

EARNINGS RELEASE

EBITDA GREW 16.8% WITH NET INCOME UP 11.3% IN 1Q13

Monterrey, Mexico, April 26, 2013 – Arca Continental, S.A.B. de C.V. (BMV: AC*), the second-largest Coca-Cola bottler in Latin America and third largest in the world announced today its results for the first quarter (“1Q13”).

Table 1: Financial Highlights

Data in millions of mexican pesos			
	1Q13	1Q12	Variation %
Total Beverage Volume (MUC)	302.3	299.9	0.8
Net Sales	13,375	12,350	8.3
EBITDA	2,468	2,113	16.8
Net Income	1,090	979	11.3

Total Beverage Volume includes jug water

EBITDA = Operating income + Depreciation + Amortization + Non Recurring Expenses

1Q13 HIGHLIGHTS

- Net Sales reached Ps. 13,375 million, representing an 8.3% increase.
- EBITDA totaled Ps. 2,468 million with a margin of 18.5%, up 140 basis points.
- Net Income grew 11.3% to Ps. 1,090 million, for a net margin of 8.1%.

CEO STATEMENT

“During the first quarter of 2013 we continued to focus on satisfying our clients and consumers while increasing the efficiency of our operations, which translated into improved profitability with EBITDA up 16.8% versus last year. The actions that had the most impact were the optimization of our pricing structure, cost improvements and perfecting our execution at the point of sale; combined, these steps enabled us increase our market share and strengthen our leading position in the various categories and territories in which we participate,” stated Francisco Garza Egloff, Chief Executive Officer of Arca Continental.

“In addition, within our snack business we advanced on the process of integrating Bokados, Wise and Inalecsa in order to homogenize best practices, achieve synergies and take advantage of the strengths of each brand. These factors, combined with the strong results of the beverage business, put us in a better position to reach our goals and targets set forth for 2013, as we continue searching for growth opportunities that create value for our shareholders, clients and consumers,” he added.

CONSOLIDATED RESULTS

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

Table 2: Consolidated Data

	1Q13	1Q12	Variation %
Volume by category (MUC)			
Colas	182.8	183.6	-0.4
Flavors	47.9	47.4	1.1
Sparkling Total Volume	230.7	231.0	-0.1
Water*	17.9	15.3	16.5
Still Beverages**	14.9	14.6	2.3
Volume excluding jug	263.5	260.9	1.0
Jug	38.8	39.1	-0.7
Total Volume	302.3	299.9	0.8
Income Statement (MM MXP)			
Net sales	13,375	12,350	8.3
EBITDA	2,468	2,113	16.8

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

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

FINANCIAL ANALYSIS

INCOME STATEMENT

- Consolidated net sales reached Ps. 13,375 million in 1Q13, an increase of 8.3% compared to the same period in 2012.
- Sales volume excluding jug water increased 1% in 1Q13 to 263.5 MUC, due to the volume growth in the flavors, single-serve water and still beverage segments.
- During 1Q13, cost of goods sold increased 4.8% compared to 1Q12 (-2.6% excluding Wise and Inalecsa), mainly as a result of lower sweetener costs and the appreciation of the peso. Consolidated gross profit grew 12.8% to Ps. 6,100 million. The consolidated gross margin reached 45.6%, up 180 basis points.

- SG&A grew 9.2%, from Ps. 3,886 million to Ps. 4,245 million in 1Q13 (5.4% excluding Wise and Inalecsa), primarily due to greater investment in the marketplace, and higher depreciation resulting from an increase in CAPEX.
- Consolidated operating income for 1Q13 increased 12.7% compared to 1Q12 (8.9% excluding Wise and Inalecsa). In 1Q13, operating income reached Ps. 1,811 million with an operating margin of 13.5%.
- Consolidated EBITDA in 1Q13 increased 16.8% (13.3% excluding Wise and Inalecsa) to Ps. 2,468 million representing a margin of 18.5%, up 140 basis points.
- The comprehensive cost of financing for 1Q13 was Ps. 223 million compared to Ps. 207 million in 1Q12. 1Q13 results include financial expenses of Ps. 259 million compared to Ps. 229 million in 1Q12.
- Income tax provisions for 1Q13 were Ps. 467 million compared to Ps. 386 million in 1Q12. The effective tax rate for 1Q13 was 29.4%.
- As a result of the above, Arca Continental's net income for 1Q13 reached Ps. 1,090 million, 11.3% higher than in 1Q12, for a net margin of 8.1%.

BALANCE SHEET AND CASH FLOW STATEMENT

- As of March 31, 2013, the Company registered a cash balance of Ps. 6,426 million and debt of Ps. 14,004 million, resulting in a net debt to cash of Ps. 7,578. The Net Debt/EBITDA ratio was 0.7x.
- Net operating cash flow reached Ps. 2,086 million as of March 31, 2013.
- Investments in fixed assets for the period were Ps. 665 million, allocated mainly towards sales equipment, packaging and transportation and production.

AC NORTH AMERICA

Due to the recent 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 4: North America Data

	1Q13	1Q12	Variation %
Volume by Category (MUC)			
Colas	142.5	142.2	0.2
Flavors	27.2	26.7	1.8
Sparkling Total Volume	169.7	168.9	0.5
Water*	12.9	11.7	10.3
Still Beverages**	10.5	9.5	11.1
Volume excluding jug	193.1	190.1	1.6
Jug	38.8	39.1	-0.7
Total Volume	231.9	229.1	1.2
Mix (%)			
Returnable	34.9	36.8	-1.9
Non Returnable	65.1	63.2	1.9
Multi-serve	51.1	50.3	0.8
Single-Serve	48.9	49.7	-0.8
Income Statement (MM MX)			
Net Sales	9,989	9,144	9.2
EBITDA	1,883	1,606	17.3

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

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

OPERATING RESULTS FOR AC NORTH AMERICA

- In 1Q13, EBITDA reached Ps. 1,883 million, up 17.3%, representing an 18.9% EBITDA margin.
- Net sales for Mexico Beverages reached Ps. 9,012 million during 1Q13, an increase of 2.4% while sales volume grew 1.2% to 231.9 MUC. The average price per unit case, excluding jug water, increased 1.1% to Ps. 45.48.
- The Sparkling segment grew 0.5% and single-serve water and still beverages contributed to volume growth with 10.3% and 11.1% increases, respectively, during 1Q13.
- We expanded the specialized pre-sale model for emerging beverages to 195 routes, from 183 in 1Q12. This represents 16.4% of all customers and 36.7% of total emerging beverage volume.
- Powerade posted positive results in 1Q13 as we focused on differentiated strategies tailored to the opportunities of each territory. Total volume rose 29% when compared to 1Q12, with a 6.6 percentage points increase in coverage and an 8 percentage points increase in market share.
- We began implementing Route to Market (RTM) in Torreon and Durango. Additionally, we began the construction phases of the RTM Modern Channel and RTM@Work projects, these are specialized service models for key channels within the Coca-Cola system.
- We continued applying various improvements in distribution logistics for finished products, which reduced delivery times and, thus, fleet costs.
- The Vending business had a strong start to the year with revenue up 4.4% during 1Q13. We continue to make progress in Guadalajara, which has become our second-largest market to date, with a 35.1% volume increase. We are preparing to move forward with our growth plan in the rest of our franchises. We continued installing communications devices in all vending machines in Monterrey, our main market, which will allow us to improve our distribution costs as well as take advantage of opportunities in the marketplace.
- Exports of Topo Chico grew 18% and the Nostalgia Project operation continues yielding strong results, up 60.7% in volume when compared to 1Q12.
- We began the year with the celebration of Bokados' 40th anniversary. 1Q13 revenue exceeded 1Q12 levels and posted the highest quarterly revenue in the history of Bokados. We continue with our growth plan and distribution route expansion, focusing on territories where we can achieve synergies with the beverage business while increasing productivity in existing routes.
- In order to have a shared product portfolio between Bokados, Wise and Inalecsa, we began distributing various Wise products within Mexico's traditional channel. In this initial phase, we achieved coverage of 24 thousand new clients in Guadalajara and Monterrey. At the same time, we expanded coverage of Wise within the modern channel in the U.S.

AC SOUTH AMERICA

Table 6: South America Data

	1Q13	1Q12	Variation %
Volume by Category (MUC)			
Colas	40.3	41.3	-2.5
Flavors	20.7	20.7	0.0
Sparkling Total Volume	61.0	62.0	-1.6
Water*	5.0	3.7	36.5
Still Beverages**	4.4	5.1	-14.1
Total Volume	70.4	70.8	-0.6
Mix (%)			
Returnable	30.7	33.4	-2.7
Non Returnable	69.3	66.6	2.7
Multi-serve	83.5	82.8	0.7
Single-serve	16.5	17.2	-0.7
Income Statement (MM MX)			
Net Sales	3,386	3,206	5.6
EBITDA	585	507	15.3

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

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

OPERATING RESULTS FOR AC SOUTH AMERICA

- Net sales for the South America Division increased 5.6% to Ps. 3,386 million in 1Q13. The growth was primarily the result of price increases in line with inflation as well as higher sales volume in Ecuador.
- 1Q13 total sales volume for South America was flat versus 1Q12, mainly due to the strong results for colas during that period. Flavored water continues posting strong results, with an increase of 37%.
- EBITDA for South America increased 15.3% to Ps. 585 million in 1Q13, for a margin of 17.3% which is 150 basis points higher than 1Q12.

Argentina

- Sales volume declined 4.8% during 1Q13, due mainly to three less business days this year versus last year and a high comparison base for 1Q12 during which the Company registered 12.3% growth.
- Single-serve water posted strong results with a 13% increase in sales volume during 1Q13.
- Sales volume for the emerging beverages segment grew 6% as we continued expanding coverage and gaining shelf-space throughout the market.

Ecuador

- Sales volume in Ecuador increased 4.1% in 1Q13 when compared to 1Q12 thanks to the strong performance of the colas and water segments, posting growth of 12.3% and 77.4%, respectively.
- We expanded coverage of returnable formats in key markets, which brought their market share up 1 percentage point when compared to 1Q12.
- The expansion of our Route to Market (RTM) project continued during the quarter, with implementation initiated in Guayaquil and Quito.

RECENT EVENTS

- On March 20th, Arca Continental placed *certificados bursátiles* in two issuances for a combined Ps. 2,700 million, Ps. 1,700 million of which were issued for a tenor of 10 years yielding a fixed coupon rate of 5.88%, while Ps. 1,000 million were issued for a tenor of 5 years with a coupon of 28-day TIIE (Tasa de Interés Interbancaria de Equilibrio, or “Equilibrium Interbank Interest Rate”) plus 13 basis points percentage points. The 5.88% fixed coupon represented the lowest rate historically for a corporate in the Mexican market. The issuances were oversubscribed by almost 5 times.
- For the 10th consecutive year, the Mexican Philanthropy Center presented Arca Continental the Socially Responsible Company award.
- On April 18th, the Annual Shareholders’ Meeting approved the payment of a cash dividend of Ps. 1.50 per share in a single payment to be made on April 29, 2013, equivalent to a total of Ps. 2,417 million pesos. In addition, approval was granted to raise the share repurchase program amount to Ps. 1,700 million.

1Q13 EARNINGS CONFERENCE CALL

Arca Continental will host a conference call to discuss these results on Friday, April 26, 2013 at 9:00am Mexico City/Monterrey time / 10:00am New York Time.

To participate, please dial:

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Passcode: 36151

There will also be a live audio webcast of the event at: www.arcacontal.com/investors.aspx

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

This material may contain forward-looking statements regarding Arca Continental and its subsidiaries based on management’s expectations. This information as well as statements regarding future events and expectations is subject to risks and uncertainties, as well as factors that could cause the results, performance and achievements of the Company to differ at any time. Such factors include changes in the general economic, political, governmental and commercial conditions both domestically and globally, as well as variations in interest rates, inflation rates, exchange rate volatility, tax rates, the demand for and the price of carbonated beverages, water, and the price of sugar and other raw materials used in the production of soft drinks, weather conditions and various others. As a result of these risks and factors, actual results could be materially different from the estimates provided; therefore, Arca Continental does not accept responsibility for any variations or for the information provided by official sources.

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

Consolidated Income Statement

(millions of Mexican pesos)

			Variation	
	1Q13	1Q12	MM MXP	%
Net sales	13,375	12,350	1,025	8.3
Cost of Sales	7,275	6,941	335	4.8
Gross Profit	6,100	5,410	690	12.8
	45.6%	43.8%		
Selling Expenses	3,427	3,040	387	12.7
Administrative Expenses	818	846	-28	(3.3)
Total Costs	4,245	3,886	359	9.2
	31.7%	31.5%		
Non Recurring Expenses	63	0	63	
Operating Income before other income	1,792	1,524	268	17.6
Other Income (Expenses)	18	83	-65	(77.8)
Operating Income	1,811	1,607	204	12.7
	13.5%	13.0%		
Interest Expense Net	-215	-189	-26	13.5
Exchange Gain (Loss)	-8	-18	10	(57.6)
Comprehensive Financial Results	-223	-207	-15	7.4
Earnings Before Taxes	1,588	1,399	188	13.5
Profit Taxes	467	386	81	20.9
Net Controlling Interest Income	-31	-34	3	(8.6)
Net Profit	1,090	979	110	11.3
	8.1%	7.9%		
Depreciation and amortization	595	506	89	17.5
EBITDA	2,468	2,113	355	16.8
	18.5%	17.1%		

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

	March 31	December 31	Variation	
	2013	2012	MM MXP	%
ASSETS				
Cash and cash equivalents	6,426	2,676	3,750	140.1
Accounts receivable; Net	3,145	3,429	(284)	-8.3
Inventories	2,268	2,345	(77)	-3.3
Prepayments	246	183	63	34.4
Total Current Assets	12,086	8,633	3,453	40.0
Investments in shares and other investments	3,027	2,983	45	1.5
Property, plant and other equipment	22,231	22,524	(293)	-1.3
Other non current assets	29,715	30,311	(596)	-2.0
Total Assets	67,059	64,451	2,608	4.0
LIABILITIES				
Short term bank loans	376	710	(334)	-47.1
Suppliers	3,837	4,274	(437)	-10.2
Accounts payable and taxes	3,264	2,691	572	21.3
Total Current Liabilities	7,477	7,675	(198)	-2.6
Bank Loans and long term liabilities	13,628	10,732	2,896	27.0
Deferred income tax and others	4,539	4,941	(402)	-8.1
Total Liabilities	25,644	23,348	2,296	9.8
SHAREHOLDER'S EQUITY				
Non controlled participation	2,392	2,497	(105)	-4.2
Capital Stock	972	972	0	0.0
Retained Earnings	36,962	32,589	4,373	13.4
Net Profit	1,090	5,045	(3,955)	-78.4
Total Shareholders' Equity	41,415	41,103	312	0.8
Total Liabilities and Shareholders' Equity	67,059	64,451	2,608	4.0

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

	as of march 31	
	2013	2012
Earnings Before Taxes	1,588	1,399
Depreciation and amortization	595	506
Gain on sale and fixed assets impairment	115	139
Accrued interests	259	229
Operating cash flow before taxes	2,556	2,273
Cashflow generated/used in the operation	470	533
Operating cashflow after working capital	2,086	1,740
Investment Activities:		
Capital Expenditure (Net)	(665)	(699)
Other Capital Expenditures, net	(61)	(178)
	(726)	(877)
Financing Activities:		
Share repurchase program	(57)	210
Debt amortization	2,636	(115)
Paid interests	(139)	(93)
Other	(11)	(43)
Net cash flow	2,428	(41)
Net increase of cash and equivalents	3,788	822
Change in Cash	(39)	(52)
Initial cash and equivalents balance	2,676	3,298
Final cash and equivalents balance	6,426	4,068