter Ref-Pet and 8 oz. mini cans.
- We continued implementing the Route to Market (RTM) in Misiones and Corrientes, thereby improving the quality of service and execution at the point of sale. In addition, we installed Televenta, our telemarketing platform, in Tucuman, Catamarca and Santiago del Estero, thus optimizing our service model and the cost of serving these regions.
- This year we have invested in the raw sugar clarification process to increase our capacity from 20% to 40% by early 2014.

Ecuador

- Sales volume in Ecuador rose 2.1% compared to 3Q12 thanks to the positive performance of single serve water which increased 57.2% during the period.
- As we've done in Argentina, we continue to promote returnable package sales, investing nearly US$5 million in containers so far this year.
- We launched Valle Nectar in Ecuador which contains 50% orange or peach fruit juice in 250 ml presentations to complement the still beverage portfolio.
- We modified the sales service model in Guayaquil and initiated distribution using our own equipment.
- Inalecsa completed its national coverage using an exclusive distributor for its products.
- We continue improving execution at the point of sale and, via a better positioning of our products, were able to gain 1 percentage point in market share with the successful launch of Coca-Cola in 2-liter Ref-Pet, which consumers have characterized as an affordable, value-added product.
- Year-to-date, we have over 18 thousand coolers installed in the market, thus reaching our chilled platform target for the year.
- We recorded one of the best indicators for recycling in Latin America, by recycling 66% of the bottles we produce, fully aligned with our philosophy of being a socially responsible company.

RECENT EVENTS

- On August 22, 2013, Arca Continental signed an agreement to acquire, from the majority shareholders of Holding Tonicorp, their stake in that company. Tonicorp is Ecuador's leader in value-added dairy products. This transaction is subject to various approvals, including the antitrust authorities. This deal is expected to close during 1Q14.
- In the 3Q13, Arca Continental reached an agreement with Bebidas Refrescantes de Nogales, the Coca-Cola bottler in Northern Mexico, to acquire a minority stake of its franchise. This will expand the collaboration and achieve synergies and efficiencies so that together, we can create value and continue providing excellent service to clients and consumers.
- The Lower House of Congress approved a proposal by the Mexican Government to tax sweetened beverages by Ps. 1 per liter and high-caloric food with 5%. This initiative is currently being discussed by the Senate and expect to be voted before October 31, 2013. Based on our strengths in the market such as our mix of single-serve and returnable packages, as well as a wide variety of no or low calorie products, Arca Continental is prepared to make the adjustments necessary to protect the profitability of its business.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on Monday, October 28, 2013 to discuss these results at 10:00 am Mexico/Monterrey time, 12:00 pm New York time. Live webcast of this event available at: http://www.arcacontal.com/inversionistas or by phone with the access code 36151.

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About Arca Continental

Arca Continental produces, distributes and sells non-alcoholic beverages under The Coca-Cola Company brand, as well as snacks under the brands of Bokados in Mexico, Inalecsa in Ecuador and Wise in the U.S. With an outstanding history spanning more than 85 years, Arca Continental is the second-largest Coca–Cola bottler in Latin America and one of the largest in the world. Within its Coca-Cola franchise territory, the Company serves over 53 million consumers in Northern and Western Mexico, Ecuador and Northern Argentina. The Company's shares trade on the Mexican Stock Exchange under the ticker symbol "AC". For more information, visit www.arcacontal.com

Arca Continental, S.A.B. de C.V. and Subsidiaries
Consolidated Income Statement
(millions of Mexican pesos)

	3Q13	3Q12	Variation MM MXP	Variation %	Jan - Sep '13	Jan - Sep '12	Variation MM MXP	Variation %
Net sales	15,851	14,629	1,222	*8.3*	45,051	41,766	3,285	*7.9*
Cost of Sales	8,241	7,650	591	*7.7*	23,793	22,680	1,113	*4.9*
Gross Profit	**7,610**	**6,979**	631	*9.0*	**21,258**	**19,086**	2,172	*11.4*
	48.0%	*47.7%*			*47.2%*	*45.7%*		
Selling Expenses	3,906	3,641	264	*7.3*	11,068	10,031	1,037	*10.3*
Administrative Expenses	908	806	102	*12.7*	2,604	2,473	131	*5.3*
Total Costs	4,814	4,447	367	*8.2*	13,672	12,505	1,167	*9.3*
	30.4%	*30.4%*			*30.3%*	*29.9%*		
Non Recurring Expenses	121	139	-18	*(13.0)*	214	305	-91	*(29.9)*
Operating Income before other income	**2,675**	**2,393**	282	*11.8*	**7,372**	**6,276**	1,096	*17.5*
Other Income (Expenses)	73	56	17	*30.3*	89	213	-124	*(58.1)*
Operating Income	2,748	2,449	299	*12.2*	7,461	6,490	972	*15.0*
	17.3%	*16.7%*			*16.6%*	*15.5%*		
Interest Expense Net	-249	-222	-27	*12.3*	-690	-646	-44	*6.9*
Exchange Gain (Loss)	7	-22	29	*(133.7)*	-25	-7	-18	*247.5*
Comprehensive Financial Results	-241	-243	2	*(0.8)*	-715	-653	-62	*9.5*
Earnings Before Taxes	**2,506**	**2,205**	301	*13.7*	**6,747**	**5,837**	910	*15.6*
Profit Taxes	788	695	93	*13.3*	2,028	1,813	215	*11.9*
Net Controlling Interest Income	3	-14	18	*(121.5)*	-30	-59	29	*(49.3)*
Net Profit	**1,721**	**1,496**	226	*15.1*	**4,688**	**3,965**	724	*18.3*
	10.9%	*10.2%*			*10.4%*	*9.5%*		
Depreciation and amortization	634	549	85	*15.5*	1,884	1,644	240	*14.6*
EBITDA	**3,503**	**3,137**	366	*11.7*	**9,559**	**8,438**	1,121	*13.3*
	22.1%	*21.4%*			*21.2%*	*20.2%*		

EBITDA = Operating Income + Depreciation and Amortization + Non Recurring Expenses

Arca Continental, S.A.B. de C.V. and Subsidiaries

Consolidated Balance Sheet

(millions of Mexican pesos)

	September 30 2013	December 31 2012	Variation MM MXP	Variation %
ASSETS				
Cash and cash equivalents	5,125	2,676	2,449	*91.5*
Accounts receivable; Net	3,454	3,429	25	*0.7*
Inventories	2,481	2,345	136	*5.8*
Prepayments	360	183	177	*96.3*
Total Current Assets	**11,420**	**8,633**	2,786	*32.3*
Investments inshares and other investments	3,225	2,983	242	*8.1*
Property, plant and other equipment	23,510	22,524	986	*4.4*
Other non current assets	30,823	30,311	512	*1.7*
Total Assets	**68,977**	**64,451**	4,527	*7.0*
LIABILITIES				
Short term bank loans	630	710	(81)	*-11.4*
Suppliers	4,759	4,274	485	*11.4*
Accounts payable and taxes	1,666	2,691	(1,025)	*-38.1*
Total Current Liabilities	**7,055**	**7,675**	(620)	*-8.1*
Bank Loans and long term liabilities	13,659	10,732	2,927	*27.3*
Deferred income tax and others	5,223	4,941	282	*5.7*
Total Liabilities	**25,936**	**23,348**	2,588	*11.1*
SHAREHOLDER´S EQUITY				
Non controlled participation	2,511	2,497	13	*0.5*
Capital Stock	29,076	29,076	(0)	*0.0*
Retained Earnings	6,766	4,485	2,281	*50.8*
Net Profit	4,689	5,045	(355)	*-7.0*
Total Shareholders' Equity	**43,041**	**41,103**	1,938	*4.7*
Total Liabilities and Shareholders' Equity	**68,977**	**64,451**	4,526	*7.0*

Arca Continental, S.A.B. de C.V. and Subsidiaries
Cash Flow Statement
(millions of Mexican pesos)

	as of september 30	
	2013	**2012**
Earnings Before Taxes	**6,915**	**5,923**
Depreciation and amortization	1,884	1,645
Gain on sale and fixed assets impairment	236	298
Accrued interests	841	736
Operating cash flow before taxes	**9,876**	**8,603**
Cashflow generated/used in the operation	(2,801)	(726)
Operating cashflow after working capital	**7,075**	**7,877**
Investment Activities:		
Capital Expenditure (Net)	(3,784)	(3,233)
Financing Activities:		
Dividends paid	(2,489)	(2,417)
Share repurchase program	(238)	290
Debt amortization	2,755	(850)
Paid interests	(841)	(654)
Other	28	24
Net cash flow	**(785)**	**(3,607)**
Net increase of cash and equivalents	2,505	1,038
Change in Cash	(56)	(55)
Initial cash and equivalents balance	**2,676**	**3,298**
Final cash and equivalents balance	**5,125**	**4,281**