



EARNINGS RELEASE

FIRST QUARTER 2011 RESULTS

- **Net sales growth of 32.2% and volume growth of 30.9%**
- **Net income rose 18.6%**
- **Operating profit before non-recurring expenses increased 41.5%.**
- **EBITDA grew 34.5%, representing a margin of 17.3%.**
- **Net cash flow from operations increased 87.0% in the quarter.**

First Quarter 2011 (1Q11) Highlights:

- Total sales volume* increased to 172.6 MCU compared to 131.9 MCU in 1Q10.
- Net sales grew 32.2% over 1Q10 to Ps. 7, 238.8 million.
- Operating profit before non-recurring expenses increased 41.5% to Ps. 911.3 million, representing a margin of 12.6%.
- EBITDA** reached Ps. 1, 255.4 million, a 34.5% increase compared to 1Q10, representing a margin of 17.3%.
- Net income grew 18.6% to Ps. 472.7 million, or Ps. 0.59 per share in 1Q11.

* Total sales volume includes soft drinks and single serve water. It does not include jug water.

** Operating Profit + Depreciation + Amortization

Monterrey, Mexico, April 29, 2011 – Embotelladoras Arca, S.A.B. de C.V. (“Arca” or “the Company”) (BMV: ARCA), the second-largest Coca-Cola bottler in Mexico and Latin America, announced today its unaudited results for the first quarter ended March 31, 2011.

Comments from the Chief Executive Officer:

Francisco Garza Egloff, Chief Executive Officer of Embotelladoras Arca, commented “Arca reported strong results for the first quarter of 2011, with 32.2% growth in net sales and increases in all our categories and territories. We continue strengthening our business model through persistent efforts in adapting our product portfolio to the needs and tastes of our consumers and a passion for innovation and excellence in our market execution. Supported by the tireless drive of our workforce and a constant search for opportunities that strengthen our leadership, today Arca is better positioned with a favorable outlook for future growth.”

He added, “2011 will continue to be a year of intensive effort as we integrate Arca Continental, continue perfecting our operations in Argentina and Ecuador and expand our Complementary Business Division, so that as a whole, our organization maintains its market leadership and creates value for all its stakeholders.”

CONSOLIDATED RESULTS

Table 1. SALES SUMMARY (in '000 of UC)

	1Q11	Quarter 1Q10	Var. %
Total Volume*	172,659	131,913	30.9%

* Includes single serve water, exports and sales to third parties.

Table 2. SALES SUMMARY BY SEGMENT (In '000 of UC)

	1Q11	Quarter 1Q10	Var. %
Colas	107,734	84,832	27.0%
Diet Soft Drinks	8,744	8,077	8.3%
Flavors*	39,851	29,250	36.2%
Purified Water**	6,281	5,016	25.2%
Other***	10,048	4,738	112.1%
TOTAL	172,659	131,913	30.9%
Jugs⁽¹⁾	3,748	3,267	14.7%

* Includes mineral water, third party sales and exports of Topo Chico products.

** Does not include Jug

*** Includes, Juices, Sports Drinks and teas.

⁽¹⁾ In thousands of Jugs

Table 3. SALES BY FORMAT AND SIZE (in '000 unit cases)			
	1Q11	Quarter 1Q10	Var. %
Returnable	57,363	46,788	22.6%
Non Returnable	115,296	85,125	35.4%
Individual	64,175	51,878	23.7%
Multiple serve	108,484	80,035	35.5%

RESULTS BY REGION

MEXICO BEVERAGE DIVISION

In our Mexico Beverage Division, sales volume grew 8.6% during 1Q10 reaching 107.5 MCU and net sales of Ps. 4,649.1 million, representing an increase of 13.2%.

Table 1. SALES SUMMARY MEXICO DIVISION (in '000 unit cases)			
	1Q11	Quarter 1Q10	Var. %
Total Volume *	107,574	99,074	8.6%

* Includes single serve water, exports and sales to third parties.

Table 2. SALES BY SEGMENT MEXICO DIVISION (in '000 unit cases)			
	1Q11	Quarter 1Q10	Var. %
Colas	70,574	65,185	8.3%
Diet Soft Drinks	7,161	6,948	3.1%
Flavors*	20,655	18,581	11.2%
Purified Water**	4,064	3,739	8.7%
Other***	5,120	4,621	10.8%
TOTAL	107,574	99,074	8.6%
Jugs⁽¹⁾	3,748	3,267	14.7%

* Includes mineral water, third party sales and exports of Topo Chico products.

** Does not include Jug

*** Includes, Juices, Sports Drinks and teas.

⁽¹⁾ In thousands of jugs

Table 3. SALES BY PRESENTATION AND SIZE MEXICO DIVISION (in '000 unit cases)			
	1Q11	Quarter 1Q10	Var. %
Returnable	35,004	31,119	12.5%
Non Returnable	72,570	67,955	6.8%
Individual	52,566	48,585	8.2%
Multiple serve	55,008	50,489	9.0%

The average price per unit case increased 4.2% in 1Q11 to Ps. 43.2 while the cost of sales per unit case rose 3.2%.

Administrative and selling expenses grew 10.7%. Specifically, selling expenses rose 10.8% while administrative expenses were up 10.3%.

Operating income, before non-recurring expenses, increased 23.8% in 1Q11 when compared to 1Q10 to Ps. 665.9 million. This represented a margin of 14.3%, which was a 120 basis point increase.

EBITDA rose 16.8% from Ps. 761.7 million in 1Q10 to Ps. 889.9 million in 1Q11, representing a margin of 19.1%.

As a result of the above, net income for the Mexico Beverage Division increased 14.3%, from Ps. 329.2 million in 1Q10 to Ps. 376.3 million in 1Q11.

SOUTH AMERICA DIVISION

Our South America Division posted volumes of 65.1 MCU.

Total revenues in Argentina in the first quarter of 2011 increased by 15% compared to the same period of 2010. First quarter volumes in Argentina increased 0.9% compared to first quarter 2010, reaching 33.1 million unit cases.

Volume in Ecuador grew 7.3% during first quarter 2011 to 32 million unit cases.

Table 1. SALES SUMMARY SOUTH AMERICA DIVISION (in '000 unit cases)			
	Quarter		
	1Q11	1Q10	Var. %
Total Volume *	65,085	32,839	98.2%

* Excludes Jug water presentations. Includes sports drinks, juices, and teas.

Table 2. SALES BY SEGMENT SOUTH AMERICA DIVISION (in '000 unit cases)			
	Quarter		
	1Q11	1Q10	Var. %
Colas	37,160	19,647	89.1%
Diet Soft Drinks	1,583	1,129	40.2%
Flavors*	19,196	10,669	79.9%
Purified Water**	2,218	1,276	73.7%
Other***	4,928	118	4083.9%
TOTAL	65,085	32,839	98.2%

* Excludes Jug water presentations.

**Includes sports drinks, juices, and teas.

Table 3. SALES BY PRESENTATION AND SIZE SOUTH AMERICA DIVISION (in '000 unit cases)			
	Quarter		
	1Q11	1Q10	Var. %
Returnable	22,359	15,669	42.7%
Non Returnable	42,726	17,170	148.8%
Single Serve	11,608	3,293	252.5%
Multi serve	53,477	29,546	81.0%

FINANCIAL ANALYSIS

INCOME STATEMENT

Consolidated net sales for 1Q11, reached Ps. 7,238.8 million, an increase of 32.2% (13.2% excluding South America) Ps. 5,476.1 million in 1Q10.

During 1Q11, cost of goods sold increased 33% (12.1% excluding South America) when compared to 1Q10, mainly as a result of the still high PET and sugar prices, across our territories. Consolidated gross margin for 1Q11 was 43.7% (45.4% excluding South America). Cost of goods sold per unit case (excluding South America) increased 3.2% to Ps. 22.9 in 1Q10 to Ps. 23.6 in 1Q11.

Selling and administrative expenses increased 27.4% (10.7% excluding South America) from Ps. 1,769 million to Ps. 2,253 million in 1Q11. Specifically, selling expenses increased over the same period 26.9% (10.8%, excluding South America). Administrative expenses increased 29.3% (10.3%, excluding South America).

Operating income before non-recurring expenses for the 1Q11 increased 41.5% (23.8%, excluding South America) with respect to 1Q10 to Ps. 911.3 million, with an operating margin of 12.6%. EBITDA increased 34.5% during the 1Q11 (16.8%, excluding South America) to Ps. 1,255.4 million, representing an EBITDA margin of 17.3% (19.1%, excluding South America).

The integral result of financing was Ps. 138.8 million in 1Q11 compared to Ps. 94.2 million of 1Q10. The 1Q11 figure includes net financial expenses of Ps. 120.1 million and an exchange rate loss of Ps 18.7 million.

Provisions for income tax and employee profit sharing reached Ps. 279.9 million in 1Q11, (effective tax rate of 36.0%) compared to Ps. 174.8 million in 1Q10 (effective rate of 30.7%).

As a result of the above, Arca's net income for 1Q11 was Ps. 472.7 million, 18.6% higher than the Ps. 398.4 million reported for 1Q10.

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT

As of March 31, 2011, Arca's cash balance was Ps. 4,179.4 million, with financial debt of Ps. 8,266.4 million, resulting in a net debt to cash of Ps. 4,087.0 million.

Net operating cash flow increased from Ps. 594.2 million in 1Q10 to Ps. 1,112.5 million in 1Q11 thanks to the efficient management of working capital.

Investment in fixed assets during 1Q11 reached Ps. 353.4 million mainly allocated towards sales equipment sales, transportation equipment and machinery adjustments.

RECENT EVENTS

At the General Shareholders' Meeting held on April 7, 2011, a cash dividend was declared and paid on April 14, 2011 of \$ 1.40 (one peso currency forty cents) per share equivalent to approximately Ps. 1,128.4 million. Similarly, shareholders approved Ps. 500 million as the maximum amount of resources which may be used for the purchase of Arca's own shares during the year 2011, as well as the composition of the Board of Directors and their respective committees for the same period.

About Arca

Arca produces, distributes and sells beverages under The Coca-Cola Company brand. Arca was formed in 2001 through the merger of three of the oldest bottlers in Mexico making it the second-largest bottler in Latin America. The Company, headquartered in Monterrey, serves the northern region of Mexico in the states of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, Sonora, Sinaloa, San Luis Potosi, Zacatecas, Baja California and Baja California Sur, as well as Ecuador and the Northern Argentina. Arca also produces and distributes Bokados brand snack foods. For more information, visit www.e-arca.com.mx

Disclaimer

This material may contain forward-looking statements regarding Arca 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 ice, taxes on and the price of sugar, the prices of 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 differ from the estimates provided, therefore, Arca does not accept responsibility for any variations or for the information provided by official sources.

EMBOTELLADORAS ARCA, S. A. B. DE C. V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT 31st OF MARCH, 2011
(In thousands of mexican pesos)

	2011	2010	Variation %
NET SALES	7,238,803	5,476,188	32.2%
COST OF SALES	4,074,426	3,062,914	33.0%
GROSS PROFIT	3,164,377	2,413,274	31.1%
	43.7%	44.1%	
SELLING EXPENSES	1,834,529	1,445,392	26.9%
ADMINISTRATIVE EXPENSES	418,546	323,664	29.3%
	2,253,075	1,769,056	27.4%
	911,302	644,218	41.5%
OPERATING INCOME	12.6%	11.8%	
NON-RECURRING EXPENSES	(6,107)	-	NA
COMPREHENSIVE FINANCIAL RESULT:			
INTEREST EXPENSE, NET	(120,066)	(76,464)	57.0%
EXCHANGE GAIN (LOSS)	(18,709)	(17,782)	NA
	(138,775)	(94,246)	NA
OTHER INCOME (EXPENSE)	11,376	19,340	NA
EMPLOYEES' PROFIT SHARING	(67,223)	(26,300)	155.6%
OTHER INCOME (EXPENSE), NET	(55,848)	(6,960)	NA
INCOME BEFORE THE FOLLOWING PROVISIONS:	710,572	543,012	43.2%
	9.8%	9.9%	
INCOME TAX	212,647	148,529	43.2%
EQUITY IN EARNINGS OF AFFILIATES AND MINORITY INTEREST	(25,252)	3,922	-743.9%
CONSOLIDATED NET INCOME	472,675	398,405	18.6%
DEPRECIATION AND AMORTIZATION	344,127	289,039	19.1%
EBITDA	1,255,429	933,257	34.5%
EBITDA MARGIN	17.3%	17.0%	
Per Share Data:			
Net Income	0.59	0.49	18.6%
Total number of shares outstanding ('000)	806,020	806,020	

EMBOTELLADORAS ARCA, S.AB. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in thousands of mexican pesos)

ASSETS	2011	2010
CURRENT ASSETS		
Cash & Cash Equivalents	4,179,383	2,908,941
Accounts receivable, net	1,041,515	932,529
Other accounts receivable	447,061	464,050
Inventories	2,349,762	1,726,462
Prepayments	218,256	143,209
Total Current Assets	8,235,977	6,175,192
ACCOUNTS RECEIVABLE - LONG TERM	0	74,331
INVESTMENT IN SHARES & OTHER INVESTMENTS	696,491	372,496
PROPERTY, PLANT AND EQUIPMENT	12,189,671	10,799,028
GOODWILL, NET	7,887,080	4,611,883
OTHER ASSETS	5,754,289	2,283,520
TOTAL ASSETS	34,763,509	24,316,450
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank loans	478,760	500,000
Suppliers & accounts payable	2,374,669	1,288,427
Taxes and profit sharing payable	1,135,999	490,419
Total Current Liabilities	3,989,427	2,278,847
BANK LOANS AND LONG TERM LIABILITIES	7,787,579	4,030,267
LABOR OBLIGATIONS	0	0
DEFERRED INCOME TAX AND OTHERS	3,191,241	1,930,388
TOTAL LIABILITIES	14,968,247	8,239,502
SHAREHOLDERS' EQUITY		
Minority interest	2,328,746	149
Capital Stock	4,697,989	4,697,989
Retained Earnings	12,295,852	10,980,405
Net Profit	472,675	398,405
TOTAL SHAREHOLDERS' EQUITY	19,795,262	16,076,948
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	34,763,509	24,316,450

EMBOTELLADORAS ARCA S.A.B., DE C.V. AND SUBSIDIARIES
CASHFLOW STATEMENT
AS OF 31 OF MARCH 2011
(in thousands of mexican pesos)

	2011	2010
INCOME (LOSS) BEFORE INCOME TAX	710,751	546,936
+ DEPRECIATION AND AMORT.	326,521	289,039
+ OTHER	(16,129)	(3,721)
	310,393	285,318
+ ACCRUED INTEREST	156,238	123,953
= OPERATING CASH FLOW BEFORE TAXES	1,177,382	956,207
- NET CASH FLOW FROM OPERATING ACTIVITIES (WORKING CAPITAL)	64,854	362,001
= OPERATING CASH FLOW AFTER WORKING CAPITAL NEEDS	1,112,527	594,206
INVESTMENT ACTIVITIES		
- NET INVESTMENT IN FIXED ASSETS	353,377	538,106
FINANCING ACTIVITIES		
- DIVIDENDS PAID	-	-
- SHARE REPURCHASE PROGRAM, NET	(36,117)	(51,845)
- DEBT AMORTIZATION (FINANCING)	83,956	1,439,140
- INTEREST PAID	101,647	130,704
- OTHERS	10,710	4,051
	160,197	1,522,050
= NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	598,953	(1,465,950)
CHANGE IN CASH	(47,804)	(46,263)
CASH BALANCE AT THE BEGINNING OF PERIOD	3,628,233	4,421,153
= CASH BALANCE AT THE END OF PERIOD	4,179,383	2,908,940