

COCA COLA FEMSA SAB DE CV
Form 6-K
April 27, 2007

FORM 6-K

Securities and Exchange Commission
Washington, D.C. 20549
Report of Foreign Issuer
Pursuant To Rule 13a-16 Or 15d-16
Of The
Securities Exchange Act of 1934

For the month of April 2007

Commission file number 1-12260

COCA-COLA FEMSA, S.A.B. de C.V.

(Translation of Registrant's name into English)

Guillermo González Camarena No. 600
Col. Centro de Ciudad Santa Fé
Delegación Alvaro Obregón
México, D.F. 01210
(Address of principal office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-__.)

Stock Listing Information

Mexican Stock Exchange
 Ticker: KOFL

NYSE (ADR)

Ticker: KOF

Ratio of KOF L to KOF = 10:1

2007 FIRST-QUARTER RESULTS

| | First Quarter | | |
|--|---------------|--------|-------|
| | 2007 | 2006 | Δ % |
| Total Revenues | 15,020 | 13,750 | 9.2% |
| Gross Profit | 7,018 | 6,565 | 6.9% |
| Operating Income | 2,274 | 2,052 | 10.8% |
| Majority Net Income | 1,145 | 969 | 18.2% |
| EBITDA ⁽¹⁾ | 2,985 | 2,756 | 8.3% |
| Net Debt ^{(2) (3)} | 14,269 | 14,942 | -4.5% |
| EBITDA ⁽¹⁾ / Interest Expense | 6.17 | 5.03 | |
| Earnings per Share | 0.62 | 0.52 | |

Expressed in million of Mexican pesos with purchasing power as of March 31, 2007

⁽¹⁾ EBITDA = Operating income + Depreciation + Amortization & Other Non-cash Charges.

See reconciliation table on page 10.

⁽²⁾ Net Debt = Total Debt - Cash

⁽³⁾ Figures for 2006 are as of December 31, 2006.

Total revenues reached Ps. 15,020 million in the first quarter of 2007 an increase of 9.2% as compared to the first quarter of 2006. The first time that the operations outside of Mexico generated more than 50% of consolidated revenues.

Our consolidated operating income increased 10.8% to Ps. 2,274 million for the first quarter of 2007, mainly driven by higher profitability in the operations outside of Mexico. Our operating margin was 15.1% for the first quarter of 2007. The first time since the acquisition of Panamco that the operations outside of Mexico represented almost half of the operating income.

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Consolidated majority net income increased 18.2% to Ps. 1,145 million, resulting in earnings per share of Ps. 0.62 for the first quarter of 2007.

Mexico City (April 27, 2007), Coca-Cola FEMSA, S.A.B. de C.V. (BMV: KOFL, NYSE: KOF) (Coca-Cola FEMSA or the Company), the largest Coca-Cola bottler in Latin America and the second-largest Coca-Cola bottler in the world in terms of sales volume, announces results for the first quarter 2007.

Today more than ever our performance is driven by our balanced, geographically diversified portfolio of assets which serves more than 184 million consumers across nine countries in Latin America. For the first quarter, we produced double-digit top-line growth in almost everyone of our company's markets thanks to our powerful array of brands and well-tailored multi-segmentation strategies, driven by a strong nine percent volume growth of the *Coca-Cola* brand. This growth, combined with our operating leverage, more than compensated for sweetener cost pressures in Mexico and resulted in a double-digit increase in operating income for the quarter. Moreover, our strong balance sheet enables us to continue to seek out additional value-creation opportunities, said Carlos Salazar Lomelín, Chief Executive Officer of the Company.

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CONSOLIDATED RESULTS

Our consolidated total revenues increased 9.2% to Ps. 15,020 million in the first quarter of 2007, compared to the first quarter of 2006 as a result of increases in all of our territories. Our consolidated average price per unit case increased 1.9% to Ps. 29.54 (US\$ 2.67) compared to the first quarter of 2006 as a result of average price increases in the majority of our operations.

Total sales volume increased 7.1% to 498.8 million unit cases in the first quarter of 2007 as compared to the same period of 2006, cycling 7.5% growth in the prior year, mainly driven by a 9.0% volume growth of the *Coca-Cola* brand, which accounted for more than 75% of our total incremental volumes during the quarter. Carbonated soft drinks sales volume grew 6.8% to 421 million unit cases, driven by incremental volumes across all of our territories.

Our gross profit increased 6.9% to Ps. 7,018 million in the first quarter of 2007, compared to the first quarter of 2006, driven by increases in all of our operations, except for Mexico. Gross margin decreased 100 basis points to 46.7% in the first quarter of 2007 from 47.7% in the same period of 2006, due to a 4% increase in our average cost per unit case resulting from increases in our sweetener cost mainly in Mexico.

Our consolidated operating income increased 10.8% to Ps. 2,274 million in the first quarter of 2007. Double-digit increases in operating income in all our operations more than compensated for the decline in Mexico. Our operating margin was 15.1% in the first quarter of 2007, an improvement of 20 basis points as a result of higher fixed-cost absorption due to incremental revenues in spite of a gross margin reduction.

As we mentioned in our fourth-quarter 2006 press release, after an extensive analysis conducted by a third-party on the current conditions and expected useful life of our cooler inventories, now for the rest of our territories other than Mexico, we decided to modify the useful life of our coolers from five to seven years in Guatemala, Costa Rica, Colombia, Brazil and Argentina in the first quarter 2007. We made this decision based on the benefit of KOF's maintenance policy and our ability to better manage our cooler platform. This modification reduced non-cash items in these operations and increased our operating income by Ps. 14 million on a consolidated basis

Beginning in 2007, accordingly to the Mexican Financial Reporting Standards, we recorded the employee profit sharing in the other expenses line, instead of being recorded in the income tax line. For comparison purposes we are presenting 2006 information with this change, which amounted to Ps. 71 million in the first quarter of 2006 and Ps. 97 million in the same period of 2007.

Our integral cost of financing declined by 44.6% in the first-quarter of 2007 to Ps. 279 million as compared to the same period of 2006, mainly driven by lower interest expenses due to a decline in our debt position year over year and higher interest income driven by the increase in our cash balance; and a reduction in the foreign exchange loss resulting from the depreciation of the Mexican peso against the U.S. dollar as applied to a lower net liability position denominated in foreign currency.

During the first quarter of 2007 income tax, as a percentage of income before taxes, was 34.1% as compared to 33.0% in the same quarter of 2006.

Our consolidated majority net income increased by 18.2% to Ps. 1,145 million in the first quarter of 2007, compared to the first quarter of 2006. An increase in operating income combined with a reduction in our integral cost of financing, more than offset increases in other expenses. Earnings per share (EPS) were Ps. 0.62 (US\$ 0.56 per ADR)

computed on the basis of 1,846.5 million shares outstanding (each ADR represents 10 local shares).

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BALANCE SHEET

As of March 31, 2007, Coca-Cola FEMSA had a cash balance of Ps. 7,758 million (US\$ 703 million), an increase of Ps. 3,104 million (US\$ 281 million), compared to December 31, 2006, resulting from the issuance of new debt to pay down our KOF 03 *Certificado Bursátil* maturing in April 2007 and from internal cash generation.

Total short-term debt, including interests to be paid, was Ps. 3,303 million (US\$ 299 million) and long-term debt was Ps. 18,724 million (US\$ 1,696 million), an increase of Ps. 2,431 million (US\$ 220 million) compared with year end 2006, as a result of the issuance of the above mentioned new debt. Net debt decreased approximately Ps. 673 million (US\$ 61 million) compared to year end of 2006, due to bank debt prepayment.

During the first quarter, we successfully issued Ps. 3,000 million (US\$ 272 million) in 5 year *Certificados Bursátiles* in the Mexican market at a rate of 28-day THIE minus 6 basis points. A portion of the proceeds from this issuance will be used to refinance our KOF 03 *Certificado Bursátil* coming due in April 2007 and for the financing of the acquisition of Jugos del Valle, once all necessary regulatory approvals take place.

The weighted average cost of debt for the quarter was 8.01% . The following charts sets forth the Company's debt profile by currency and interest rate type and by maturity date as of March 31, 2007:

| Currency | % Total Debt⁽²⁾ | % Interest Rate Floating⁽²⁾ |
|----------------------|-----------------------------------|---|
| U.S. dollars | 42.6% | 54.1% |
| Mexican pesos | 51.4% | 18.1% |
| Colombian pesos | 1.1% | 71.5% |
| Other ⁽¹⁾ | 4.9% | 0.0% |

(1) Includes the equivalent of US\$ 47.9 million denominated in Argentine pesos, and US\$ 48.9 million denominated in Venezuelan bolivares.

(2) After giving effect to cross-currency swaps.

Debt maturity Profile

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 + |
|-----------------|--------------|--------------|--------------|-------------|-------------|---------------|
| % of Total Debt | 13.7% | 18.4% | 16.9% | 4.6% | 0.3% | 46.2% |

Consolidated Statement of Changes in Financial Position

Expressed in million of Mexican pesos and U.S. dollars as of March 31, 2007

| | <i>Jan - Mar 2007</i> | |
|------------|-----------------------|------------|
| | <i>Ps.</i> | <i>USD</i> |
| Net income | 1,205 | 109 |

| | | |
|--|--------------|------------|
| Non cash charges to net income | 645 | 58 |
| | 1,850 | 167 |
| Change in working capital | 386 | 35 |
| NRGOA⁽¹⁾ | 2,236 | 202 |
| Total investments | (503) | (46) |
| Dividends declared | (809) | (73) |
| Debt increase | 2,428 | 220 |
| Deferred taxes and others | (248) | (22) |
| Increase in cash and cash equivalents | 3,104 | 281 |
| Cash and cash equivalents at beginning of period | 4,654 | 421 |
| Cash and cash equivalents at end of period | 7,758 | 702 |

⁽¹⁾ Net Resources Generated by Operating Activities

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MEXICAN OPERATING RESULTS

Revenues

Total revenues from our Mexican territories increased 0.8% to Ps. 7,087 million in the first quarter of 2007, as compared to the same period of the previous year. Sales volume growth compensated for lower average price per unit case. Average price per unit case declined 1.7% to Ps. 28.01 (US\$ 2.54), as compared to the first quarter of 2006, driven by lower prices per unit case in carbonated soft drinks and incremental volumes from jug water, which carry lower average price per unit case. Excluding *Ciel* water volume in 5.0, 19.0 and 20.0 -liter packaging presentations, our average price per unit case was Ps. 32.76 (US\$ 2.97) a 0.7% decline in real terms as compared to the same period of 2006.

Total sales volume increased 2.3% to 251.7 million unit cases in the first quarter of 2007, as compared to the first quarter of 2006, resulted from (i) a 0.7% sales volume growth in carbonated soft drinks, driven by a 4.5% increase in the *Coca-Cola* brand, including the recent introduction of *Coca-Cola Zero* (ii) a 5.9% sales volume growth in jug water, and (iii) incremental volumes in non-flavored bottled water in single serve presentations. The non-carbonated beverage segment excluding non-flavored bottled water grew almost 35% in the first quarter of 2007 as compared to the same period of 2006, driven by strong volume growth from the no-calorie flavored-water under the *Ciel* brand and *Powerade*, an isotonic beverage.

Operating Income

Our gross profit declined by 3.8% to Ps. 3,583 million in the first quarter of 2007 as compared to the same period of 2006. Gross margin declined from 53.0% in the first quarter of 2006 to 50.6% in the same period of 2007, mainly resulting from an increase in the average cost per unit case driven by higher sweetener cost, which was partially offset by a decline in resin prices.

Operating leverage achieved during the quarter was offset by higher sweetener costs resulting in an operating income decline of 10.7% in the first quarter of 2007, as compared to the same period of 2006. Our operating margin was 16.8% in the first quarter of 2007, a decline of 220 basis points as compared to the first quarter of 2006, due to the gross margin decline.

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CENTRAL AMERICAN OPERATING RESULTS (Guatemala, Nicaragua, Costa Rica and Panama)

Revenues

Total revenues reached Ps. 1,125 million in the first quarter of 2007, an increase of 17.1% as compared to the same period of 2006. Volume growth accounted for more than 80% of our incremental revenues in the quarter and higher average prices accounted for the balance. Average price per unit case increased by 2.9% to Ps. 35.71 (US\$ 3.23) in the first quarter of 2007, as compared to the first quarter of 2006, mainly as a result of price increases implemented during the last twelve months throughout the region combined with strong volume growth in single serve presentations, which carry higher average price per unit case.

Total sales volume in our Central American territories grew 13.4% to 31.4 million unit cases in the first quarter of 2007, as compared to the same period of 2006, resulting from incremental volumes in each of our Central American territories. Incremental volumes of the *Coca-Cola* brand accounted for close to 50% of the growth, and flavored carbonated soft drinks and non-carbonated beverages, including bottled water, contributed almost equally to the balance. In the first quarter 2007 non-carbonated beverages, excluding non-flavored bottled water, increased 50% as compared to the same period of 2006 due to strong growth of *Hi-C*, a juice based product.

Operating Income

Gross profit increased by 19.6% in the first quarter of 2007, as compared to the same period of 2006, to Ps. 525 million as a result of operating leverage due to higher revenues. Higher packaging costs coming from a shift in the packaging mix towards non-returnable presentations and sweetener price increases were more than offset by higher revenues and lower polyethylene terephthalate (PET) bottle prices resulting in a gross margin improvement of 100 basis points to 46.7% in the first quarter of 2007.

Our operating income increased 46.4% to Ps. 161 million in the first quarter of 2007, as compared to the first quarter of 2006, driven by higher fixed cost absorption resulting from operating leverage. Our operating margin reached 14.3% in the first quarter of 2007, an improvement of 290 basis points as compared to the same period of 2006 due to improvements in the gross margin and the operating leverage achieved.

COLOMBIAN OPERATING RESULTS

Revenues

Total revenues increased 22.7% to Ps. 1,588 million in the first quarter of 2007, as compared to the first quarter of 2006. Higher volumes drove over 60% of this growth, and higher average prices represented the majority of the balance. Our average price per unit case grew 7.6% to Ps. 33.16 (US\$ 3.00), as a result of price increases implemented in the previous quarters and a mix shift towards higher average price per unit case products.

Total sales volume in the first quarter of 2007 grew 14.0%, as compared to the same period of 2006, to 47.9 million unit cases. Carbonated soft drinks volume growth accounted for almost 85% of the incremental volume in the quarter, mainly driven by the *Coca-Cola* brand with non-flavored water accounting for the majority of the balance. Non-carbonated beverages, excluding non-flavored water, increased over 70% from a low base during the quarter.

Operating Income

Our gross profit increased 29.0% to Ps. 742 million in the first quarter of 2007, as compared to the same period of the previous year. Higher revenues, operating efficiencies and the appreciation of the Colombian peso as applied to our U.S. dollar denominated raw materials, more than offset higher packaging costs due to a shift in packaging mix to non-returnable presentations, resulting in a gross margin expansion of 230 basis points from 44.4% in the first quarter of 2006 to 46.7% in the first quarter of 2007.

Operating expenses declined by 380 basis points as percentage of total revenues, due to operating leverage achieved by higher revenues as compared to the same period of 2006. Operating income increased 94.8% to Ps. 261 million in the first quarter of 2007, as compared to the same period of 2006, resulting in margin improvement of 600 basis points reaching an operating margin of 16.4% .

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VENEZUELAN OPERATING RESULTS

Revenues

Total revenues from our Venezuelan operations increased 24.9% to Ps. 1,916 million in the first quarter of 2007, as compared to the same period of 2006. Volume growth accounted for over 80% of the incremental revenues during the quarter and an average price improvement for the balance. Our average price was Ps. 38.82 (US\$ 3.53) in the first quarter of 2007.

Total sales volume increased 20.2% to 49.3 million unit cases during the first quarter of 2007, as compared to the same quarter of 2006. Carbonated soft drinks sales volume increased more than 25% in the first quarter of 2007 as compared to the same period of 2006, the *Coca-Cola* brand contributed over 70% of the growth and the flavored soft drinks accounted for the balance. Non-carbonated beverages, excluding non-flavored water, grew 9.4% in the quarter compared to the first quarter of 2006; driven by incremental volumes of *Nestea*, a ready to drink iced-tea.

Operating Income

Gross profit reached Ps. 760 million an increase of 28.8% in the first quarter of 2007, as compared to the same period of the previous year. In spite of the increase in the average cost per unit case driven by higher raw material prices, our gross margin improved 120 basis points from 38.5% in the first quarter of 2006 to 39.7% in the same period of 2007, due to higher revenues.

Operating income reached Ps. 109 million, in the first quarter of 2007, a significant increase from a small base, as compared to the same period of the previous year, resulting in an operating margin improvement of 460 basis points to 5.7%. Operating expenses as percentage of total revenues declined from 37.4% in the first quarter of 2006 to 34.0% in the same period of 2007 due to higher fixed-cost absorption driven by higher revenues.

ARGENTINE OPERATING RESULTS

Revenues

In Argentina, our total revenues reached Ps. 987 million in the first quarter of 2007, mainly driven by an 11.8% sales volume growth. Volume growth accounted for 60% of the incremental revenues during the quarter and average price improvements for the balance. During the quarter, average price per unit case reached Ps. 21.24 (US\$ 1.92), driven by a product mix shift towards our core brands, which carry higher average prices per unit case, offsetting sales volume decline of value protection brands, which carry lower average prices. Average price per unit case in Argentina continue to be the lowest among our different territories.

In the first quarter of 2007, total sales volume increased 11.8% to 46.0 million unit cases, as compared to the same period of 2006. Incremental volumes from our core carbonated soft drinks, driven by an almost 15% growth of the *Coca-Cola* brand, including the introduction of *Coca-Cola Zero*, contributed to almost 80% of the incremental volumes. Sales volume of non-carbonated beverages, excluding non-flavored bottled water, almost doubled its size in the quarter from a small base reaching over 3.0% of our total sales volume in the first quarter of 2007 as compared to 1.7% in the same period of the previous year.

Operating Income

Gross profit increased 24.3% to Ps. 404 million in the first quarter of 2007, as compared to the first quarter of 2006. Higher sweetener costs were compensated by lower cost of PET bottles, resulting in a gross margin improvement of 120 basis points to 40.9%, as compared to the first quarter of 2006.

Operating expenses increased 18.3% in the first quarter of 2007 mainly due to higher freight costs and salary expenses. Higher revenues more than offset incremental expenses resulting in an increase in operating income of 35.7% to Ps. 152 million in the first quarter of 2007, as compared to the same period of 2006. Our operating income margin improved 170 basis points to 15.4% .

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BRAZILIAN OPERATING RESULTS

Revenues

Net revenues increased 10.3% to Ps. 2,312 million in the first quarter of 2007, as compared to the same period of 2006. Excluding beer, net revenues increased 9.9% to Ps. 2,083 million in the first quarter of 2007, as compared to the same period of 2006, with volume growth accounting for over 70% of the incremental net revenues and average price improvement accounting for the balance. Excluding beer, average price per unit case increased 2.7% to Ps. 28.71 (US\$ 2.60) during the first quarter of 2007, driven by product mix shift towards our core brands, which carry a higher average per unit case prices than our value protection brands. Total revenues from beer were Ps. 230 million in the first quarter of 2007.

Sales volume, excluding beer, increased 7.0% to 72.5 million unit cases in the first quarter of 2007, as compared to the first quarter of 2006. Carbonated soft drinks sales volume growth accounted for over 90% of the incremental volumes, driven by the *Coca-Cola* brand. Non-carbonated beverages, excluding non-flavored bottled water, almost doubled its size from a small base reaching 1.7% of our total sales volume, driven by the introduction of *Aquarius*, a no-calorie flavored water, combined with strong performance of *Minute Maid Mais*, the juice based products.

Operating Income

In the first quarter of 2007, our gross profit increased by 10.0% to Ps. 1,004 million, as compared to the same period of the previous year. Higher revenues compensated an increase in average cost per unit case, resulting in a gross margin improvement of 10 basis points to 43.3% in the first quarter of 2007.

Our operating expenses as percentage of total revenues declined from 27.0% in the first quarter 2006 to 26.2% in the same period of 2007, due to higher fixed cost absorption driven by incremental revenues. Operating income reached Ps. 397 million in the first quarter of 2007, an increase of 16.1% as compared to the same quarter of 2006.

CONFERENCE CALL INFORMATION

Our first-quarter 2007 Conference Call will be held on: April 27, 2007, at 11:00 A.M. Eastern Time (10:00 A.M. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: 866-700-7477 and International: 617-213-8840. We invite investors to listen to the live audiocast of the conference call on the Company's website, www.coca-colafemsa.com

If you are unable to participate live, an instant replay of the conference call will be available through May 5, 2007. To listen to the replay, please dial: Domestic U.S.: 888-286-8010 or International: 617-801-6888. Pass code: 98344233.

Coca-Cola FEMSA, S.A.B. de C.V. produces and distributes *Coca-Cola*, *Sprite*, *Fanta*, *Lift* and other trademark beverages of The Coca-Cola Company in Mexico (a substantial part of central Mexico, including Mexico City and southeast Mexico), Guatemala (Guatemala City and surrounding areas), Nicaragua (nationwide), Costa Rica (nationwide), Panama (nationwide), Colombia (most of the country), Venezuela (nationwide), Brazil (greater São Paulo, Campiñas, Santos, the state of Mato Grosso do Sul and part of the state of Goias) and Argentina (federal capital of Buenos Aires and surrounding areas), along with bottled water, beer and other beverages in some of these territories. The Company has 31 bottling facilities in Latin America and serves over 1,500,000 retailers in the region. The Coca-Cola Company owns a 31.6% equity interest in Coca-Cola FEMSA.

Figures for the Company's operations in Mexico and its consolidated international operations were prepared in accordance with Mexican financial reporting standards (Mexican FRS). All figures are expressed in constant Mexican pesos with purchasing power at March 31, 2007. For comparison purposes, 2006 and 2007 figures from the Company's operations have been restated taking into account local inflation of each country with reference to the consumer price index and converted from local currency into Mexican pesos using the official exchange rate at the end of the period published by the local central bank of each country. In addition, all comparisons in this report for the first quarter of 2007, which ended on March 31, 2007, are made against the figures for the comparable period in 2006, unless otherwise noted.

This news release may contain forward-looking statements concerning Coca-Cola FEMSA's future performance and should be considered as good faith estimates by Coca-Cola FEMSA. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, many of which are outside Coca-Cola FEMSA's control that could materially impact the Company's actual performance.

References herein to US\$ are to United States dollars. This news release contains translations of certain Mexican peso amounts into U.S. dollars for the convenience of the reader. These translations should not be construed as representations that Mexican peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated.

U.S. dollar amounts in this report solely for the convenience of the reader have been translated from Mexican pesos at the noon day buying rate for pesos as published by the Federal Reserve Bank of New York at March 30, 2007, which exchange rate was Ps. 11.0427 to \$1.00.

(6 pages of tables to follow)

Consolidated Balance Sheet

Expressed in million of Mexican pesos with purchasing power as of March 31, 2007

| Assets | | Mar 07 | | Dec 06 |
|---|------------|---------------|------------|---------------|
| Current Assets | | | | |
| Cash and cash equivalents | Ps. | 7,758 | Ps. | 4,654 |
| Total accounts receivable | | 2,778 | | 3,050 |
| Inventories | | 3,104 | | 2,880 |
| Prepaid expenses and other | | 1,057 | | 886 |
| Total current assets | | 14,697 | | 11,470 |
| Property, plant and equipment | | | | |
| Property, plant and equipment | | 34,822 | | 34,825 |
| Accumulated depreciation | | -15,812 | | -15,617 |
| Bottles and cases | | 1,177 | | 1,208 |
| Total property, plant and equipment, net | | 20,187 | | 20,416 |
| Investment in shares and other | | 439 | | 448 |
| Deferred charges, net | | 1,762 | | 1,809 |
| Intangibles assets and other assets | | 42,816 | | 42,420 |
| Total Assets | Ps. | 79,901 | Ps. | 76,563 |
| | | | | |
| Liabilities and Stockholders' Equity | | Mar 07 | | Dec 06 |
| Current Liabilities | | | | |
| Short-term bank loans and notes | Ps. | 3,303 | Ps. | 3,242 |
| Interest payable | | 268 | | 273 |
| Suppliers | | 4,764 | | 5,330 |
| Other current liabilities | | 4,661 | | 3,556 |
| Total Current Liabilities | | 12,996 | | 12,401 |
| Long-term bank loans | | 18,724 | | 16,354 |
| Pension plan and seniority premium | | 903 | | 882 |
| Other liabilities | | 4,331 | | 5,101 |
| Total Liabilities | | 36,954 | | 34,738 |

Stockholders' Equity

| | | | |
|---|-------------------|------------|---------------|
| Minority interest | 1,344 | | 1,252 |
| Majority interest: | | | |
| Capital stock | 3,034 | | 3,034 |
| Additional paid in capital | 12,981 | | 12,981 |
| Retained earnings of prior years | 26,831 | | 22,619 |
| Net income for the period | 1,145 | | 5,020 |
| Cumulative results of holding non-monetary assets | -2,388 | | -3,081 |
| Total majority interest | 41,603 | | 40,573 |
| Total stockholders' equity | 42,947 | | 41,825 |
| Total Liabilities and Equity | Ps. 79,901 | Ps. | 76,563 |

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Consolidated Income StatementExpressed in million of Mexican pesos⁽¹⁾ with purchasing power as of March 31, 2007

| | 1Q 07 | % Rev | 1Q 06 | % Rev | Δ % |
|--|--------------|--------------|--------------|--------------|------------|
| Sales Volume (million unit cases) | 498.8 | | 465.6 | | 7.1% |
| Average price per unit case | 29.54 | | 28.98 | | 1.9% |
| Net revenues | 14,961 | | 13,696 | | 9.2% |
| Other operating revenues | 59 | | 54 | | 9.3% |
| Total revenues | 15,020 | 100% | 13,750 | 100% | 9.2% |
| Cost of sales | 8,002 | 53.3% | 7,185 | 52.3% | 11.4% |
| Gross profit | 7,018 | 46.7% | 6,565 | 47.7% | 6.9% |
| Operating expenses | 4,744 | 31.6% | 4,513 | 32.8% | 5.1% |
| Operating income | 2,274 | 15.1% | 2,052 | 14.9% | 10.8% |
| Other expenses, net | 166 | | 46 | | 260.9% |
| Interest expense | 484 | | 548 | | -11.7% |
| Interest income | 134 | | 81 | | 65.4% |
| Interest expense, net | 350 | | 467 | | -25.1% |
| Foreign exchange loss | 93 | | 171 | | -45.6% |
| Gain on monetary position | (194) | | (170) | | 14.1% |
| Unhedged derivative instrument loss | 30 | | 36 | | -16.7% |
| Integral cost of financing | 279 | | 504 | | -44.6% |
| Income before taxes | 1,829 | | 1,502 | | 21.8% |
| Taxes | 624 | | 496 | | 25.8% |
| Consolidated net income | 1,205 | | 1,006 | | 19.8% |
| Majority net income | 1,145 | 7.6% | 969 | 7.0% | 18.2% |
| Minority net income | 60 | | 37 | | 62.2% |
| Operating income | 2,274 | 15.1% | 2,052 | 14.9% | 10.8% |
| Depreciation | 381 | | 379 | | 0.5% |
| Amortization and Other non-cash charges ⁽²⁾ | 330 | | 325 | | 1.5% |

| | | | | | |
|-----------------------|-------|-------|-------|-------|------|
| EBITDA ⁽³⁾ | 2,985 | 19.9% | 2,756 | 20.0% | 8.3% |
|-----------------------|-------|-------|-------|-------|------|

(1) Except volume and average price per unit case figures.

(2) Includes returnable bottle breakage expense.

(3) EBITDA = Operating Income + Depreciation + Amortization & Other non-cash charges.

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Mexican operationsExpressed in million of Mexican pesos⁽¹⁾ with purchasing power as of March 31, 2007

| | 1Q 07 | % Rev | 1Q 06 | % Rev | Δ % |
|--|--------------|--------------|--------------|--------------|------------|
| Sales Volume (million unit cases) | 251.7 | | 246.0 | | 2.3% |
| Average price per unit case | 28.01 | | 28.49 | | -1.7% |
| Net revenues | 7,050 | | 7,008 | | 0.6% |
| Other operating revenues | 37 | | 23 | | 60.9% |
| Total revenues | 7,087 | 100.0% | 7,031 | 100.0% | 0.8% |
| Cost of sales | 3,504 | 49.4% | 3,308 | 47.0% | 5.9% |
| Gross profit | 3,583 | 50.6% | 3,723 | 53.0% | -3.8% |
| Operating expenses | 2,389 | 33.7% | 2,386 | 33.9% | 0.1% |
| Operating income | 1,194 | 16.8% | 1,337 | 19.0% | -10.7% |
| Depreciation, Amortization & Other non-cash charges ⁽²⁾ | 406 | 5.7% | 403 | 5.7% | 0.7% |
| EBITDA ⁽³⁾ | 1,600 | 22.6% | 1,740 | 24.7% | -8.0% |

(1) Except volume and average price per unit case figures.

(2) Includes returnable bottle breakage expense.

(3) EBITDA = Operating Income + Depreciation + Amortization & Other non-cash charges.

Central American operationsExpressed in million of Mexican pesos⁽¹⁾ with purchasing power as of March 31, 2007

| | 1Q 07 | % Rev | 1Q 06 | % Rev | Δ % |
|-----------------------------------|--------------|--------------|--------------|--------------|------------|
| Sales Volume (million unit cases) | 31.4 | | 27.7 | | 13.4% |
| Average price per unit case | 35.71 | | 34.69 | | 2.9% |
| Net revenues | 1,122 | | 961 | | 16.8% |
| Other operating revenues | 3 | | - | | N.M |

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| | | | | | |
|--|-------|--------|-----|--------|-------|
| Total revenues | 1,125 | 100.0% | 961 | 100.0% | 17.1% |
| Cost of sales | 600 | 53.3% | 522 | 54.3% | 14.9% |
| Gross profit | 525 | 46.7% | 439 | 45.7% | 19.6% |
| Operating expenses | 364 | 32.4% | 329 | 34.2% | 10.6% |
| Operating income | 161 | 14.3% | 110 | 11.4% | 46.4% |
| Depreciation, Amortization & Other non-cash charges ⁽²⁾ | 55 | 4.9% | 56 | 5.8% | -1.8% |
| EBITDA ⁽³⁾ | 216 | 19.2% | 166 | 17.3% | 30.1% |

(1) Except volume and average price per unit case figures.

(2) Includes returnable bottle breakage expense.

(3) EBITDA = Operating Income + Depreciation + Amortization & Other non-cash charges.

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Colombian operationsExpressed in million of Mexican pesos⁽¹⁾ with purchasing power as of March 31, 2007

| | 1Q 07 | % Rev | 1Q 06 | % Rev | Δ % |
|--|--------------|--------------|--------------|--------------|------------|
| Sales Volume (million unit cases) | 47.9 | | 42.0 | | 14.0% |
| Average price per unit case | 33.16 | | 30.81 | | 7.6% |
| Net revenues | 1,588 | | 1,294 | | 22.7% |
| Other operating revenues | - | | - | | N.M. |
| Total revenues | 1,588 | 100.0% | 1,294 | 100.0% | 22.7% |
| Cost of sales | 846 | 53.3% | 719 | 55.6% | 17.7% |
| Gross profit | 742 | 46.7% | 575 | 44.4% | 29.0% |
| Operating expenses | 481 | 30.3% | 441 | 34.1% | 9.1% |
| Operating income | 261 | 16.4% | 134 | 10.4% | 94.8% |
| Depreciation, Amortization & Other non-cash charges ⁽²⁾ | 78 | 4.9% | 78 | 6.0% | 0.0% |
| EBITDA ⁽³⁾ | 339 | 21.3% | 212 | 16.4% | 59.9% |

(1) Except volume and average price per unit case figures.

(2) Includes returnable bottle breakage expense.

(3) EBITDA = Operating Income + Depreciation + Amortization & Other non-cash charges.

Venezuelan operationsExpressed in million of Mexican pesos⁽¹⁾ with purchasing power as of March 31, 2007

| | 1Q 07 | % Rev | 1Q 06 | % Rev | Δ % |
|-----------------------------------|--------------|--------------|--------------|--------------|------------|
| Sales Volume (million unit cases) | 49.3 | | 41.0 | | 20.2% |
| Average price per unit case | 38.82 | | 37.29 | | 4.1% |
| Net revenues | 1,913 | | 1,529 | | 25.1% |
| Other operating revenues | 3 | | 5 | | -40.0% |

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| | | | | | |
|--|-------|--------|-------|--------|--------|
| Total revenues | 1,916 | 100.0% | 1,534 | 100.0% | 24.9% |
| Cost of sales | 1,156 | 60.3% | 944 | 61.5% | 22.5% |
| Gross profit | 760 | 39.7% | 590 | 38.5% | 28.8% |
| Operating expenses | 651 | 34.0% | 573 | 37.4% | 13.6% |
| Operating income | 109 | 5.7% | 17 | 1.1% | 541.2% |
| Depreciation, Amortization & Other non-cash charges ⁽²⁾ | 74 | 3.9% | 80 | 5.2% | -7.5% |
| EBITDA ⁽³⁾ | 183 | 9.6% | 97 | 6.3% | 88.7% |

(1) Except volume and average price per unit case figures.

(2) Includes returnable bottle breakage expense.

(3) EBITDA = Operating Income + Depreciation + Amortization & Other non-cash charges.

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Argentine operationsExpressed in million of Mexican pesos⁽¹⁾ with purchasing power as of March 31, 2007

| | 1Q 07 | % Rev | 1Q 06 | % Rev | Δ % |
|--|-------|--------|-------|--------|-------|
| Sales Volume (million unit cases) | 46.0 | | 41.1 | | 11.8% |
| Average price per unit case | 21.24 | | 19.64 | | 8.2% |
| Net revenues | 976 | | 807 | | 20.9% |
| Other operating revenues | 11 | | 12 | | -8.3% |
| Total revenues | 987 | 100.0% | 819 | 100.0% | 20.5% |
| Cost of sales | 583 | 59.1% | 494 | 60.3% | 18.0% |
| Gross profit | 404 | 40.9% | 325 | 39.7% | 24.3% |
| Operating expenses | 252 | 25.5% | 213 | 26.0% | 18.3% |
| Operating income | 152 | 15.4% | 112 | 13.7% | 35.7% |
| Depreciation, Amortization & Other non-cash charges ⁽²⁾ | 49 | 5.0% | 42 | 5.1% | 16.7% |
| EBITDA ⁽³⁾ | 201 | 20.4% | 154 | 18.8% | 30.5% |

(1) Except volume and average price per unit case figures.

(2) Includes returnable bottle breakage expense.

(3) EBITDA = Operating Income + Depreciation + Amortization & Other non-cash charges.

Brazilian operationsExpressed in million of Mexican pesos⁽¹⁾ with purchasing power as of March 31, 2007

| | 1Q 07 ⁽²⁾ | % Rev | 1Q 06 ⁽³⁾ | % Rev | Δ % |
|-----------------------------------|----------------------|-------|----------------------|-------|--------|
| Sales Volume (million unit cases) | 72.5 | | 67.8 | | 7.0% |
| Average price per unit case | 28.71 | | 27.96 | | 2.7% |
| Net revenues | 2,312 | | 2,097 | | 10.3% |
| Other operating revenues | 5 | | 14 | | -64.3% |

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| | | | | | |
|--|-------|--------|-------|--------|-------|
| Total revenues | 2,317 | 100.0% | 2,111 | 100.0% | 9.8% |
| Cost of sales | 1,313 | 56.7% | 1,198 | 56.8% | 9.6% |
| Gross profit | 1,004 | 43.3% | 913 | 43.2% | 10.0% |
| Operating expenses | 607 | 26.2% | 571 | 27.0% | 6.3% |
| Operating income | 397 | 17.1% | 342 | 16.2% | 16.1% |
| Depreciation, Amortization & Other non-cash charges ⁽⁴⁾ | 49 | 2.1% | 45 | 2.1% | 8.9% |
| EBITDA ⁽⁵⁾ | 446 | 19.2% | 387 | 18.3% | 15.2% |

(1) Except volume and average price per unit case figures.

(2) Includes beer results except in sales volume and average price per unit case.

(3) Excludes beer results except in other operating revenues, where net proceeds from beer are recorded.

(4) Includes returnable bottle breakage expense.

(5) EBITDA = Operating Income + Depreciation + Amortization & Other non-cash charges.

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SELECTED INFORMATION

For the three months ended December 31, 2006 and 2005

Expressed in million of Mexican pesos as of March 31, 2007

| | 1Q 06 | | 1Q 07 |
|---------------------------------------|--------------|---------------------------------------|--------------|
| Capex | 452.5 | Capex | 530.3 |
| Depreciation | 378.9 | Depreciation | 381.4 |
| Amortization & Other non-cash charges | 324.7 | Amortization & Other non-cash charges | 330.0 |

VOLUME

Expressed in million unit cases

| | 1Q 06 | | | | | 1Q 07 | | | | |
|-----------------|--------------|----------------------|----------------------|--------------|--------------|--------------|----------------------|----------------------|--------------|--------------|
| | CSD | Water (1) | Jug Water | Other | Total | CSD | Water (1) | Jug Water | Other | Total |
| Mexico | 195.5 | 11.5 | 37.1 | 1.9 | 246.0 | 196.9 | 12.9 | 39.3 | 2.6 | 251.7 |
| Central America | 25.3 | 1.2 | 0.0 | 1.2 | 27.7 | 28.1 | 1.5 | 0.0 | 1.8 | 31.4 |
| Colombia | 36.8 | 2.3 | 2.5 | 0.4 | 42.0 | 41.7 | 2.8 | 2.8 | 0.7 | 47.9 |
| Venezuela | 35.4 | 2.4 | 1.1 | 2.1 | 41.0 | 44.4 | 2.5 | 0.0 | 2.3 | 49.3 |
| Brazil | 61.4 | 5.8 | 0.0 | 0.6 | 67.8 | 65.7 | 5.7 | 0.0 | 1.2 | 72.5 |
| Argentina | 40.0 | 0.4 | 0.0 | 0.7 | 41.1 | 44.4 | 0.1 | 0.0 | 1.4 | 46.0 |
| Total | 394.4 | 23.6 | 40.7 | 6.9 | 465.6 | 421.2 | 25.4 | 42.1 | 10.1 | 498.8 |

(1) Excludes water presentations larger than 19.0 Lt

March 2007
Macroeconomic Information

| Inflation ⁽¹⁾ | | Foreign Exchange Rate (local currency per US Dollar) ⁽²⁾ | | |
|--------------------------|-------|---|--------|--------|
| LTM | 1Q 07 | Mar 07 | Dec 06 | Mar 06 |

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| | | | | | |
|-----------|--------|-------|-----------|------------|------------|
| Mexico | 4.05% | 1.02% | 11.0507 | 10.8755 | 10.9510 |
| Colombia | 4.48% | 3.18% | 2190.3000 | 2,238.7900 | 2,289.9800 |
| Venezuela | 16.97% | 2.63% | 2150.0000 | 2,150.0000 | 2,150.0000 |
| Argentina | 9.84% | 2.23% | 3.1000 | 3.0620 | 3.0820 |
| Brazil | 2.81% | 1.24% | 2.0504 | 2.1380 | 2.1724 |

(1) Source: Mexican inflation is published by *Banco de México* (Mexican Central Bank).

(2) Exchange rates at the end of period are the official exchange rates published by Central Banks in each country.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COCA-COLA FEMSA, S.A.B. DE C.V.
(Registrant)

Date: April 27, 2007

By: /s/ HÉCTOR TREVIÑO GUTIÉRREZ
Name: Héctor Treviño Gutiérrez
Title: Chief Financial Officer