



Grupo _____
CONTINENTAL
_____ S.A.B.

2010

Annual Report

CONTENTS

Financial Highlights.....	1
Message from the Chairman of the Board.....	3
Chief Executive Officer’s Report.....	8
2010 Operating Results.....	13
10-Year Consolidated Financial Statements.....	18
Analysis of Financial Results.....	20
Management’s Financial Responsibility.....	25
Board of Directors’ Opinion on the CEO’s Annual Report.....	26
Board of Directors’ Activity Report.....	27
Annual Report of the Auditing and Corporate Practices Committee...	35
Our Company.....	39
Board of Directors.....	42
Executive Team.....	44
Company Directory.....	45
Glossary.....	46



GRUPO CONTINENTAL 2010 QUARTERLY STOCK PRICES Nominal Mexican Pesos

2010	T1	T2	T3	T4
Highest price	37.27	36.96	38.58	36.99
Lowest price	32.80	32.00	34.47	34.39
Price at closing	37.27	35.87	36.48	35.20

Common Stock Ticker Symbol Bolsa Mexicana de Valores (BMV) - "CONTAL" ADRs in the over the counter (OTC) - "GPOCY"	Annual Shareholders' Meeting April 29, 2011, 12:00 noon Dr. Burton E. Grossman Auditorium Corporate Headquarters Tampico, Tamaulipas, México.
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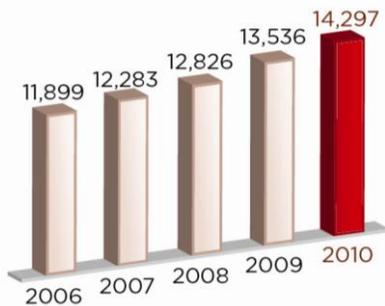
Shareholders Assistance Gloria Patricia Rodríguez Pintor Tel.: (833) 241-2523 Fax: (833) 241-2541 grodriguez@contal.com	Investor Relations Juan Hawach Sánchez Tel.: (833) 241-2580 Fax: (833) 241-2596 jhawach@contal.com
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Financial Highlights

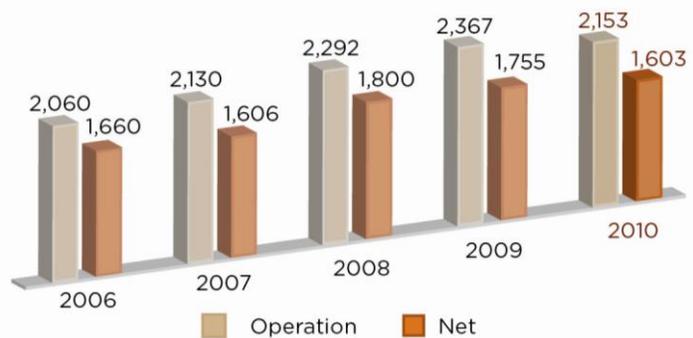
In millions of pesos as of December 31

	2010	2009	Variation %
Net Revenues	14,297	13,536	5.6
Operating Profit	2,153	2,367	-9.1
Net Profit	1,603	1,755	-8.7
Total Assets	11,411	11,198	1.9
Total Liabilities	2,246	2,323	-3.3
Stockholders' Equity	9,165	8,875	3.3
Earnings per Share (Pesos)	2.14	2.34	-8.7
Operating Cash Flow per Share (Pesos)	3.45	3.71	-7.1
Closing Stock Price per Share (Nominal Pesos)	35.20	33.08	6.4
Cash Dividends per Share (Nominal Pesos)	1.75	1.50	16.7
Average Outstanding Shares (Millions)	750	750	0.0
Infrastructure Investments	590	318	85.5

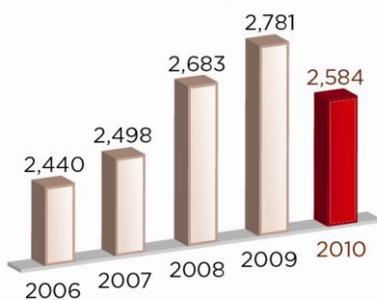
Net Revenues
In Millions of pesos



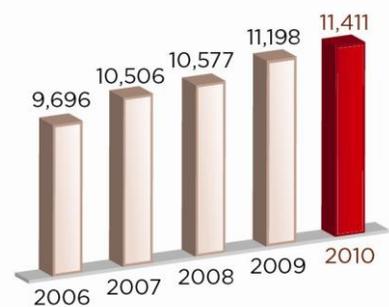
Profit
In Millions of pesos

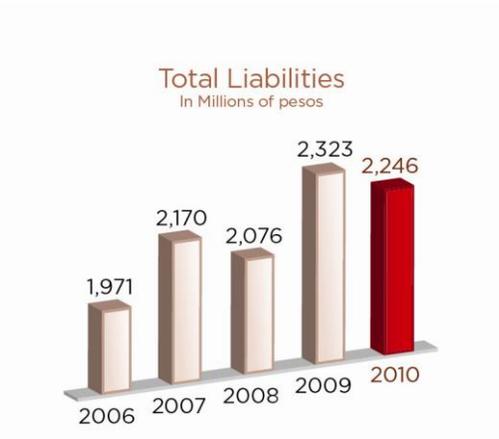


Operating Cash Flow
(EBITDA)
In Millions of pesos



Total Assets
In Millions of pesos





Note: In accordance with the new NIF B-10 "Inflationary Effects," 2007 and prior Financial Statements are expressed in constant pesos at purchasing power of December 31, 2007.



Message from the Chairman of the Board 2010 Annual Report

Dear Shareholders, Bank and Brokerage Firm Representatives, Board Members and Executives of Grupo Continental.

Welcome to our Annual Shareholders' Meeting. Thank you for coming and allowing us to share this company's Report of Operating Results for 2010.

Our business plan and the devotion of our excellent team of collaborators in each position of the organization, have led us to obtain magnificent results, despite the complexity of the current environment. This great performance makes us proud once again, and with this satisfaction we close 2010 and begin a new cycle, full of optimism.

We have always been defined by a strict discipline while enforcing corporate governance principles, on which we constantly rely to align our efforts with new organizational and consumer trends, abiding by the best market practices, on a daily basis.

We are convinced that attitude creates great success, and therefore, we enthusiastically address challenges, motivated to achieve rising goals, and unite as a value-creating company for all of us participants.

The following are a few of the most important results achieved by the great team of Grupo Continental during 2010:

- We achieved a Total Sales Volume of 436 million unit cases, an increase of 2.1% as compared to 2009. This total represents 14.0% of the domestic sales volume of Coca-Cola products in Mexico.
- The Net Sales indicator represented a total income of 14,297 million pesos, which is an increase of 5.6% compared to the previous year, a new record in our Group's history.
- In the item of Operating Profits, we recorded 2,153 million pesos. This is an operating margin of 15.1% of Net Sales.
- Regarding Operating Cash Flow, this indicator reached 2,584 million pesos, which is an 18.1% margin of Net Sales.
- The Return on Investment was 18.3%, equal to 7.3 percentage points above capital cost.
- Cost Liabilities remain at zero.



All the results achieved through the year prove the talent, commitment and devotion that all our collaborators contribute daily when performing their activities.

Our work plans and programs have focused on the opportunities presented by the environment, attentive to the needs and preferences of clients and consumers. This is how we devote ourselves to meet our public's expectations.

Simultaneously to market strategies, our collaborators' development has been one of the main priorities within this company, along with the ongoing improvement of operating processes and services in all areas of the organization. Continuity in implementing, evaluating and certifying our Quality and Sustainability System, jointly with the continuous education of human resources, have made our job more efficient.

All these activities have been conducted under a strict and well executed discipline that strengthens the trust of our shareholders and optimizes relationships held with Grupo Continental's stakeholders.

Our relationship with The Coca-Cola Company is firm, respectful and professional. The harmony among strategies shared is one of the competitive advantages that set us apart, for our mutual benefit and that of the communities where we do business.

As an example of this close collaboration, we have established the foundation for implementing the service model "Route to Market," confident it will substantially increase our clients' satisfaction, and thus, distribution process profitability.

Consistent enforcement of our competitive advantages was confirmed by obtaining the "Excellence in Performance Award," recognition granted by The Coca-Cola Company to the best performing bottling company in the country.

In performing our Social Responsibility, we continue making efforts to be more effective in local actions, in the communities of our operating units, by promoting healthy activities, fostering sports, culture and the environment. Our goal by reaching out in these areas is to increase the development and quality of life of those who join us in each region where we do business.



In an extended approach, we support activities conducted by The Coca-Cola Company, along with other bottlers nationwide, in the areas of social development in general, therefore contributing to benefit a greater number of people throughout the country.

After 47 years since it was founded, Grupo Continental has been a success story since its inception, as a result of visionary leadership by Dr. Burton E. Grossman, who took the first step toward a long-term, intense, and productive road for everyone related to this company.

Many collaborators in each area of the organization favored the creation of an organizational culture which based its strength on Integrity, Respect and Fairness. To this day, it has guaranteed that all generations who have joined this company, claim ownership in every decision, daily activity, and being certain of its value, incorporate it into their personal lives.

The ethical basis provided by this culture, as well as the great personal and professional development which drives each collaborator, set us apart in the industry, in the community... it defines “Contal People”, as we are oftentimes called, an adjective displayed proudly by those of us working here now, before and always.

Currently, we are about to begin a new phase in our history, engaged in a merger process with a respectable and successful company, Embotelladoras Arca, S.A.B. de C.V., to become “Arca-Continental,” a new company that will position itself as the third largest independent Coca-Cola bottler in the world.

In this new scenario, we will continue to refine our operating processes with ideas we know are successful and new ones, while establishing an important synergy which will offer, among many advantages, a significant cost reduction, management with greater market growth, better profitability for shareholders and a variety of outstanding opportunities for collaborators of this emerging organization.

This new company will be the result of joining resources and strategies of Arca and Grupo Continental, but above all, it will be based on the cultures that have made us what we currently are: Professional and ethical work teams, committed to permanent development.



This is a very transcending time for us all. It is the next step in our great history, a step which continues to project us toward a future where we will be generating more opportunities, and which will find us prepared and mutually strengthened.

Allow me to express my sincere appreciation for those who began the journey with Grupo Continental, all those generations of brilliant collaborators who have enhanced this road that became the road for all of us, toward excellence.

My earnest acknowledgement to each member of our Board of Directors, who are the permanent example of Corporate Government. Your sound guidance is essential to define and follow-up on every strategy established.

For our Clients and Consumers, recipients of our professional endeavors, I hereby express our special gratitude for their preference, which supports us every day. It is a privilege to work and meet your expectations and your needs.

To suppliers who genuinely make our goals their own, we thank you for your devotion and constant support. Your collaboration is fundamental for our supply chain to work according to the high standards we have established.

Today, there are more than 14,000 collaborators who comprise Grupo Continental's main labor force, to them all, my most heartfelt appreciation and sincere acknowledgment. The rising evolution of this company, year after year, has resulted in the daily delivery and outstanding performance of each of our collaborators in all areas of the operation. To them, our most sincere appreciation and absolute respect, always!

Miguel Rábago and Baldomero Ponce, leading this extraordinary team, have been able to encourage us to do our best toward achieving our goals. To them and the entire General Management of Grupo Continental, my honest and utmost appreciation.

Thank you very much to our shareholders for continuously bestowing their trust in us. Your support inspires us to continue raising the bar of our performance and attaining higher standards, adding value to our society.



We firmly believe in the path we have chosen to follow, and know, without a doubt, we will be successful when exercising the fundamental principles which define us since the beginning of our history.

It has truly been an honor and an immense privilege sharing this road with all our executives and outstanding collaborators. By being proud of our history and strong at present, we reinforce the commitment to foster and secure new growth opportunities, and create value, permanently.

We are convinced a promising and prosperous future lies ahead... it is a great motivation to know we will build it together.

Truly yours,

Cynthia H. Grossman
Chairman of the Board of Directors



Chief Executive Officer's Report

The proper enforcement of established strategies has resulted in Grupo Continental achieving very good results throughout 2010, a year marked by domestic contrasts in the economic, social and political arenas. These contrasts enable us to see the beginning of the road to recovery for the country's production sectors.

Within this context, we continue reaching new records in certain operation indicators, and therefore, it is very uplifting to announce the results obtained through the efforts of our team of collaborators, focused on the objectives and priorities established for 2010:

- Sales Volume, including allowances and samplings, reached a total of 436 million unit cases. This represents a growth of 2.1% as compared to the previous year.
- We exceeded the annual growth goal for our main segment, the Coca-Cola brand, by achieving a 5.1% increase in sales volume, including allowances and samplings, representing 230 million unit cases.
- We reached an 18.3% ROIC, enabling us to continue being one of the most profitable companies in the Non-Alcoholic Ready-to-Drink Beverage Industry.
- We obtained the most important performance award granted by The Coca-Cola Company, the "National Excellence in Performance Award." Operations in the Jalisco Foreign territory, comprised by Embotelladora Los Altos, Cedis Ameca, and Cedis Tecomán, received this award, while Embotelladora Aguascalientes, Cedis Las Trojes, Embotelladora Zacatecas, and Cedis Fresnillo received the award as Best Zone in the Traditional Channel.
- In the Supermarket Channel, our market share increased by 2.1 percentage points as compared to the previous year, reaching 38.6%, and our value amount increased by 2.6 percentage points to reach 51.0%.
- The personal transactions indicator increased 1.8% during the period, as compared to the previous year, representing 34.5 million more transactions.



- We introduced into the market 18,000 new refrigerators, strengthening our image and cooling capability throughout our territory. Our cold platform now comprises 184,000 units, including fountain and vending machines, present in the market.
- In refreshments, we grew 2.9 percentage points in the returnable packaging combination, reaching a cumulative 41.0%.
- In Jugos del Valle, our market share continues to rise, reaching 25.3% throughout the year. Regarding volume including allowances and samplings, our growth was 6.0%, as compared to that of 2009.
- With respect to flavors, we achieved a market share in 2010 of 42.3%.
- On the subject of our Social Responsibility, our participation included the Coca-Cola System campaign in Mexico “Viviendo Positivamente” [“Living Positively”] which popularity is on the rise, in addition to supporting PRONATURA and ECOCE national programs. Similarly, we intensely collaborated in local programs and campaigns within the communities where we do business.

Achieving these objectives had a favorable impact on our 2010 financial results:

- Net Sales reached a 5.6% growth as compared to that of 2009. Total income amounted to 14,297 million pesos.
- Our Operating Profit was 2,153 million pesos, reaching a 15.1% margin.
- Net Profits reached 1,603 million pesos, representing a net margin of 11.2%.
- Operating Cash Flow amounted to 2,584 million pesos, that is, an 18.1% margin of Net Sales.
- It is a source of pride to present these important results in such a complex environment as the one we experienced in 2010. As we have said, no crisis can stand a job well done, professionally and with enthusiasm, as the one performed daily by our collaborators.

The good work we've conducted will enable us to continue enjoying our clients' preference, and satisfying our growing consumers. All this, through our collaborators' talent and devotion.



Attitude and Excellence in Performance will be the basis of our future.

Our background is rich in experience and strengthens our current calling for excellence in operations. These experiences are only useful if they project us into the future.

For more than 40 years, we have been a leading organization, and as such we foster a long-term vision for the benefit of all stakeholders of this business. We are immersed in an ongoing revitalizing process, encouraged by the world's inevitable globalization.

New expectations of current generations and future requirements are increasingly more demanding, and consumers continue to dictate the rules of the game in the market.

Due to all this, it is an essential responsibility to redesign our structure, jointly with our strategy and performance, according to the environment's current circumstances, in order to continue transcending successfully into the future. We will continue to capitalize on opportunities presented by the market in the best way possible, widely covering needs, tastes, and trends established by clients and consumers.

The merging process with Embotelladoras Arca, S.A.B. de C.V. is a very important event in the evolution of Grupo Continental. In addition to becoming the third largest independent bottling group in the world, it will mainly increase our efficiency in creating value, by complementing the operating experience brought by a very similar operating philosophy since its inception.

Among other advantages, the extraordinary synergy emerging from this union of equals will enable us to improve our purchase and distribution capabilities with a stronger platform for profitability growth, for the benefit of this company's stakeholders.

We will strengthen our liaisons with The Coca-Cola Company, supported by the trust built throughout so many years of a truthful and productive relationship.



Social Responsibility will continue to genuinely guide our actions, and therefore, respecting our collaborators' personal development and the environment of the communities where we do business, will continue to be a priority. We reinforce our commitment to participate in activities to care for the environment and social development promoted by the appropriate authorities and The Coca-Cola Company, in favor of sustainability and the preservation of ecological and social balance.

Along this road toward success, the members of the Board of Directors have been closely following us, providing their outstanding professional guidance, and I hereby express my greatest appreciation to them.

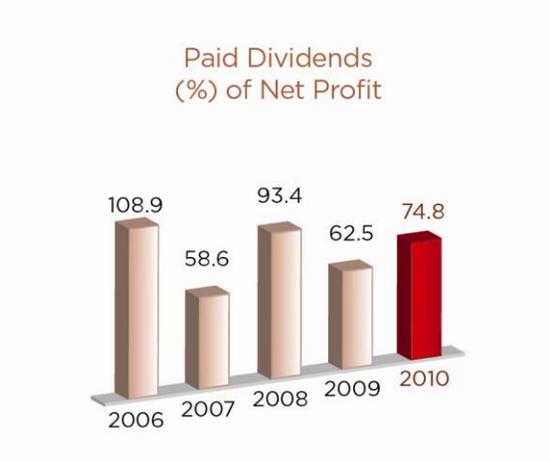
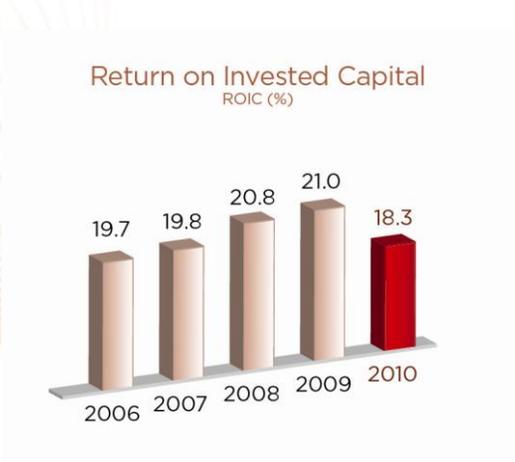
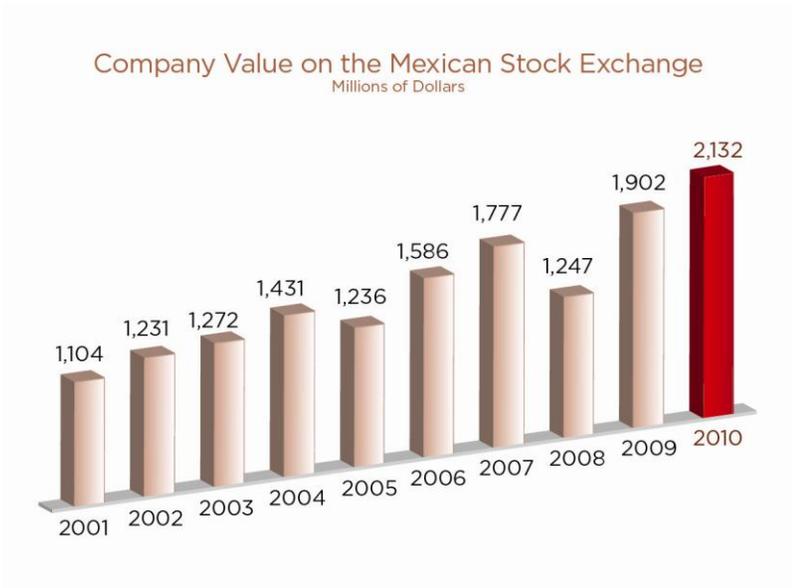
Specially, I would like to thank our Collaborators for their daily effort, loyalty, and commitment to our inspiring Vision and Mission.

Likewise, I reiterate my acknowledgement to our clients for their preference, and my unwavering decision to continue working with enthusiasm to provide the best quality products, and excellent service.

Truly yours,

Miguel Angel Rábago Vite
Chief Executive Officer





2010 Operating Results

We constantly strive to be a high performance company. Our long-term strategies and mindful execution within the market have been designed to achieve the best results, in conjunction with the highest profitability.

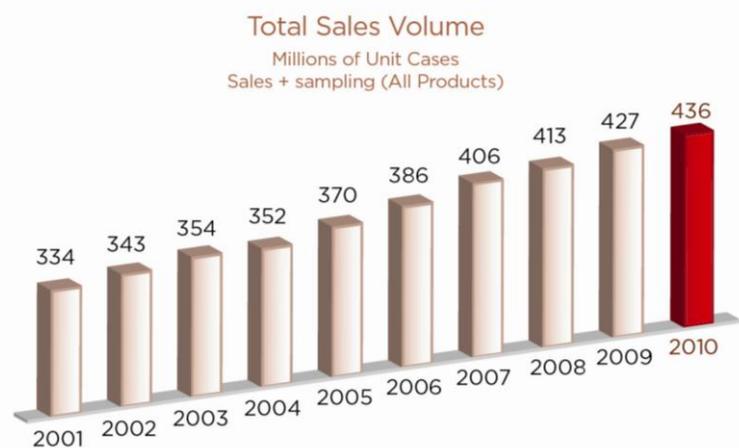
To fulfill the mission we have set for ourselves on a daily basis, we have reinforced our IT systems, the personal development and training for our valuable human team, and we allocate our investments to improve our processes in favor of the market we serve. We are certain these factors lead to our good results, as discussed hereinafter.

Volume

All Categories

In 2010 we sold 436 million unit cases, including samplings and allowances. This number represents a 2.1% growth as compared to the previous year.

It also increased the annual per capita consumption in our territory, amounting to 797 unit bottles. This consolidates us with a consumption of 188 liters of our products per person, above the country's average.



Soft Drinks

Growth achieved in 2010 was mainly generated in the carbonated soft drink category, reaching 299 million unit cases, with 246 million pertaining to the cola segment and 53 million unit cases to the flavored segment.

Bottled Water

The category of bottled water contributed to the sales volume with 125 million unit cases. Of these, Agua Purificada Ciel in personal sizes, including the 5-liter jug, contributed with 17 million unit cases, while this brand in the 20-liter size, generated 108 million unit cases.

Emerging Beverages

Strengthened by having Jugos Del Valle within our products, this segment reached 12 million unit cases in 2010, which confirms a growing trend in popular demand in this area.

Strategies for Market Development

We held 518 events to launch new products and presentations, offering consumers a range of 33 brands and almost 300 SKUs. The most outstanding were the breadth of Core Flavors and Coca-Cola Light in 400 ml. pet. Jugos Del Valle became stronger through Del Valle in 110 ml. tetrabrick, Del Valle Reserva in 1-liter pet and Valle Pulpy in 400 ml. pet.

In addition to our successful service programs currently underway, we have installed the bases to begin new Route to Market service models in our country's western territories. Through these new models we will continue to maximize sales growth, business profitability, and above all, our client satisfaction.



Our collaborators' traditional service vocation and their wholehearted focus on serving the market led us to win the Excellence in Performance Award, the highest honor conferred in México by The Coca-Cola Company to the most outstanding performer in our market.

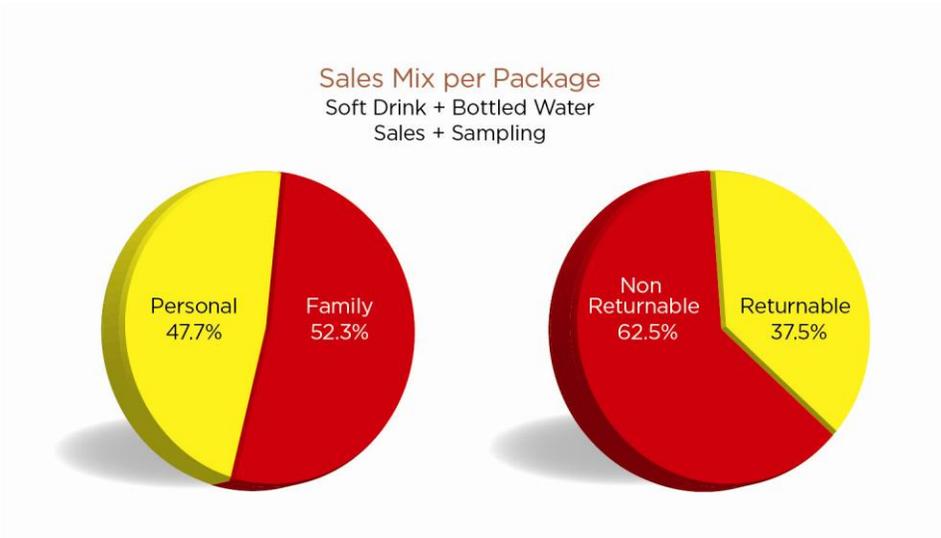
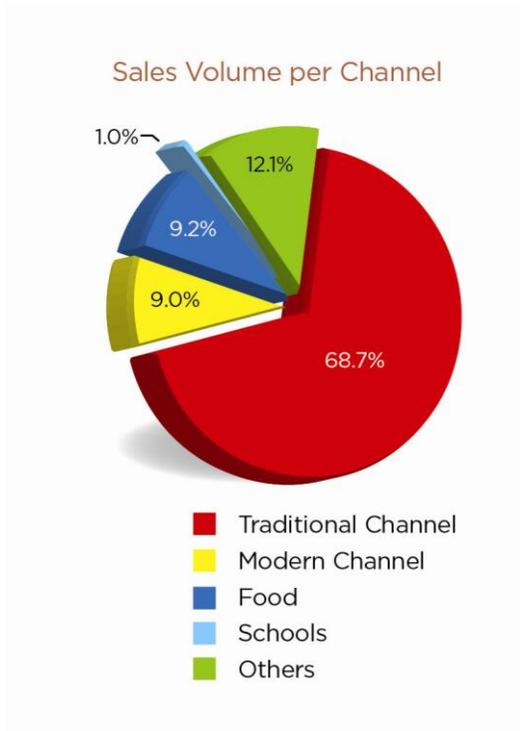
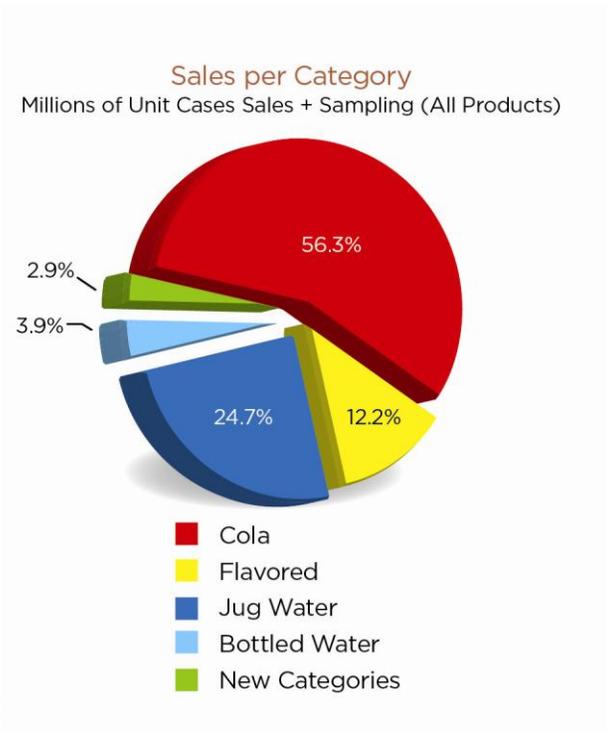
To further boost our Client and Consumer preference for our products, this same year we conducted 22 promotional campaigns, most notably:

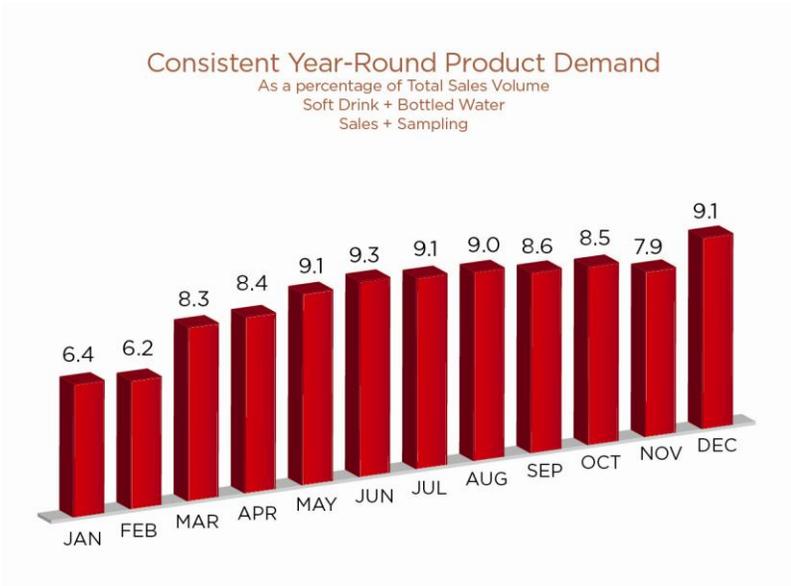
- “Mundial 2010” [2010 World Cup], “Destapa y Refréscate con Coca-Cola” [Open & Cool Down with Coca-Cola], “200 Razones” [200 Reasons], “Comienzo Ciel” [A Ciel Beginning], “Tú eliges Del Valle y tu hijo, su futuro” [You Choose Del Valle & Your Child, Its Future] and the Christmas campaign “Santa’s Workshop,” to mention a few of the 18 Consumer-oriented campaigns.
- The “Detallista Seguro” [Safe Retailer] campaign to increase retailer loyalty is ongoing.
- We conducted three interesting campaigns to reinforce our brand image: Trophy Tour, to capitalize on the Soccer World Cup, Sprite Calle 21 and the 13th Coca-Cola Soccer Championship.

At present we have more than 184 thousand refrigeration units throughout our market, which includes refrigerators, fountains, and vending machines, thereby ensuring cold product availability for our clients and consumers at every opportunity.

In 2010 we served 814 thousand Clients. Of these, 229 thousand were soft-drinks, water in personal sizes, and emerging beverages, and 585 thousand were Ciel jug clients. Their preference led us to raise the number of service routes, for a total of 2,273 in our entire territory.







Grupo Continental, S.A.B. and Subsidiaries 2001 – 2010 Consolidated Financial Statements

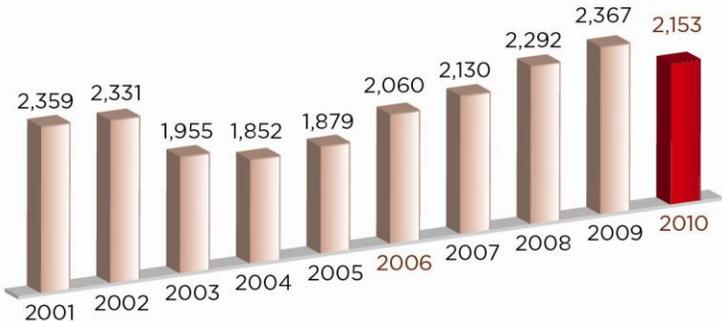
Millions of Pesos as of December 31

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Sales Volume (sales + sampling)	436	427	413	406	386	370	352	354	343	334
Net Sales	14,297	13,536	12,826	12,283	11,899	11,469	11,132	11,679	11,910	11,992
Cost of Sales	7,240	6,662	6,223	5,819	5,613	5,463	5,194	5,433	5,194	5,309
Gross Profit	7,057	6,874	6,603	6,464	6,286	6,006	5,938	6,246	6,716	6,683
Gross Margin	49.4	50.8%	51.5%	52.6%	52.8%	52.4%	53.3%	53.5%	56.4%	55.7%
Operating Expenses	4,904	4,507	4,311	4,334	4,226	4,127	4,086	4,291	4,385	4,324
Percentage of Net Sales	34.3%	33.3%	33.6%	35.3%	35.5%	36.0%	36.7%	36.7%	36.8%	36.1%
Operating Profit	2,153	2,367	2,292	2,130	2,060	1,879	1,852	1,955	2,331	2,359
Operating Margin	15.1%	17.5%	17.9%	17.3%	17.3%	16.4%	16.6%	16.7%	19.6%	19.7%
Other Income & Expenses, Net	-156	-193	-194	-139	-19	-149	-248	-154	-216	-233
Total Cost of Financing	-55	-113	-199	-77	-82	-3	41	-118	-143	-57
Equity in Associated Companies	100	112	140	144	130	162	155	162	131	103
Profit Before Taxes	2,152	2,399	2,437	2,212	2,253	1,895	1,718	2,081	2,389	2,286
Tax on Profit	549	644	637	606	593	594	512	746	846	834
Discontinued Item	0	0	0	0	0	0	0	0	0	33
Consolidated Net Profit	1,603	1,755	1,800	1,606	1,660	1,301	1,206	1,335	1,543	1,419
Minority Net Profit	-1	-1	1	1	1	0	1	0	-3	0
Majority Net Profit	1,603	1,756	1,799	1,605	1,659	1,301	1,205	1,335	1,546	1,419
Majority Net Profit Margin	11.2%	13.0%	14.0%	13.1%	13.9%	11.3%	10.8%	11.4%	13.0%	11.8%
Earnings Per Share	2.14	2.34	2.40	2.14	2.21	1.73	1.61	1.78	2.06	1.90
Shares	750	750	750	750	750	750	750	750	750	749

Note: In accordance with the new NIF B-10 "Inflationary Effects," for 2007 and prior periods, Financial Statements are expressed in constant pesos at purchasing power of December 31, 2007.

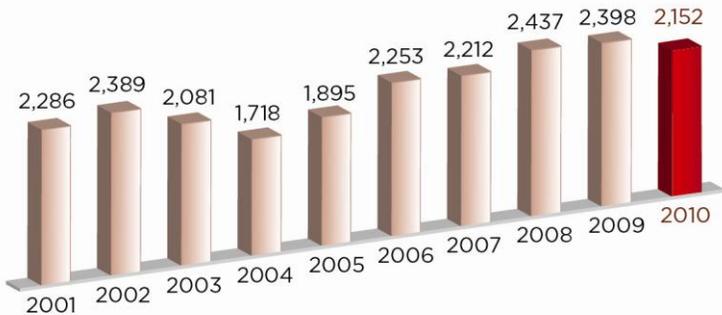
Operating Profit

In Millions of pesos



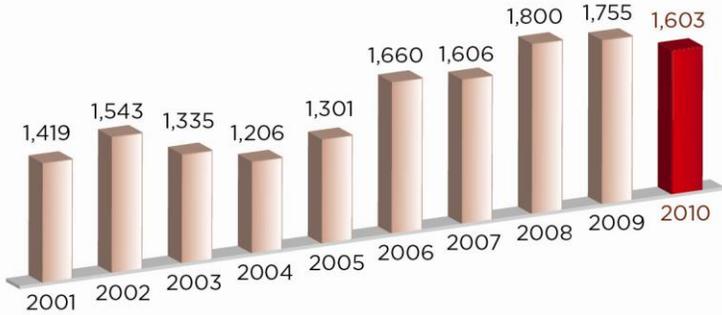
Income Before Taxes

In Millions of pesos



Net Profit

In Millions of pesos



Financial Statements Analysis

Millions of Pesos as of December 31

	2010	%	2009	%
Net Revenues	14,297	100.0	13,536	100.0
Cost of Sales	7,240	50.6	6,662	49.2
Gross Profit	7,057	49.4	6,874	50.8
Operating Expenses	4,904	34.3	4,507	33.3
Operating Profit	2,153	15.1	2,367	17.5
Other Revenues, Net	-156	-1.1	-193	-1.4
Total Cost of Financing	-55	-0.4	-113	-0.8
Equity in Associated Companies	100	0.7	112	0.8
Profit Before Taxes	2,152	15.1	2,399	17.7
Income Taxes	549	3.9	644	4.7
Net Income	1,603	11.2	1,755	13.0
Minority Net Income	-1	0.0	-1	0.0
Majority Net Income	1,604	11.2	1,756	13.0

Free Cash Flow

Millions of Pesos as of December 31, 2010

Operating Cash Flow (EBITDA)		2,584
<u>Plus Resources</u>		
Dividends from Associated Companies	17	
Financial Proceeds, Net	74	
Exchange Rate Profit, Net	45	
Other Income, Net	11	
Sale of Property, Plant & Equipment	6	153
<u>Minus Expenditures</u>		
Taxes	740	
Employee Profit-Sharing	243	
Dividends	1,313	
Capital Expenditures	590	
Jugos Del Valle Contribution	49	
Working capital variations and other items, Net	19	2,954
Free Cash Flow		<u>-217</u>

Analysis of Financial Results

This year, Grupo Continental confirmed its leadership position. We continue to maintain a sound financial position, as a result of a general balance with zero debt and an income statement with a strong cash flow.

Proper implementation of price strategies and excellent execution at the point of sale resulted in a Cash Flow of 2,584 million pesos, equal to a margin of 18.1%. We will continue to focus on customer service and consumer satisfaction, leveraged on our extensive product portfolio.

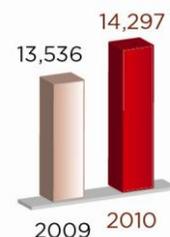
Net Sales

Net Sales increased by 5.6% with respect to 2009, reaching 14,297 million pesos. The average price per unit case, excluding 5 and 20-liter jugs, was \$42.07.

Total sales volume excluding allowances and samplings was 425 million unit cases, 1.9% more than in 2009. Of this volume, the soft drink category accounted for 290 million unit cases, 16 million were personal size water (including 5-Liter jugs) and 107 million were jugs, while emerging beverages contributed 12 million unit cases.

In 2010, Grupo Continental again made history, by recording the highest Sales and Net Sales Volume.

Net Revenues
In Millions of pesos

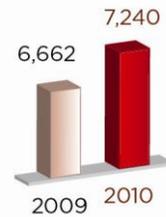


Cost of Sales

The Cost of Sales reached 7,240 million pesos, which is 50.6% of Net Sales. This represents an increase of 8.7% with respect to the previous year, mostly due to the following:

1. Increase in Sales Volume.
2. Increase in sugar prices.
3. Increase in secondary packaging costs

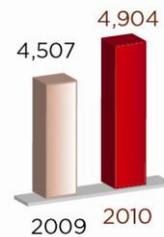
Cost of Sales
In Millions of pesos



Operating Expenses

Higher expenses in sales, advertising and promotion, as well as an increase in fuel prices, caused our Operating Expenses to increase by 1.0 percentage points with respect to Net Sales, reaching 4,904 million pesos, which represents 34.3% of Net Sales.

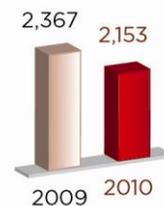
Operating Expenses
In Millions of pesos



Operating Profit

Operating Cash Flow amounted to 2,153 million pesos, an operating margin of 15.1% of Net Sales.

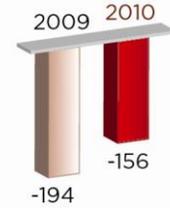
Operating Profits
In Millions of pesos



Other Earnings and Expenses, Net

This item amounted to 156 million pesos, practically due to the Workers' Profit Sharing reserve item.

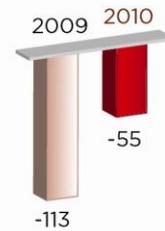
Other Earnings And Expenses, Net
In Millions of pesos



Net Financial Result

This item shows a 55 million peso gain, mainly due to financial products from the investment of our Corporate Treasury.

Net Financial Result
In Millions of pesos



Interest in Associated Companies

Our share in the results of associated companies amounted to 100 million pesos. Promotora Industrial Azucarera contributed with 86 million pesos, and the remainder came from Andamios Atlas and Industria Envasadora de Querétaro.

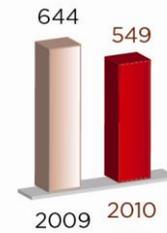
Interest in Associated Companies
In Millions of pesos



Profit Taxes

This item amounted to 549 million pesos, equal to 3.8% of Net Sales. The ISR (Income Tax) rate in effect as of December 31, 2010 is 30% according to the appropriate tax table.

Profit Taxes
In Millions of pesos



Net Income

We achieved a Net Profit of 1,603 million pesos, that is, a margin of 11.2% of Net Sales, and Earnings per Share were 2.14 pesos.

Net Income
In Millions of pesos



Management's Financial Responsibility

It is the responsibility of Company management to prepare Financial Statements and all information contained herein. Financial Statements have been prepared in accordance with the Mexican Financial Information Standards in effect, under General Accounting Policies duly approved by the Board of Directors, which are consistently applied. This responsibility includes, among other activities, maintaining the objectivity and integrity of accounting records.

The Group's Management maintains an adequate internal control structure in order to provide certainty of accounting records in every transaction, as well as rigorous protection against any significant abuse or loss of Company assets. This structure is based on a careful selection and training of qualified personnel who perform their tasks under duly documented policies and procedures.

Financial Statements of the Group are annually audited by the independent office of Certified Public Accountant BDO Castillo Miranda, and their review was conducted pursuant to Generally Accepted Auditing Standards in México, yielding successful results.

In order to validate that management fulfills its responsibilities regarding the general control of all Company operations and that financial statements are prepared based on consistent foundations, the Board of Directors relies on its Auditing and Corporate Practices Committee, entirely comprised of members who are not employed by the company.

The Auditing and Company Practices Committee meets from time to time with External and Internal Auditors of the Company to discuss audit work and assess the effectiveness of the Company's internal control, ensuring that its reviews address operating areas of higher risk for the business.

Miguel Angel Rábago Vite
Chief Executive Officer

Javier Francisco Saldaña González
Chief Financial Officer

Roberto Martínez Garza
Chief Legal and Human
Resources Director Officer



Board of Directors' Opinion on the Chief Executive Officer's Annual Report

April 28, 2011

H. General Shareholders' Meeting of Grupo Continental, S.A.B.

In order to comply with stipulations of Articles 28, Section IV, paragraph c) and 42, Section II, paragraph e) of the Law of the Securities Market in effect, in my capacity as Chair of the Board of Directors of Grupo Continental, S.A.B., I submit to you the opinion of this Board, prepared by the Auditing and Corporate Practices Committee, with respect to the contents of the Chief Executive Officer's Annual Report, pursuant to Article 44, Section XI of the same Law, pertaining to the fiscal year of January 1 through December 31, 2010.

In periodic meetings held during the fiscal year with the Chief Executive Officer's team and other Top Executives in the company, through the appropriate Committees, we followed-up on tasks related to management, leadership, and performance of company businesses under their responsibility, as well as the main projects entrusted to them, which were effectively performed, finding them at all times consistent with the strategies, policies and guidelines approved by the Board of Directors.

We also report to this Honorable Meeting on the good performance of the company during the fiscal year.

With respect to the company's financial statements, submitted with the Chief Executive Officer's Annual Report, for the fiscal year of January 1 through December 31, 2010, they were discussed and approved in our Board of Directors meeting of February 24, this year. These reports were prepared in accordance with adequate and sufficient accounting policies and criteria in a consistent manner, and in the opinion of our external auditors, they reasonably represent the financial situation and results of our operations.

On behalf of the Board of Directors of Grupo Continental, S.A.B., we appreciate your confidence in us and the Managing Team of this Company to fulfill our commitment while directing the business.

Cynthia H. Grossman
Chairman of the Board of Directors

Board of Directors' Activity Report

April 28, 2011

H. General Shareholders' Meeting of Grupo Continental, S.A.B.

With respect to operations and activities

In compliance with stipulations of Article 28, Section IV, paragraph e) of the Law of the Securities Market in effect, with respect to operations and activities of the Board of Directors of Grupo Continental, S. A. B., in my capacity as Chairman, I hereby report to you that on January 20, 2011, Grupo Continental, S. A. B. Board Directors approved an agreement that contemplates the merger of the Company with Embotelladoras Arca, S. A. B. de C. V. The related agreement is subject to the regulated and corporate approvals, amongst the approval of the General Stockholders' Meeting each one of the companies and the Federal Commission of Competence. It is expected that the merger enters into effect during the second quarter of 2011.

With respect to the main policies and accounting criteria for the preparation of financial information

In compliance with stipulations of Article 172, paragraph b) of the General Law of Corporations and in Article 28, Section IV, paragraph d) of the Law of the Securities Market in effect, in my capacity as Chairman of the Board of Directors of Grupo Continental, S.A.B., I hereby report that the company has Accounting Policies and Criteria to prepare financial information, reviewed in due time by the Auditing and Corporate Practices Committee and approved by this Board of Directors. These accounting policies and criteria have been reviewed and updated from time to time, pursuant to the enactment of Mexican Financial Information Standards, which notes are attached to the appropriate financial tax opinion prepared by the company's External Auditors, described in the attachment of this report.

On behalf of the Board of Directors of Grupo Continental, I thank you for trusting me to fulfill our commitment while directing the business.

Cynthia H. Grossman
Chairman of the Board of Directors



ATTACHMENT

Main Policies and Accounting Criteria, and Information

Our Company

Grupo Continental, S.A.B. (the "Company") is a holding company of bottling companies whose main activity is to produce, purchase and sell soft drinks, purified water and other non-carbonated drinks, all under the brands owned by The Coca-Cola Company (TCCC), in accordance with franchise granted by TCCC and which operate in seven States of México.

Subsidiaries Consolidating

The subsidiaries of Grupo Continental, S.A.B. consolidating are:

	% of interest
Embotelladora Aguascalientes, S.A. de C.V.	99.99
Embotelladora Guadiana, S.A. de C.V.	99.99
Embotelladora La Favorita, S.A. de C.V.	99.99
Embotelladora Zacatecas, S.A. de C.V.	99.99
Embotelladora Lagunera, S.A. de C.V.	99.99
Embotelladora Los Altos, S.A. de C.V.	99.99
Embotelladora San Luis, S.A. de C.V.	99.99
Embotelladora Zapopan, S.A. de C.V.	99.99
Fomento de Aguascalientes, S.A. de C.V.	99.99
Fomento Durango, S.A. de C.V.	99.99
Fomento Mayrán, S.A. de C.V.	99.99
Fomento Potosino, S.A. de C.V.	99.99
Fomento Río Nazas, S.A. de C.V.	99.99
Fomento San Luis, S.A. de C.V.	99.99
Fomento Zacatecano, S.A. de C.V.	99.99
Grossman y Asociados, S.A. de C.V.	99.99
Inmobiliaria Favorita, S.A. de C. V.	99.99
Concentrados Industriales, S.A. de C.V.	99.99
Sociedad Industrial, S.A. de C.V.	99.99
Alianzas y Sinergias, S.A. de C.V.	99.99
Cadena Comercial T3, S.A. de C.V.	99.99
Servicios Ejecutivos Continental, S.A.	51.00

(*) On October 15, 2010, Grupo Continental totally sold the shares comprising the capital stock of this entity.

Financial Information Standards (NIF)

The General Accounting Policies agree with valid Financial Information Standards (NIF) and all their effects are consistently recorded.

Consolidation Basis of Financial Statements

Consolidated Financial Statements are prepared including assets, liabilities and results of the Company and its subsidiaries, where the company owns more than 50% of its stockholders' equity.

All inter-company balances and operations are eliminated in the consolidation.

Cash and Equivalents

Surplus cash and temporary investments are posted in current assets and they consist of cash and investments at sight. Negotiable temporary investments are expressed at their cost, which is similar to their market value.

Inventories and Cost of Sales

Inventories are stated at acquisition and production cost, which does not exceed market value. The valuation method used is average cost applying absorption costing. Cost of sales is determined based on the mentioned method.

Case and Bottles

The inventory of cases and returnable bottles is posted at its cost at the close of the fiscal period and expressed at the average purchase price. Whenever cases and bottles break, they are charged to the results as sales or general expenses (bottles broken during production are charged to the cost of sales). The Company estimates that these charges to the results would be similar to those resulting if the value of the cases and bottles were depreciated throughout their estimated life cycle of approximately 4 years for glass containers (1.5 years for plastic bottles and 4 years for polycarbonate jugs).

The cost of bottlers delivered to Customers without charge during promotional campaigns for new sizes (net of amounts received from The Coca-Cola Company based on shared advertising agreements) is charged to the results of the year during which they are promoted.

Obsolete Inventories

Inventories identified as obsolete or which are entirely out of service during the fiscal period are immediately charged to the results at their book value.



Slow Movement Inventories

For slow movement inventories, a reserve is created and charged to the results of the fiscal period, which allows for their anticipated obsolescence in the event that they are not sold within a reasonable period of time, according to conditions prevailing in the company.

Investments in Shares

Investments on shares of the Company where they have significant influence are treated according to the interest method. Investments on shares of subsidiaries are appraised under the same basis, for the purpose of individual financial statements. Other investments on shares where the Company owns less than 25% and/or do not have significant influence, are posted at their purchase cost.

Property, Plant and Equipment

Property, plant and equipment are posted at their purchase cost. Depreciation is calculated using the straight line method, in accordance with total life cycles of assets, estimated by the Company.

Goodwill Credit

Goodwill should be recognized by the economic entity if the amount of the consideration paid in the acquisition and the participation of non-controlling, both valued at fair value is greater than the amount of net assets of the acquired business valued in accordance with as indicated in the NIF B-7 "Business Acquisitions" and is not amortized in accordance with the provisions of that NIF. This goodwill is subject to the test of deterioration included in the following paragraph.

Impairment of long lived-assets

The Company and its subsidiaries revise the book value of their long term assets and the mixed credit, to detect any indication of impairment leading to the book value being totally or partially unrecoverable, pursuant to Bulletin C-15 "Impairment in the value of long term assets and theirs disposal." To determine whether there is impairment in the value, we compare the largest amount between the net price of sale and the usage value of the cash-generating unit, which consists of determining cash flows discounted during its remaining life cycle, against its book value. If the book value is higher than the usage value or the net price of sale, the difference is acknowledged in the results of the current fiscal period as a loss due to deterioration. Whenever there is intent to sell assets, these are shown in financial statements at their historical or realization value, whichever is less.

Annually it is determine the possible impairment of assets requires and charged to the results of the fiscal period. According to the Bulletin C-15 "Impairment in the value of long term assets and theirs disposal" which sets forth the procedure to calculate deterioration.

Employees Benefits

The subsidiaries of the Company recognizes the criteria established in NIF D-3 "Employee benefits". This NIF establishes three types of benefits to employees: direct short and long-term benefits, at the end of the labor relation and upon retirement.

Labor obligations within the fiscal period are charged to the results, according to NIF D-3 "Employees Benefits", because these are short-term benefits, such as salaries, wages and contributions to health care institutions during this fiscal period and therefore, they do not require actuarial appraisal.

Liabilities for benefits to employees granted by the entity are determined as follows:

- The liabilities for direct short-term benefits are recognized as incurred, based on the current salaries, expressed at their nominal value. As of December 31, 2010 and 2009 there are no direct long-term benefits.
- The liabilities due to termination benefits of the labor relation before reaching retirement age are determined by considering the present value of the obligation due to benefits defined as of the date of the balance sheet, using for said purpose certain assumptions and hypotheses determined by independent actuaries. The remunerations included in the determination of these liabilities correspond to severance indemnities and seniority premium attributable to death, disability, severance and voluntary withdrawal before retirement date, all of these determined in accordance with the applicable labor laws. Actuarial gains and losses are immediately recognized in the results for the year. Transition liabilities and the changes to the plan pending amortization as of December 31, 2007 are amortized through the straight-line method in five years.
- The liabilities due to post-employment benefits are determined by considering the present value of the obligation due to benefits defined as of the date of the balance sheet. The remunerations included in the determination of these liabilities correspond to seniority premium for retirement and pension plans established by of some of the subsidiaries.

Actuarial gains and losses, as well as the changes to the plan pending to be amortized are amortized on the basis of the remaining average work life of the workers that are expected to receive the benefits. Transition liabilities as of December 31, 2007 are amortized through the straight-line method in five years.

- The liabilities due to the retirement and termination of the labor relation before reaching retirement age, as well as the related net costs are determined according to the unit credit method, based on projected salaries, using for that purpose certain assumptions and hypotheses determined by independent actuaries.
- The deferred PTU is recognized on the basis of the assets and liabilities method established in NIF D-4, "Income taxes", which is determined on the temporary differences between accounting and tax values of the assets and liabilities of the entity, in those cases where it is likely to realize the liability or benefit that may be originated and there are no signs that this situation will change in such a way that the liabilities or benefits cannot materialize in the future.



Income Tax

The deferred ISR (Income Tax) charged to the results of the fiscal period is based on criteria stipulated in NIF D-4. The method set forth in this NIF to determine the basis for calculating deferred income tax consists of comparing accounting and fiscal values of assets and liabilities. The resulting temporary differences are subject to the ISR or Business Tax Flat rate that will be in effect at the time when it is estimated that these will be recovered or settled and a deferred asset or liability is acknowledged.

Income Statements

Costs and expenses shown on the income statement include those stemming from the primary activities of the Company and which represent its main source of earnings. Based on the practices of the type of industry where it operates, the Company believes that the best way to present its costs and expenses in the financial statement is according to purpose. This classification shows the types of costs and expenses, posted within generic terms, based on their contribution to different levels of profits or losses in Financial Statements.

Revenue Recognition

Earnings on sales of our products are acknowledged in the fiscal period when the risks and benefits are transferred from inventories to customers acquiring them, which generally occurs when this inventories are delivered in compliance with their orders. Net Sales pertain to products sold at list price, net after returns and discounts granted.

Advertising and Promotional Expenses

During the fiscal periods covered on the consolidated financial statements shown, based on annual cooperation budgets for advertising and promotion, The Coca-Cola Company (TCCC) has done shared payments in certain advertising and promotional programs, including the cost of boxes and containers introduced into the market free of charge for Customers and the Company, similar to other Coca-Cola bottling companies, has done shared payments with respect to national advertising campaigns, based on the population of their respective territories. Advertising and promotional expenses only reflect the portion of these expenses pertaining to bottling companies. These accounts receivable are paid by TCCC within a term of 30 days on average.

The recovery of expenses received from The Coca-Cola Company is credited in advertising and promotional expenses.

Transactions in Foreign Currency

Transactions in foreign currencies are posted at the exchange rate in effect on the date of the agreement. Assets and liabilities in that currency are expressed in Mexican currency at the exchange rate in effect on the balance sheet. Differences arising from exchange rate fluctuations between the dates of agreement and settlement of the transactions or their appraisal at the close of the fiscal period, are posted on the results.

Employee's Profit-Sharing

The deferred PTU charged to the results of the fiscal year are based on criteria established in NIF D-3.

As of this date, this NIF incorporates the employees' profit-sharing (PTU). Deferred PTU is determined by calculations based on the assets and liabilities method, as determined in NIF D-4 "Income Taxes".

Minority Interest

The Company owns practically 100% of the Stockholders' Equity of its subsidiaries and 51% of Servicios Ejecutivos Continental, S.A. Minority interest represents the interest in this subsidiary owned by Minority Shareholders, and it appears in the consolidated balance sheet after the majority interest. The consolidated income statement shows total consolidated net profits. The majority and minority interest distribution is shown after the consolidated net profits.

Fiscal Consolidation

The Company is authorized by the Secretariat of the Treasury to submit income tax statements on a consolidated basis.

Income Taxes

The Company is subject to Income Taxes (ISR), which is calculated by considering certain effects of inflation for fiscal purposes.

As of January 1, 2008, the Law on Unique Rate Corporate Tax (IETU) is in effect. The IETU imposes a rate of 17.5% as of 2010. The basis of this tax is determined by adding income from the sale of goods, independent services rendered, and granting temporary use or enjoyment of goods, minus certain withholdings paid, including inventory purchases and fixed asset investments. Taxes imposed may be abated through several credits related to salaries and wages, health care contributions, investments on fixed assets not yet deducted as of the effective date of said law, a portion of inventories, among others, as well as the ISR actually paid during the fiscal period, in such a way that the IETU to be paid is only the difference between the ISR and the IETU imposed, provided the IETU is larger.

Certain amendments to the Income Tax Law (LISR) were published in December 2009, and went into effect as of January 1, 2010. The most significant changes are as follows:

- The income tax rate for 2010, 2011 and 2012 will be 30%, while in 2013 it will be 29%, and in 2014 and thereafter will return to 28%. In 2009 was 28%.
- The effects derived from the tax consolidation regime applied up to 2009, in which an income tax was deferred, will have to be paid to the Mexican Treasury (SHCP). The accumulated effects up to 2004 will be paid from 2010 until 2014; the effects of the consolidation from 2005 will be paid from 2011 until 2015; and so on successively. By the same token, any income tax that is deferred as of 2010 would be paid within a deadline of five years, beginning in the year 2016. This amendment resulted in future payments to the SHCP, corresponds to income tax over dividends paid to Contal by some subsidiaries, which did not come from the CUFIN. Until December 31, 2008, the income tax effect of these concepts had not been recorded because its payment was not considered probable. Due to the mentioned tax reform, the related income tax payable for this item was recorded in 2009 affecting the retained earnings, as established by the interpretation NIF18 “Recognition of the effects of the 2010 tax reform on income taxes”, issued by the Mexican Board of the Research and Development of Financial Reporting Standards (CINIF).
- In accordance with the amendment published on March 31, 2010, the Ministry of Treasury allowed that the tax that will be paid over the mentioned dividends may, under certain guidelines, be credited against the consolidated income tax caused for the year or the two following years.

Income per Share

Income per share is calculated by dividing controlling net income, by the weighted average shares outstanding during each year presented.

Every year the General Shareholders’ Meeting approves a fund to repurchase our own shares.

Comprehensive Income

“Comprehensive Income” represent the outcome of the entire performance of the Company. This concept is represented by the fiscal period’s Net Profits.

Annual Report of the Auditing and Corporate Practices Committee

February 24, 2011

H. Board of Directors and Shareholders' Meeting of Grupo Continental, S.A.B.

In compliance with stipulations of Articles 28 and 43 of the Law of the Securities Market in effect, in my capacity as Chairman of the Auditing and Corporate Practices Committee of the Board of Directors of Grupo Continental, S.A.B., I submit to you the annual report of activities conducted by this Committee, with respect to the fiscal year of January 1 through December 31, 2010.

In the matter of Corporate Practices:

On the performance of Top Executives

We hereby confirm this year rendered satisfactory results and we witnessed effective performance by Top Executives of the Company, having been achieved the objectives and priorities established for the year 2010, submitted by the Company to the Board of Directors.

On operations with related parties

We verified transactions between the company and related parties, finding them similar to those potentially conducted with or among non-related parties in comparable transactions:

- Purchase of concentrate and advertising paid to The Coca-Cola Company.
- Purchase of sugar from its associate Promotora Industrial Azucarera, S.A. de C.V.
- Purchase of juices and not carbonated drinks from Jugos del Valle, S.A.P.I de C.V.
- Purchase of canned soft drinks from Industria Envasadora de Querétaro, S.A. de C.V.

With respect to total compensation for the Chief Executive Officer and Top Executives

The total compensation package for the Chief Executive Officer and Top Executives of the company is within known market standards for similar companies.

On granting Exemptions

We hereby confirm that during this fiscal year there were no transactions making it necessary to grant any exemptions to Directors, Top Executives or individuals with commanding power in the company.



Relevant Event:

On January 20, 2011, Grupo Continental, S. A. B. Board Directors approved an agreement that contemplates the merger of the Company with Embotelladoras Arca, S.A.B. de C.V. The related agreement is subject to the regulated and corporate approvals, amongst the approval of the General Stockholders' Meeting each one of the companies and the Federal Commission of Competence. It is expected that the merger enters into effect during the second quarter of 2011.

In the matter of Audits:**With respect to the structure of the Internal Control and Internal Auditing System**

The company maintains an adequate Internal Control structure providing certainty on the records of all its transactions, supported by existing documented policies and procedures, which are updated from time to time, exercising rigorous care and protection against any substantial abuse or loss of assets.

Through the Internal and External Audit reports submitted to us, we ensured that the company maintained its Internal Control structure operating efficiently throughout the fiscal year, using detailed record systems for every business transaction and internal operation.

It also has Auditing questionnaires for specific risk areas, as well as permanent thorough Internal Audit plans put into practice by a team of qualified and trained Internal Auditors who assess Internal Control from time to time in conjunction with external auditors.

Based on the Tax Opinion submitted to us by External Auditors, as well as their remarks, we verified that the company promptly followed their recommendations and took the necessary steps to prevent the items detected.

With respect to compliance with General Guidelines of the Internal Control System and General Accounting Policies

Based on the Annual Report submitted to us by company officers on the Quality of Financial Information, we ensured the objectivity and integrity of accounting records, as well as compliance with General Guidelines of the Internal Control System and General Accounting Policies approved by the Board of Directors, which were consistently utilized to prepare mid-term Financial Statements submitted to the General Shareholders' Meeting, the Board of Directors, the National Banking and Securities Commission, the US Securities and Exchange Commission, and the Mexican Stock Exchange.

Amendment to Accounting Policies during the fiscal period

During the 2010 fiscal year, there were no amendments implemented to accounting policies in effect approved by the Board of Directors.

As of January 1, 2011, the following Financial Information Standards (NIF) became effective: NIF C-4 "Inventories", NIF C-5 "Prepaid expenses", NIF C-6 "Property, plant and equipment", NIF C-18 "Obligations associated with the retirement of property, plant and equipment". These regulatory provisions shall be adopted by the company if are applicable.

Assessment of the External Auditor's Performance

Based on the fulfillment of professional endeavor entrusted to CPA Carlos Garza y Rodríguez, in his capacity as External Auditor, to conduct the External Audit for the 2010 Fiscal Year, to prepare the Fiscal and Financial Tax Opinion on Grupo Continental, S.A.B. and its subsidiaries, as well as to prepare his remarks for each company, we herein express our agreement with his performance and the results of his work.

Additional Services by the External Auditor

The External Audit was the only service hired by the company during the year from the individual in charge of this endeavor.

Results of Financial Statement Reviews

The company's and its subsidiaries' Financial Statements covering fiscal year from January 1 to December 31, 2010, were subjected to a comprehensive audit review by the independent office of Certified Public Accountants BDO Castillo Miranda and their Tax Opinion was rendered pursuant to Auditing Standards and Procedures, as applicable, issuing their Tax Opinion without exceptions or reservations.

Consolidated Financial Statements for the Fiscal Year from January 1 to December 31, 2010, were submitted for review and duly audited by the External Auditor without exceptions or reservations, and we agreed with them.

Measures adopted on relevant remarks

No relevant remarks or claims were made due to abnormal occurrences by management or by Shareholders, Directors, Top Executives, Employees or any third parties with respect to the accounting, internal controls and topics related to the Internal or External Audit.

Internal Audit Review of the 2010 Annual Report

The 2010 Internal Audit Annual Report was submitted to us by executives responsible for the company in this area. It shows satisfactory results with respect to the Internal Audit Annual Plan approved for this fiscal period. Said report does not contain significant undermining findings for the company.

Review and approval of the 2011 Internal Audit Annual Plan

We reviewed and approved the Audit Annual Plan submitted by the company for the 2011 fiscal year, and hereby confirm that they maintain a special focus and scope in their reviews with regards to its main operating areas.

Follow-up on Shareholders' Meetings' and Board of Directors' Agreements

We provided prompt follow-up on all agreements approved during Shareholder's Meetings and Board of Directors' Meetings, without exception.

With respect to compliance with Fiscal provisions

The members of this Committee have verified and agree with activities leading to compliance of fiscal obligations performed by the Company in due time and substance during the 2010 fiscal period.

With respect to compliance with legal provisions

We also agree with activities in compliance with legal provisions and the handling of legal issues conducted at the Company during the fiscal period.

With respect to compliance with requirements to conduct the External Audit

We ensured the existence of sufficient documentary evidence, to make sure that the External Auditor proposed to prepare the Fiscal and Financial Tax Opinion on the Financial Statements of Grupo Continental, S.A.B. and its subsidiaries, covered all requirements established by the National Banking and Securities Commission while fulfilling his duties.

With respect to Hiring External Auditors

On July 22, 2010, the proposal to hire external auditor CPA Carlos Garza y Rodríguez, partner of the Firm of Certified Public Accountants BDO Castillo Miranda, was submitted and duly approved by the Board of Directors of Grupo Continental, S.A.B., to conduct the following professional endeavors:

- Conduct External Audit works on Grupo Continental, S.A.B. and its subsidiaries for the operations annual fiscal year from January 1 through December 31, 2010.
- Prepare the Fiscal and Financial Tax Opinion on Grupo Continental, S.A.B. and its subsidiaries for the same period, and
- Prepare the letter of fiscal remarks and internal control arising from his review of each Group company.

**Truly,
Germán Eichelmann Rodríguez, CPA**



Our Company

Grupo Continental began operations in 1964, under the leadership of its founder Dr. Burton E. Grossman, in the port city of Tampico, Tamaulipas, México.

We are a company entirely devoted to producing, distributing and selling soft drinks under the brands owned by The Coca-Cola Company, such as Coca-Cola, Coca-Cola Light, Coca-Cola Light Caffeine Free, Coca-Cola Zero, Fanta, Fanta Zero, Sprite, Sprite Zero, Fresca, Fresca Zero, Lift, Lift Zero, Senzao, Delaware Punch, Nestea, Nestea Light, Powerade, Minute Maid Revita, Minute Maid Forte, Ciel, Ciel Saborizada Plus, Ciel Mineralizada, Gladiator, Burn, VitaminWater, Del Valle, Del Valle Soya, Valle Fruit, Valle Pulpy, Frutsi and Beberé.

Grupo Continental is among the major Coca-Cola bottlers in the world, as a result of the strategic guidelines established by its Board of Directors and the outstanding performance of its experienced team of Collaborators.

The company has 7 production and distribution centers, 3 production centers and 73 distribution centers, located in the most important towns and cities in the States of Aguascalientes, Coahuila, Colima, Durango, Jalisco, San Luis Potosí and Zacatecas. As a whole, the Group employs more than 14,000 Collaborators.

Grupo Continental services a market of 13.1 million potential Consumers, throughout 14.5% of Mexican territory. This covers 285 thousand square kilometers of our country, supplied by a network of nearly 814 thousand Customers of products from The Coca-Cola Company.

The Company's shares are listed in the Mexican Stock Exchange under the "CONTAL" ticker symbol and in the United States it trades ADRs in the over the counter (OTC) market under the "GPOCY" ticker symbol.

In the process of manufacturing its products, the Group's bottling plants use 100% Mexican refined sugar from Promotora Industrial Azucarera, S.A. de C.V., which has 2 of the most productive sugar mill refineries in the country, certified by the ISO 9002 Quality Standard. Grupo Continental owns 49% of the stock of this company.



Franchise Map



- **285,000** sq. km of franchise
- **13.1 million** inhabitants
- **814,000** Customers
- **7** Production & Distribution Centers, **3** Production Centers
- **73** Distribution Centers
- **2,273** Sales Routes
- **4,859** Vehicles for distribution and market support
- Over **293** Products and Sizes in the Market
- Over **14,000** Collaborators
- **797** Unit bottles consumed per capita per year
- Grupo Continental represents **14.1%** of the Coca-Cola System volume in México

Conceptual Framework

Philosophy

The commitment shared by all of us working together at Grupo Continental companies is to intensely and consistently live by its Culture, Vision, Mission and Values, owning them, turning them all into a reality.

Culture

Our culture is oriented toward achieving Excellence.

Vision

To be a high performance company.

Mission

To ensure Customer Service and Consumer Satisfaction.

Values

Our core value is Integrity, based on Respect and Fairness.

Business Strategy

To pursue profitable growth opportunities ensuring the permanence of our company for future generations.



Board of Directors

Cynthia H. Grossman
Chairman of the Board
Entrepreneur and Private Investor
(1983)(2,6)

Christopher Grossman
Alternate
Private Investor
(2005)(7)

Bruce E. Grossman
Vice Chairman of the Board
Entrepreneur and Private Investor
(1977)(2,6)

Alberto Sánchez Palazuelos
Alternate
Entrepreneur and Private Investor
(2010)(7)

Marcos Aguilar Romo
Business Consultant &
Private Investor
(1981)(2,7)

Julián Guzmán Luna
Alternate
Chief Operations Officer
Grupo Continental, S.A.B.
(2007)(7)

Miguel Angel Rábago Vite
Chief Executive Officer
Grupo Continental, S.A.B.
(2000)(2,7)

Javier Francisco Saldaña González
Alternate
Chief Finance Officer
Grupo Continental, S.A.B.
(2007)(7)

Modesto Llarena Arriola
Treasurer of the Board
Business Consultant
(2003)(1,4)

José Luis Fernández Fernández
Alternate
Business Consultant
(2005)(4)

Germán Eichelmann Rodríguez
Business Consultant
(2004)(1,4)

Rigoberto Sebastián Medina Ochoa
Alternate
Private Investor
(2007)(4)

Carlos Artolózaga Noriega
Business Consultant &
Private Investor
(2007)(3,4)

Armando Solbes Simón
Alternate
Entrepreneur and Business Consultant
(2010)(4)

Pedro Manuel García Elizondo
Private Investor
(2002)(3,7)

Baldomero Ponce Cruz
Alternate
Assistant Chief Executive Officer
Grupo Continental, S.A.B.
(2007)(7)

Felipe Jiménez
Business Consultant
(2005)(3,7)

Efraín Ayestarán Zambrano
Alternate
Chief Executive Officer
Promotora Industrial Azucarera, S.A. de C.V.
(2007)(7)

Diego Alonso Hinojosa Aguerrevere
Entrepreneur
and Private Investor
(2002)(1,4)

David Gómez Fuentes
Alternate
Professor and Dean
Instituto de Estudios Superiores de Tamaulipas, A.C.
(2005)(4)

Jerónimo Gutiérrez Aja
Vice President Technical, Latin America
The Coca-Cola Company
(2009)(6)

José Luis Carmona Nava
Alternate
Vice President, Latin America Strategic Planning
The Coca-Cola Company
(2007)(6)

Francisco Javier Sánchez Lamelas
Marketing VP, Latin America,
The Coca-Cola Company
(2008)(6)

Rodolfo Salas Emanuelli
Alternate
Vice-President Customer & Commercial Development
at The Coca-Cola Company
(2010)(6)

Brett Grossman
Private Investor
(2009)(7)

Brandon E. Grossman
Private Investor
(2005)(7)

Roberto Martínez Garza
Secretary of the Board
Legal and Human Resources Executive Director
Grupo Continental, S.A.B.
(1993)



The Board of Directors of Grupo Continental, S.A.B., is supported by the following Committees (1) Auditing and Corporate Practices, (2) Finance and Planning, (3) Assessment and Compensation, which provide analyses and recommendations to the Board of Directors as related to their areas of expertise. The Board is comprised of 13 Directors, their Alternates and a Secretary of the Board. Five Directors and four of their Alternates are Independents.

- (4) Independent Director
- (5) Equity Independent Director
- (6) Equity Associated Director
- (7) Associated Director

The first number in parenthesis refers to the year when they became members of The Board of Directors of Grupo Continental, S.A.B.



Executive Team

Miguel Angel Rábago Vite (34)
Chief Executive Officer

Baldomero Ponce Cruz (32)
Assistant Chief Executive Officer

Julián Guzmán Luna (36)
Chief Operations Officer

Javier F. Saldaña González (30)
Chief Financial Officer

Roberto Martínez Garza (36)
Legal and Human Resources
Executive Officer

Francisco Iturriaga González (19)
Technical Director

José Eduardo Herrera Ortiz (25)
Controller and Treasurer Director

Antonio Rojas Galván (21)
Legal Director

Oscar Aguirre Valdez (31)
Marketing Director

Sergio Serrano Vázquez (30)
IT Director

Agustín González Flores (17)
Labor Relations and Organizational
Development Director

Eduardo De Gorordo Moreleón (32)
Distribution and Sales Director

Herman Goettsch Amigot (23)
Fiscal Affairs Director

Jorge Deutsch Sada (17)
Logistics & Supply Director

Sergio García Casanova (19)
Transportation Director

José Ramón Delgado Castro (21)
Corporate Services Director

Directivos de Embotelladoras

Víctor Manuel Olivares Maldonado (31)
Embotelladora Aguascalientes, S.A. de C.V.

Sergio Aldape Contreras (35)
Embotelladora Guadiana, S.A. de C.V.

René Lara Elizondo (33)
Embotelladora La Favorita, S.A. de C.V.

Carlos Maya Castro (36)
Embotelladora Lagunera, S.A. de C.V.

Ricardo Cortez de Armas (35)
Embotelladora Los Altos, S.A. de C.V.

Fernando González Lasso (32)
Embotelladora San Luis, S.A. de C.V.

Francisco J. Orendáin González (29)
Embotelladora Zacatecas, S.A. de C.V.

Roberto Valdivia Cárdenas (30)
Embotelladora Zapopan, S.A. de C.V.

Operating Managers

Jorge Elizondo Asturias (19)
Embotelladora Aguascalientes, S.A. de C.V.
Las Trojes Production and Distribution Center

Fausto Herrera Santana (42)
Embotelladora La Favorita, S.A. de C.V.
El Álamo Distribution Center

J. Cuauhtémoc Alanís Mercado (24)
Embotelladora La Favorita, S.A. de C.V.
San Rafael Distribution Center

Fernando Gómez Muñoz (20)
Embotelladora La Favorita, S.A. de C.V.
Tecomán Distribution Center

Roberto Trujillo Haro (43)
Embotelladora Lagunera, S.A. de C.V.
Estadio Distribution Center

Juan Ramón Villarreal Guzmán (29)
Embotelladora Lagunera, S.A. de C.V.
Revolución and
San Agustín Production Centers

José Peregrino Brambila Bernal (32)
Embotelladora San Luis, S.A. de C.V.
Juárez Distribution Center

Humberto Marrero Narvaez (24)
Embotelladora San Luis, S.A. de C.V.
Rioverde Distribution Center

Mario Ernesto Palacio González (31)
Embotelladora Zacatecas, S.A. de C.V.
Fresnillo Distribution Center

Miguel Angel Altamira González (24)
Embotelladora Zapopan, S.A. de C.V.
Ameca Distribution Center

Jaime González Salazar (26)
Embotelladora Zapopan, S.A. de C.V.
Belenes Distribution Center

Rafael Ochoa Partida (35)
Embotelladora Zapopan, S.A. de C.V.
Huentitán Distribution Center

Francisco Hernández Meza (13)
Executive Manager of Distribution and Sales
Embotelladora La Favorita, S.A. de C.V.
Toluquilla Distribution Center

Parentheses show years of experience in the industry.

Company Directory

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Glossary

Coca-Cola Bottling Company or Bottling Plant: A company purchasing concentrates or syrups from The Coca-Cola Company to transform them into finished products, pack them and sell them to its Customers.

The Coca-Cola Company: More than 100 years after its foundation, it is the world's leading company in the production, marketing and distribution of syrups for non-alcoholic beverages, used in the production of over 400 leading brands of soft drinks in their markets in over 200 countries around the world.

Emerging drinks/beverages: Non-alcoholic and non-sparkling beverages, which emerge in association with trends focusing on health, nutrition and in tune with the environment. Natural bottled water is excluded, as it has its own classification category.

Unit Bottle: The equivalent of 8 ounces or 237 milliliters of fluid.

Unit Case: Standard measurement unit in the industry, equal to 24 unit bottles.

Customer: The owner of a store or other establishment selling or serving Group products directly to Consumers.

Consumer: A person who buys the Group's products at stores or other establishments for Customers, for their own consumption.

Per Capita Consumption: Average number of unit bottles consumed per person, per year, in a specific market. The Group calculates its per capita consumption by multiplying its unit case volume by 24 and dividing the result among the number of inhabitants in its franchise territory.

Fountain: Dispensing equipment used by retailers to serve the product in glasses/paper cups for immediate consumption.

Performance Quality Index: National Measurement of activities at the point of sale, which consists of assessing in a standardized manner the best marketing and trading practices, in accordance with the UNO strategy.

Vending Machine: Automatic machine dispensing canned or bottled cold beverages.

Market: Geographic area where the Group conducts operations, as defined by its franchise territory.

Unit Case Volume: Number of unit cases sold to Customers and Consumer Customers; it is the sales indicator used within the industry of bottled or canned non-alcoholic ready-to-drink beverages in a particular market.

EBITDA: Earnings Before Interest and Taxes plus Depreciation and Amortization.

ROIC: Return On Invested Capital.

Sampling: Allowances and Samplings of our products for Customers and Consumers.

SKU: Stock/Storage Keeping Unit. Definition used in logistics language for a unique size of a product which literally translates as "minimum storage unit."





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