

EARNINGS RELEASE

REVENUE GROWTH OF 13.1% AND NET INCOME UP 13.8% IN 2Q15

Monterrey, Mexico, July 15, 2015 – Arca Continental, S.A.B. de C.V. (BMV: AC*) (“Arca Continental” or “AC”), the second-largest Coca-Cola bottler in Latin America and the third-largest in the world, announced today its results for the second quarter and first six months of 2015 (“2Q15” & “6M15”).

Table 1: Financial Highlights

	Data in millions of Mexican pesos					
	2Q15	2Q14	Variation %	Jan - Jun '15	Jan - Jun '14	Variation %
<i>Total Beverage Volume (MUC)</i>	352.0	348.5	1.0	650.6	641.9	1.3
<i>Net Sales</i>	18,045	15,958	13.1	33,318	29,328	13.6
<i>EBITDA</i>	4,302	3,824	12.5	7,263	6,478	12.1
<i>Net Income</i>	2,203	1,935	13.8	3,503	3,097	13.1

Total Beverage Volume includes jug water

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

SECOND QUARTER 2015 (2Q15) HIGHLIGHTS

- Net sales reached Ps. 18,045 million, 13.1% higher than 2Q14.
- EBITDA was Ps. 4,302 million with a 23.8% margin, 12.5% above 2Q14.
- Net income grew 13.8% to Ps. 2,203 million for a net margin of 12.2%.

FIRST HALF 2015 (6M15) HIGHLIGHTS

- Net sales reached Ps. 33,318 million, 13.6% higher than 6M14.
- EBITDA was Ps. 7,263 million with a 21.8% margin, 12.1% above the first half of last year.
- Net income grew 13.1% to Ps. 3,503 million for a net margin of 10.5%.

COMMENTS FROM THE CEO

“The constant innovation of our product portfolio as well as the capacity to optimally manage our portfolio and maintain a competitive price architecture, enabled us to achieve 13.1% growth in net sales and a 13.8% increase in net income during the second quarter of 2015. The progress we’ve made as a team to strengthen our focus on client and consumer service, as well as the adoption of operational best practices solidify day after day our leading position in the territories we serve,” stated Francisco Garza Eglhoff, Chief Executive Officer of Arca Continental.

“We are committed to maintaining a level of competitiveness that sets apart our Company in all areas of our business, and puts us in a favorable position to reach the objectives set forth in our long-term business plan while keeping with our strategy of continuously creating value in a profitable and sustainable manner,” he added.

CONSOLIDATED RESULTS

The figures presented in this report were prepared in accordance with International Financial Reporting Standards ("IFRS"). On April 15, 2014, Arca Continental completed, in association with The Coca-Cola Company, the acquisition of a majority stake in Holding Tonicorp, S.A. (Toni) This association was realized on the basis of a joint participation with each party holding a 50% stake; in this quarter report, we consolidated into our financial statements the proportion of our participation in this business.

Table 2: Consolidated Data

	2Q15	2Q14	Variation %	Jan - Jun '15	Jan - Jun '14	Variation %
Volume by category (MUC)						
Colas	208.0	209.9	-0.9	384.9	385.5	-0.2
Flavors	50.8	49.0	3.7	96.7	93.4	3.5
Sparkling Total Volume	258.8	258.8	0.0	481.6	478.9	0.6
Water*	26.2	24.8	5.6	47.2	44.0	7.2
Still Beverages**	18.1	16.0	13.0	33.2	30.0	10.6
Volume excluding Jug	303.0	299.6	1.1	561.9	552.9	1.6
Jug	49.0	48.9	0.2	88.6	89.1	-0.5
Total Volume	352.0	348.5	1.0	650.6	641.9	1.3
Income Statement (MM MXP)						
Net sales	18,045	15,958	13.1	33,318	29,328	13.6
EBITDA	4,302	3,824	12.5	7,263	6,478	12.1

* 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 for 2Q15 increased 13.1% (8.9% on a currency-neutral basis) to Ps. 18,045 million compared to the same quarter of last year. For the first six months of 2015, this figure reached Ps. 33,318 million, an increase of 13.6% (10.3% on a currency-neutral basis) compared to last year.
- Volumes continued to post solid results in 2Q15 with 1% growth, driven by increases of 5.6% and 13.0% in single serve water and still beverages, respectively. During the first 6 months of the year, the sparkling beverage segment remained flat while still beverages grew 10.6% and

single-serve water rose 7.2%. On a consolidated basis, in the first half of the year, volume increased 1.6% (not including jug water). During the quarter, rainfall in many areas in our territory, particularly in Mexico, was at its highest level in the past several years. Moreover, below average temperatures were observed across our regions showing an average of 1.2 degrees Celsius below during the same period of last year.

- During 2Q15, COGS continued experiencing pressure from the exchange rate effect and price of sweeteners, increasing 13.6%. Consolidated gross profit increased 12.5% to Ps. 8,870 million, representing a gross margin of 49.2%. In the first half of the year, gross profit reached Ps. 16,197 million for a margin of 48.6%, 40 bps below the first half of last year.
- Selling and administrative expenses increased from Ps. 4,859 million to Ps. 5,477 million, or 12.7%, in 2Q15; this reflected the investment in campaigns, promotions and execution at the point of sale. In the first half of 2015, selling and administrative expenses reached Ps. 10,592 million for an increase of 13.7% and maintain the same proportion at 31.8% of sales.
- Consolidated operating income rose 13% in 2Q15 compared to 2Q14, to Ps. 3,509 million, representing an operating margin of 19.4%. In the first half of 2015, operating income grew 11.5% to Ps. 5,722 million for an operating margin of 17.2%.
- Consolidated EBITDA in 2Q15 increased 12.5% to Ps. 4,302 million, representing a margin of 23.8%. In the first half of 2015, consolidated EBITDA reached Ps. 7,263 million, 12.1% higher and at a margin of 21.8%. On a currency-neutral basis, EBITDA would have grown 9.8% during both 2Q15 and 6M15.
- The integral financial result for 2Q15 was Ps. 214 million, declining from the Ps. 263 million reported in 2Q14. In the first half of 2015, this figure reached Ps. 434 million, 11.5% below the previous year.
- Income tax provision for 2Q15 reflected an effective tax rate of 31.3% and totaled Ps. 1,043 million, 18.2% higher than in 2Q14. For the first half, the effective tax rate was 31.1%, similar to the prior year.
- Arca Continental reported net income of Ps. 2,203 million in 2Q15, up 13.8%, representing a net margin of 12.2%. Net income for the first six months of 2015 was Ps. 3,503 million, reflecting a net margin of 10.5% practically unchanged from the same period in 2014.

BALANCE SHEET & CASH FLOW STATEMENT

- As of June 30, 2015, Arca Continental registered cash of Ps. 7,892 million and debt of Ps. 16,213 million, resulting in net debt of Ps. 8,321 million. The Net Debt/EBITDA ratio was 0.6x.
- Net operating cash flow reached Ps. 4,392 million as of June 30, 2015.
- CAPEX for the period reached Ps. 2,303 million, allocated towards the acquisition of cooler equipment, returnable packaging and the expansion of production and distribution capabilities.

AC North America

Arca Continental reports its information for AC North America and AC South America. AC North America includes results for the beverage and snack businesses in Mexico as well as snacks in the U.S., while AC South America include results for the beverage business in Argentina and beverages and snacks in Ecuador.

Table 3: North America Data

	2Q15	2Q14	Variation %	Jan - Jun '15	Jan - Jun '14	Variation %
Volume by Category (MUC)						
Colas	169.5	171.2	-1.0	306.8	307.5	-0.2
Flavors	31.3	31.2	0.3	55.6	55.4	0.4
Sparkling Total Volume	200.8	202.4	-0.8	362.5	362.9	-0.1
Water*	19.9	19.5	1.9	33.7	32.8	2.8
Still Beverages**	12.4	11.5	8.1	22.6	21.0	7.5
Volume excluding jug	233.0	233.4	-0.1	418.7	416.6	0.5
Jug	49.0	48.9	0.2	88.6	89.1	-0.5
Total Volume	282.1	282.3	-0.1	507.3	505.7	0.3
Mix (%)						
Returnable	37.7	37.4	0.3	37.9	37.4	0.5
Non Returnable	62.3	62.6	-0.3	62.1	62.6	-0.5
Multi-serve	50.9	51.6	-0.7	51.1	51.5	-0.4
Single-serve	49.1	48.4	0.7	48.9	48.5	0.4
Income Statement (MM MXP)						
Net Sales	13,134	12,434	5.6	23,566	22,513	4.7
EBITDA	3,460	3,249	6.5	5,543	5,285	4.9

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

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

OPERATING RESULTS – NORTH AMERICA

- Mexico Beverages posted net sales of Ps. 11,861 million during 2Q15, while sales volume remained flat versus last year at 282 MUC. The average price per unit case, excluding jug water, increased 4.7% to Ps. 49.53 in 2Q15 as a result of the increase in transactions and mix of single-serve and returnable packages thanks to an adequate pricing strategy implemented during the period.

- In 2Q15, North America EBITDA increased 6.5% to Ps. 3,460 million, representing a margin of 26.3%. In the first half of 2015, this line item reached Ps. 5,543 million, up 4.9% for a margin of 23.5%, the same level as in 6M14.
- With an increase of 13.4% in the first half of 2015, Powerade continued its positive sales volume trend. The launch of Powerade Zero has recruited no calorie sports drink consumers, representing 68 MUC in additional sales.
- Juices and Nectars posted their six consecutive month of growth with a 10.1% increase in the first half of 2015, and reinforcing its leadership and innovation with the launch of new products and presentations in the traditional channel.
- Single serve water and energy drinks posted increases of 1.9% and 32.3%, respectively, thanks to wider coverage.
- Sales volume through Vending increased 6.9% during the quarter when compared to 2Q14, leveraging their innovation with 1 out of every 3 machines having telemetry which benefits profitability and operation.
- In the first half of 2015, we activated over 1,800 new customers with the Siglo XXI program and introduced nearly 30,000 coolers as well as 45 thousand additional doors by the end of June to capitalize on the summer season.
- In terms of campaigns, during this vacation season we have the “Big Summer” program to capitalize on new consumption occasions, and the celebration of the 100th anniversary of the contour bottle which is one of Coca-Cola’s main campaigns for the year.
- In the first half of 2015 our exports, Nostalgia and Topo Chico, posted positive results with sales volume growth of 10% and 11%, respectively, due mainly to the acceptance of the U.S. market.
- Bokados continued its sales growth trend. This quarter it launched the operational excellence program in order to further improve its internal processes, with direct benefits to the profitability of the business.
- Wise initiated operations of two distribution centers located in Columbus, Ohio and Lehigh Valley, between Pennsylvania and New Jersey as part of the initiative to increase brand coverage. The Ft. Worth plant will help to compliment the tortilla product line which will initiate operations on July.

AC SOUTH AMERICA

On April 15, 2014, Arca Continental completed, in association with The Coca-Cola Company, the acquisition of a majority stake in Holding Tonicorp, S.A. This association was done via a joint agreement whereby each party owns a 50% stake; consolidating our proportional results in this business.

Table 4: South America Data

	2Q15	2Q14	Variation %	Jan - Jun '15	Jan - Jun '14	Variation %
Volume by Category (MUC)						
Colas	38.5	38.7	-0.4	78.0	78.0	0.1
Flavors	19.5	17.8	9.6	41.1	38.1	7.9
Sparkling Total Volume	58.0	56.4	2.8	119.1	116.0	2.7
Water*	6.3	5.3	19.1	13.5	11.3	20.1
Still Beverages**	5.7	4.5	25.6	10.6	9.0	18.1
Total Volume	70.0	66.2	5.6	143.2	136.3	5.1
Mix (%)						
Returnable	32.2	31.5	0.7	31.6	31.3	0.3
Non Returnable	67.8	68.5	-0.7	68.4	68.7	-0.3
Multi-serve	81.0	81.8	-0.8	81.6	82.3	-0.7
Single-serve	19.0	18.2	0.8	18.4	17.7	0.7
Income Statement (MM MXP)						
Net Sales	4,912	3,524	39.4	9,752	6,815	43.1
EBITDA	842	575	46.4	1,720	1,194	44.1

* 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 increased 39.4% to Ps. 4,912 million in 2Q15. In the first half of 2015 this division registered sales of Ps. 9,752 million, 43.1% higher. This result stemmed mainly from greater sales volume, adequate pricing and product portfolio strategies as well as exchange rate effects.
- In 2Q15, total sales volume for South America increased 5.6% when compared to 2Q14, reflecting a 2.8% increase in sparkling beverages, a 19% increase in single serve water and a 26% increase in still beverages. In the first half of 2015, volume in this region grew 5.1%.
- EBITDA for South America increased 46.4% to Ps. 842 million in 2Q15, for a margin of 17.1%, up 80 bps from 2Q14. In the first half of 2015, EBITDA increased 44.1% to Ps. 1,720 million, representing a margin of 17.6%, for an additional 10 bps.

- Net Income reached Ps. 356 million with growth of 56.2% in 2Q15 and Ps. 740 million for growth of 39.1% in the first half of 2015, representing net margins of 7.2% and 7.6%, respectively.

Argentina

- During 2Q15 sales volume increased 7.8%, primarily from the still beverage category which grew 192.3% and from single serve water which grew 37.5%. This stemmed from the capture of greater consumption in the market thanks to our initiatives at the point of sale. In the first half of 2015 sales volume registered an increase of 6.2%
- In Argentina, as part of the initiatives at the point of sale, cooler coverage has risen 45.5% with the placement of 80% of the equipment received.
- This quarter, in the flavors category we launched Fanta and Sprite in 2.5-liter returnable PET in the main cities of our territory generating 177 thousand additional unit cases. This reinforced our initiatives to offer consumers different packaging options.

Ecuador

- During 2Q15 Ecuador grew sales volume by 4% supported by the 13% increase in the still beverage category and the 8.9% increase in single serve water. In the first half of 2015 sales volume rose 4.2% when compared to 6M14.
- Two important campaigns were carried out this period, the launch of Coca-Cola Life and the Americas Cup with a strong media push and advertising. In addition we completed the launch of Blueberry Powerade in 350 ml. in Quito and Guayaquil.
- At Tonicorp we continued posting sales volume gains in 2Q15. The categories with the highest growth were yogurt at 4.9%, flavored milk at 7.5% and ice-cream at 13.9%.
- At Inalecsa, our snacks business in Ecuador, we carried out an image rebranding in the packaging of our plantain based Tortolines brand snacks. Furthermore, we increased our coverage this quarter which is reflected in double-digit growth achieved in sales and EBITDA.

RECENT EVENTS

- The Environmental and Natural Resources Ministry (Semarnat), as well as the Federal Environmental Protection Agency (Profepa), recognized Arca Continental for its performance in exceeding the requirements of environmental protection, which resulted from the environmental audits conducted in recent years.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on July 15, 2015 to discuss these results at 10:00 am Mexico/Monterrey time / 11:00 am New York time. A live webcast of this event is available at: www.arcacontal.com or connect via telephone by dialing:

To participate, please dial:
+1-877-712-5080 (U.S. participants)
+1-334-245-3009 (International participants)
Passcode: 36151

About Arca Continental

Arca Continental produces, distributes and sells non-alcoholic beverages under The Coca-Cola Company brand, as well as snacks under the brands of Bokados in Mexico, Inalecsa in Ecuador and Wise in the U.S. Together with The Coca-Cola Company; lead the high-value added dairy category in Ecuador under ToniCorp brands. With an outstanding history spanning more than 89 years, Arca Continental is the second-largest Coca-Cola bottler in Latin America and one of the largest in the world. Within its Coca-Cola franchise territory, the Company serves over 54 million consumers in Northern and Western Mexico, Ecuador and Northern Argentina. The Company's shares trade on the Mexican Stock Exchange under the ticker symbol "AC". For more information on Arca Continental, please visit www.arcacontal.com or download the AC Investor iPad app.

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 sparkling beverages, 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	
	2Q15	2Q14	MM MXP	%	Jan - Jun '15	Jan - Jun '14	MM MXP	%
Net sales	18,045	15,958	2,087	13.1	33,318	29,328	3,990	13.6
Cost of Sales	9,175	8,076	1,099	13.6	17,121	14,959	2,163	14.5
Gross Profit	8,870	7,882	988	12.5	16,197	14,369	1,827	12.7
	49.2%	49.4%			48.6%	49.0%		
Selling Expenses	4,562	4,011	551	13.7	8,731	7,638	1,092	14.3
Administrative Expenses	915	848	67	7.9	1,861	1,678	183	10.9
Total Costs	5,477	4,859	618	12.7	10,592	9,316	1,276	13.7
	30.4%	30.5%			31.8%	31.8%		
Non Recurring Expenses	25	52	-27	(52.5)	50	56	-5	(9.5)
Operating Income before other income	3,368	2,970	398	13.4	5,555	4,998	557	11.1
Other Income (Expenses) ¹	141	134	7	5.2	167	134	34	25.3
Operating Income	3,509	3,105	404	13.0	5,722	5,131	591	11.5
	19.4%	19.5%			17.2%	17.5%		
Interest Expense Net	-219	-250	31	(12.2)	-439	-483	44	(9.1)
Exchange Gain (Loss)	5	-13	18	(135.9)	5	-8	13	(163.5)
Comprehensive Financial Results	-214	-263	49	(18.5)	-434	-491	57	(11.5)
Share of net income of associates ²	41	25	16	62.6	72	33	38	116.1
Earnings Before Taxes	3,336	2,867	469	16.4	5,359	4,673	686	14.7
Profit Taxes	1,043	882	161	18.2	1,669	1,455	214	14.7
Non-controlling interest	-90	-50	-41	81.3	-187	-121	-65	54.0
Net Profit	2,203	1,935	267	13.8	3,503	3,097	406	13.1
	12.2%	12.1%			10.5%	10.6%		
Depreciation and amortization	768	667	101	15.2	1,491	1,291	200	15.5
EBITDA	4,302	3,824	478	12.5	7,263	6,478	785	12.1
	23.8%	24.0%			21.8%	22.1%		

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

¹ Includes equity method from our participation in operational companies like Jugos del Valle, IEQSA and Bebidas Refrescantes de Nogales

² Includes equity method from our participation in non-operational companies like PIASA, PetStar, Beta San Miguel, among others

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

	June 30 2015	December 31 2014	Variation	
			MM MXP	%
ASSETS				
Cash and cash equivalents	7,892	9,039	(1,147)	-12.7
Accounts receivable; Net	3,962	4,312	(350)	-8.1
Inventories	2,968	2,832	136	4.8
Prepayments	463	269	194	72.0
Total Current Assets	15,285	16,453	(1,168)	-7.1
Investments in shares and other investments	3,890	3,926	(36)	-0.9
Property, plant and other equipment	26,104	25,321	782	3.1
Other non current assets	35,401	34,668	733	2.1
Total Assets	80,679	80,367	312	0.4
LIABILITIES				
Short term bank loans	1,977	1,699	278	16.4
Suppliers	5,693	4,812	881	18.3
Accounts payable and taxes	1,911	4,077	(2,166)	-53.1
Total Current Liabilities	9,581	10,588	(1,007)	-9.5
Bank Loans and long term liabilities	14,236	14,078	158	1.1
Deferred income tax and others	6,140	6,317	(177)	-2.8
Total Liabilities	29,957	30,983	(1,026)	-3.3
SHAREHOLDER'S EQUITY				
Non controlled participation	3,650	3,320	330	9.9
Capital Stock	28,755	28,748	7	0.0
Retained Earnings	14,814	10,811	4,003	37.0
Net Profit	3,503	6,505	(3,002)	-46.1
Total Shareholders' Equity	50,723	49,384	1,338	2.7
Total Liabilities and Shareholders' Equity	80,679	80,367	312	0.4

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

	as of june 30	
	2015	2014
Earnings Before Taxes	5,359	4,673
Depreciation and amortization	1,491	1,291
Gain on sale and fixed assets impairment	187	173
Accrued interests	435	484
Operating cash flow before taxes	7,472	6,621
Cashflow generated/used in the operation	(3,080)	(212)
Operating cashflow after working capital	4,392	6,409
Investment Activities:		
Capital Expenditures and Investments (Net)	(2,303)	(3,881)
Financing Activities:		
Dividends paid	(2,875)	0
Share repurchase program	(65)	433
Debt amortization	112	2,379
Paid interests	(435)	(484)
Other	(17)	(3)
Net cash flow	(3,280)	2,325
Net increase of cash and equivalents	(1,190)	4,853
Change in Cash	43	(101)
Initial cash and equivalents balance	9,039	2,566
Final cash and equivalents balance	7,892	7,318