

EARNINGS RELEASE

NET SALES GREW 46% WITH NET INCOME UP 50% IN 2Q12

Monterrey, Mexico, July 20, 2012 – Arca Continental, S.A.B. de C.V. (BMV: AC*), the second-largest Coca-Cola bottler in Latin America announced today its results for the second quarter (“2Q12”).

Table 1: Financial Highlights

	Data in millions of Mexican pesos					
	2Q12	2Q11	Variation %	Jan - Jun '12	Jan - Jun '11	Variation %
<i>Total Beverage Volume (MUC)</i>	356.7	266.9	34.0	656.7	452.3	45.2
<i>Net Sales</i>	14,786	10,129	46.0	27,137	17,355	56.4
<i>Net Income</i>	1,490	995	49.7	2,469	1,471	67.9
<i>EBITDA</i>	3,189	2,161	47.6	5,302	3,358	57.9

Total Beverage Volume includes jug water

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

Numbers expressed under International Financial Reporting Standards or IFRS

SECOND QUARTER 2012 (2Q12) HIGHLIGHTS:

- Net sales reached Ps. 14,786 million representing an increase of 46% when compared to 2Q11 (15.7% on a pro forma basis)
- EBITDA was Ps. 3,189 million with a margin of 21.6%
- Net income grew 49.7% to Ps. 1,490 million (9.1% on a pro forma basis)

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER:

“At the one year mark of the merger that formed Arca Continental, we are quite proud of what we have achieved as a team to strengthen our focus on client and consumer service, standardize and perfect best practices within our operations and continue satisfying our goal to reach Ps. 1,400 in synergies by 2013,” stated Francisco Garza Egloff, Chief Executive Officer of Arca Continental.

“To this end, during the second quarter we maintained positive trends in our main financial and operating indicators, with growth of 33.6% in sales volume and 46% higher net sales, driven mainly by our team’s efforts to achieve excellence in market execution and maintain each and every day our leading position in the territories we serve,” he added.

CONSOLIDATED RESULTS

Due to the merger between Embotelladoras Arca and Grupo Continental that closed on June 1, 2011, results for the second quarter of 2012 include 3 months of Arca Continental, while results for the same quarter of 2011 include 3 months of results of Embotelladoras Arca and 1 month of Grupo Continental. To facilitate analysis, Arca Continental has included additionally in this report pro forma financials which were prepared as if Grupo Continental had formed part of Arca Continental during the second quarter of 2011. The figures presented in this report were prepared in accordance with International Financial Reporting Standards ("IFRS").

Table 2: Consolidated Data

	2Q12	2Q11	Variation %	Jan - Jun '12	Jan - Jun '11	Variation %
Volume by category (MUC)						
Colas	216.9	164.4	31.9	399.8	282.3	41.6
Flavors	52.9	43.9	20.6	100.6	79.7	26.2
Sparkling Total Volume	269.8	208.3	29.5	500.4	362.0	38.2
Water*	22.5	16.6	35.4	38.1	26.1	45.9
Still Beverages**	15.4	13.1	17.7	30.1	22.5	33.8
Volume excluding Jug	307.8	238.0	29.3	568.7	410.7	38.5
Jug	48.9	28.9	69.3	88.1	41.6	111.6
Total Volume	356.7	266.9	33.6	656.7	452.3	45.2
Income Statement (MM MXP)						
Net sales	14,786	10,129	46.0	27,137	17,355	56.4
EBITDA	3,189	2,161	47.6	5,302	3,358	57.9

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

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

Table 3: Consolidated Data - PRO FORMA

	2Q12	2Q11	Variation %	Jan - Jun '12	Jan - Jun '11	Variation %
Volume by category (MUC)						
Colas	216.9	210.0	3.3	399.9	384.0	4.1
Flavors	52.9	53.2	-0.5	100.6	100.1	0.5
Sparkling Total Volume	269.8	263.2	2.5	500.4	484.2	3.4
Water*	22.5	20.6	9.3	38.1	33.9	12.4
Still Beverages**	15.4	15.7	-1.5	30.1	28.5	5.8
Volume excluding Jug	307.8	299.5	2.8	568.7	546.5	4.1
Jug	48.9	51.5	-5.0	88.1	90.6	-2.8
Total Volume	356.7	351.0	1.6	656.8	637.1	3.1
Income Statement (MM MXP)						
Net Sales	14,786	12,783	15.7	27,137	23,348	16.2
EBITDA	3,189	2,734	16.6	5,302	4,364	21.5

* 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. 14,786 million in 2Q12 and Ps. 27,137 million for the first half of 2012, increases of 46% and 56.4%, respectively (15.7% and 16.2% pro forma) when compared to the same period in 2011.
- Total volume increased 33.6% in 2Q12 to 356.7 MUC (1.6% pro forma), as a result of the growth in the cola and single-serve water segments.
- During 2Q12, cost of goods sold rose 47.8% (19.5% pro forma) when compared to 2Q11 due mainly to the increase in sales volume as well as higher PET and sweetener prices. Consolidated gross profit grew 43.9% (11.3% pro forma) to Ps. 6,697 million. Consolidated gross margin was 45.3%.
- Selling and administrative expenses increased 41.2% (8.2% pro forma) from Ps. 2,954 million in 2Q11 to Ps. 4,171 million in 2Q12 as a result of the rise in marketing expenses, higher depreciation from a larger introduction of coolers and the increase in fuel and maintenance costs.
- Consolidated operating income for 2Q12 increased 58.1% (21.3% pro forma) when compared to 2Q11, reaching Ps. 2,434 million with an operating margin of 16.5%. For the first half of 2012, operating income was Ps. 4,041 million with an operating margin of 14.9%.
- Consolidated EBITDA for 2Q12 grew 47.6% (16.6% pro forma) to Ps. 3,189 million representing a margin of 21.6%. For the first half of 2012, EBITDA rose 57.9% (21.5% pro forma) to Ps. 5,302 million with a margin of 19.5%.
- The integral cost of financing in 2Q12 reached Ps. 202 million compared to Ps. 150 million in 2Q11. Net financial expenses were Ps. 235 million in 2Q12.
- Provisions for income taxes were Ps. 731 million in 2Q12 compared to Ps. 381 million in 2Q11. This figure reached Ps. 1,118 million in the first half of 2012. The effective tax rate for the period was 30.7%.
- As a result of the above, Arca Continental reported net income of Ps. 1,490 million in 2Q12, a margin of 10.1%. For the first half of 2012, net income reached Ps. 2,469 million for a net margin of 9.1%.

BALANCE SHEET AND CASH FLOW STATEMENT

- As of June 30, 2012, the Company reported a cash balance of Ps. 2,206 million and debt of Ps. 10,468 million, resulting in net debt to cash of Ps. 8,262 million. Net debt to EBITDA ratio was 0.8x.
- Net operating cash flow reached Ps. 4,268 million as of June 30, 2012.
- Investment in fixed assets during 2Q12 reached Ps. 1,183 million, mainly allocated towards sales and transportation equipment, as well as machinery updates.
- Arca Continental has a solid debt profile which is in long-term maturities. This enables the Company to analyze investment opportunities that, not only coincide with its business strategy, but also represent possibilities to generate growth for its shareholders.

AC MEXICO

Table 4: Mexico Data

	2Q12	2Q11	Variation %	Jan - Jun '12	Jan - Jun '11	Variation %
Volumen by Category (MUC)						
Colas	178.8	126.5	41.3	320.5	205.9	55.6
Flavors	35.0	26.8	30.9	62.0	43.1	43.8
Sparkling Total Volume	213.8	153.3	39.5	382.5	249.1	53.6
Water*	19.0	14.1	35.5	31.0	20.9	48.3
Still Beverages**	10.8	7.4	46.5	20.3	12.3	65.9
Volume excluding jug	243.6	174.7	39.4	433.8	282.2	53.7
Jug	48.9	28.9	69.3	88.1	41.6	111.6
Total Volume	292.6	203.6	43.7	521.9	323.8	61.2
Mix (%)						
Returnable	35.2	35.7	-0.5	35.9	35.7	0.2
Non Returnable	64.8	64.3	0.5	64.1	64.3	-0.2
Multi-serve	50.2	50.1	0.1	50.1	50.1	0.0
Single-serve	49.8	49.9	-0.1	49.9	49.9	0.0
Income Statement (MM MXP)						
Net Sales	11,755	7,864	49.5	20,898	12,775	63.6
EBITDA	2,745	1,902	44.3	4,351	2,830	53.8

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

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

Table 5: Mexico Data - PRO FORMA

	2Q12	2Q11	Variation %	Jan - Jun '12	Jan - Jun '11	Variation %
Volume by Category (MUC)						
Colas	178.8	172.0	3.9	320.5	307.6	4.2
Flavors	35.0	36.1	-3.0	62.0	63.5	-2.4
Sparkling Total Volume	213.8	208.2	2.7	382.5	371.1	3.1
Water*	19.0	18.0	5.6	31.0	28.6	8.1
Still Beverages**	10.8	9.9	8.8	20.3	18.2	11.7
Volume excluding jug	243.6	236.1	3.2	433.8	418.0	3.8
Jug	48.9	51.5	-5.0	88.1	90.6	-2.8
Total Volume	292.6	287.6	1.7	521.9	508.6	2.6
Income Statement (MM MX)						
Net Sales	11,755	10,519	11.7	20,898	18,768	11.3
EBITDA	2,745	2,475	10.9	4,351	3,836	13.4

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

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

MEXICO OPERATING RESULTS

- Net sales for Mexico reached Ps. 11,755 million in 2Q12, an increase of 49.5% (11.7% pro forma) while sales volume grew 43.7% to 292.6 MUC (1.7% pro forma). The average price per unit case excluding jug water increased 7.2% to Ps. 45.32.
- In 2Q12, EBITDA was Ps. 2,745 million, up 44.3% (10.9% pro forma), representing a margin of 23.4%.
- The Sparkling Beverage segment contributed significantly to the growth in volume with an increase of 39.5%, with the Colas segment up 41.3% (2.7% and 3.9% pro forma).
- The Still Beverage segment grew 46.5% in 2Q12, mainly driven by orange drinks and sports drinks which posted growth of 15.9% and 38% respectively.
- Arca Continental continues driving growth and development of the modern channel using a differentiation strategy that increases points of contact and cross promotions with complementary products which has helped to increase its market share within this channel.
- We continue our strategy of optimizing primary distribution of finished products by using a third party fleet for shipments to areas outside the Jalisco and Central zones, as well as relocating and utilizing our own fleet for local shipments within the Monterrey Metropolitan Area. In addition, various improvements have been made to product distribution logistics in various operations which has reduced shipments and thus, shipping costs.
- The Company continues advancing its implementation of RTM in territories such as Piedras Negras, Chihuahua, Huentitan, Parral, Monclova and Belenes; this represents a 41% progress rate over the 60% target that is projected by the end of 2012.
- During the first half of 2012, 14 distribution centers were closed in the territories of Aguascalientes, Zacatecas, San Luis, Jalisco and Tecoman.
- During 2Q12, Bokados continued its strong sales growth trend when compared to 2Q11, reaching historic revenue and profit levels for the first half of 2012. These positive results stemmed from an increase in the number of routes, new product launches, promotions and pricing strategy. The Company continued establishing alliances or co-branding initiatives with leading international and national brands to generate value for both parties.
- The B-Box, vending machine business reported excellent results in Snacks for 2Q12 due to a 14.8% increase in transactions, combined with the strategy of maximizing prices and our product portfolio in accordance with the point of sale, which were up 23.3%.
- The Nostalgia business posted sales of 4.6 MUC in the first half of 2012 with a strong performance expected for the full year due to solid product positioning in the U.S.
- Interex reported net sales of US\$13.4 million in 2Q12 for an increase of 6.9% when compared to 2Q11. In order to better understand the U.S. market and to capitalize on the value of our export brands, we launched our own distribution network with direct routes for snacks in Texas.

AC SOUTH AMERICA

Table 6: South America Data

	2Q12	2Q11	Variation %	Jan - Jun '12	Jan - Jun '11	Variation %
Volumen by Category (MUC)						
Colas	38.1	37.9	0.5	79.4	76.2	4.2
Flavors	17.9	17.1	4.7	38.6	36.6	5.4
Sparkling Total Volume	56.0	55.0	1.8	118.0	112.9	4.6
Water*	3.5	2.6	35.2	7.2	5.3	36.0
Still Beverages**	4.7	5.8	-19.2	9.8	10.2	-4.7
Total Volume	64.2	63.4	1.2	134.9	128.4	5.1
Mix (%)						
Returnable	31.0	32.9	-1.9	32.2	33.9	-1.7
Non Returnable	69.0	67.1	1.9	67.8	66.1	1.7
Multi-serve	82.0	80.5	1.5	82.5	81.3	1.2
Single-serve	18.0	19.5	-1.5	17.5	18.7	-1.2
Income Statement (MM MXP)						
Net Sales	3,032	2,264	33.9	6,238	4,579	36.2
EBITDA	444	259	71.7	951	528	80.1

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

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

OPERATING RESULTS SOUTH AMERICA

- Net sales for the South America Division rose 33.9% to Ps. 3,032 million in 2Q12 due to the increase in prices in line with inflation, greater sales volume and a continual investment in and introduction of returnable products.
- During 2Q12, total sales volume for South America grew 1.2%, driven by a 1.8% increase in the soft drink segment and a 35.2% increase in water.
- EBITDA for South America increased 71.7% to Ps. 444 million in 2Q12.

Argentina

- Sales volume grew 2.4% in 2Q12, thanks to increases in the Colas, Water and Emerging Beverages, the latter of which has posted strong growth of 148% in flavored water.
- We continued implementing the best practices and initiatives to raise the productivity level of our operations, while improving the efficiency of our cost and expense structure.
- The SAP Maintenance module was implemented, resulting in improved maintenance controls and monitoring of machinery, transportation and cooling equipment, thereby reducing costs associated with these activities.

Ecuador

- Sales volume in Ecuador rose 0.6% in 2Q12 due to the flooding in the southern part of the country and a high comparative level in 2Q11 during which sales volume rose 19%.
- The Company progressed in the installation of new equipment that will enable greater production capacities in plants throughout Ecuador, thus achieving a 22.3 million increase in produced unit cases per year. As part of this initiative, in Guayaquil a 7th was installed in order to operate a mono-block line (blowing-labeling-filling), with greater lightening of bottles and filling of sparkling and still beverages. In addition, it improves efficiency in the use of energy and water.
- A new consumer information system was installed that integrates existing infrastructure with new functionality in order to improve customer service.

RECENT EVENTS

- On April 30, 2012 a cash dividend of Ps. 1.50 (one peso and fifty cents) per share was paid, equivalent to approximately Ps. 2,417 million.
- During June 2012, the Company paid Ps. 1 billion of maturing local notes (Certificados Bursátiles).
- The Coca-Cola Company and the bottling system approved an investment of US\$34 million for the expansion of Petstar in order to double its recycling capacity to 60 thousand tons of PET per year and convert it cleanly and efficiently into food-grade recycled PET resin for the production of new bottles.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on June 20, 2012 to discuss these results at 10:00 am Mexico/Monterrey time, 11:00 am New York time.

To participate, please dial:

- +1 800 311 9401 (From within the U.S.)
 - +001 800 368 1029 (Toll free within Mexico)
 - +1 334 323 7224 (International participants)
- Access code: 36151

There will also be a live webcast of this event available at:

<http://www.arcacontal.com/inversionistas.aspx>

About Arca Continental

Arca Continental produces and distributes non-alcoholic beverages under The Coca-Cola Company brand. Arca Continental was formed in 2011 through the merger of Embotelladoras Arca and Grupo Continental, making it the second-largest Coca-Cola bottler in Latin America and one of the largest in the world. Headquartered in Monterrey, the Company serves more than 53 million consumers in Northern and Western Mexico, Ecuador and Northern Argentina. Arca Continental also produces and distributes Bokados brand snack foods. The Company's shares trade on the Mexican Stock Exchange under the ticker symbol "AC".

For more information about Arca Continental, please 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				Variation	
	2Q12	2Q11	MM MXP	%	Jan - Jun '12	Jan - Jun '11	MM MXP	%
Net sales	14,786	10,129	4,657	46.0	27,137	17,355	9,782	56.4
Cost of Sales	8,089	5,474	2,615	47.8	15,030	9,574	5,455	57.0
Gross Profit	6,697	4,655	2,042	43.9	12,107	7,780	4,327	55.6
	45.3%	46.0%			44.6%	44.8%		
Selling Expenses	3,350	2,341	1,009	43.1	6,390	4,193	2,197	52.4
Administrative Expenses	821	613	208	33.9	1,667	1,046	621	59.4
Total Costs	4,171	2,954	1,217	41.2	8,057	5,239	2,819	53.8
	28.2%	29.2%			29.7%	30.2%		
Non Recurring Expenses	166	185	-18	(10.0)	166	191	-25	(12.8)
Operating Income before other income	2,360	1,516	844	55.7	3,883	2,351	1,532	65.2
	16.0%	15.0%			14.3%	13.5%		
Other Income (Expenses)	75	24	51	210.7	158	35	122	345.0
Operating Income	2,434	1,540	894	58.1	4,041	2,386	1,655	69.3
	16.5%	15.2%			14.9%	13.7%		
Interest Expense Net	-235	-147	-87	59.2	-424	-262	-162	62.0
Exchange Gain (Loss)	33	-3	35	(1338.0)	15	-21	36	(168.8)
Comprehensive Financial Results	-202	-150	-52	34.7	-409	-283	-126	44.6
Earnings Before Taxes	2,232	1,390	842	60.6	3,632	2,103	1,528	72.7
Profit Taxes	731	381	350	91.7	1,118	594	524	88.1
Net Controlling Interest Income	-11	-13	2	(14.7)	-45	-38	-7	17.7
Net Profit	1,490	995	495	49.7	2,469	1,471	998	67.9
	10.1%	9.8%			9.1%	8.5%		
Depreciation and amortization	589	436	152	34.8	1,094	781	314	40.2
EBITDA	3,189	2,161	1,028	47.6	5,302	3,358	1,944	57.9
	21.6%	21.3%			19.5%	19.3%		

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

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

Consolidated Balance Sheet (millions of Mexican pesos)

	June	December	Variation	
	2012	2011	MM MXP	%
ASSETS				
Cash and cash equivalents	2,206	3,298	-1,092	-33.1
Accounts receivable; Net	2,860	2,336	524	22.4
Inventories	2,527	2,206	321	14.5
Prepayments	255	354	-99	-27.9
Total Current Assets	7,848	8,194	-346	-4.2
Investments in shares and other investments	2,698	2,429	269	11.1
Property, plant and other equipment	22,007	22,123	-116	-0.5
Other non current assets	27,480	27,217	263	1.0
Total Assets	60,034	59,964	70	0.1
LIABILITIES				
Short term bank loans	331	1,370	-1,039	-75.9
Suppliers	4,366	3,689	677	18.4
Accounts payable and taxes	1,965	1,297	668	51.6
Total Current Liabilities	6,662	6,355	306	4.8
Bank Loans and long term liabilities	10,137	10,193	-56	-0.6
Deferred income tax and others	4,028	4,569	-541	-11.8
Total Liabilities	20,827	21,118	-291	-1.4
SHAREHOLDER'S EQUITY				
Non controlled participation	2,611	2,723	-112	-4.1
Capital Stock	26,937	27,516	-578	-2.1
Retained Earnings	7,190	4,190	3,000	71.6
Net Profit	2,469	4,418	-1,949	-44.1
Total Shareholders' Equity	39,207	38,846	361	0.9
Total Liabilities and Shareholders' Equity	60,034	59,964	70	0.1

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

	as of june 30	
	2011	2010
Earnings Before Taxes	3,683	2,114
Depreciation and amortization	1,094	781
Other	-77	36
Accrued interests	477	386
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Operating cash flow before taxes	5,178	3,316
Working Capital	910	874
Operating cashflow after working capital	4,268	2,442
Investment Activities:		
Capital Expenditure (Net)	1,718	1,249
Financing Activities:		
Dividends paid	2,417	1,128
Share repurchase program	-263	70
Debt amortization	1,046	-4,444
Paid interests	410	391
Other	-0	-19
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	3,610	-2,873
Net increase of cash and equivalents	-1,059	4,066
Change in Cash	-32	-150
Initial cash and equivalents balance	3,298	3,628
Final cash and equivalents balance	2,206	7,543

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

			Variation		Jan - Jun '12		Variation	
	2Q12	2Q11	MM MXP	%	Jan - Jun '12	Jan - Jun '12	MM MXP	%
Net sales	14,786	12,783	2,003	15.7	27,137	23,348	3,789	16.2
Cost of Sales	8,089	6,767	1,323	19.5	15,030	12,663	2,367	18.7
Gross Profit	6,697	6,017	680	11.3	12,107	10,685	1,422	13.3
	45.3%	47.1%			44.6%	45.8%		
Selling Expenses	3,350	2,961	389	13.1	6,390	5,672	718	12.7
Administrative Expenses	821	893	-72	(8.0)	1,667	1,707	-39	(2.3)
Total Costs	4,171	3,854	317	8.2	8,057	7,378	679	9.2
	28.2%	30.1%			29.7%	31.6%		
Non Recurring Expenses	166	185	-18	(10.0)	166	191	-25	(12.8)
Operating Income before other income	2,360	1,978	381	19.3	3,883	3,115	768	24.7
	16.0%	15.5%			14.3%	13.3%		
Other Income (Expenses)	75	28	47	166.3	158	60	98	163.0
Operating Income	2,434	2,006	428	21.3	4,041	3,175	866	27.3
	16.5%	15.7%			14.9%	13.6%		
Interest Expense Net	-235	-144	-91	63.3	-424	-241	-183	75.7
Exchange Gain (Loss)	33	-2	35	(1460.5)	15	-34	48	(143.4)
Comprehensive Financial Results	-202	-146	-56	38.3	-409	-275	-134	48.8
Earnings Before Taxes	2,232	1,860	372	20.0	3,632	2,900	732	25.2
Profit Taxes	731	510	221	43.3	1,118	819	299	36.5
Net Controlling Interest Income	-11	16	-27	(168.7)	-45	22	-66	(308.7)
Net Profit	1,490	1,366	124	9.1	2,469	2,103	366	17.4
	10.1%	10.7%			9.1%	9.0%		
Depreciation and Amortization	589	543	45	8.4	1,094	998	96	9.6
EBITDA	3,189	2,734	455	16.6	5,302	4,364	937	21.5
	21.6%	21.4%			19.5%	18.7%		

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