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## **PRESS RELEASE**

## Arca Continental to invest 10 billion of Mexican pesos in 2017

- AC increasing investment levels to strengthen its production and commercial operations
- 40% of CAPEX will be allocated towards operations in Mexico, 25% in U.S., 25% in South America and 10% in Complementary Businesses

**Monterrey, Mexico, April 27, 2017.** - Arca Continental, S.A.B. de C.V. ("Arca Continental" or "the Company") (BMV: AC\*), the second-largest Coca-Cola bottler in Latin America, announced today that in 2017 it estimates to invest 10 billion of Mexican pesos, an increase of 43% compared to 2016, primarily to strengthen its operations and market execution in the countries it serves.

Of this amount, approximately 40% will be allocated towards Mexico, 25% to its U.S. business unit recently integrated on April 1<sup>st</sup>, 25% to South America and 10% to complementary businesses, mainly towards the acquisition of coolers, production lines, transportation equipment and information technology, among others.

In a press conference before the Annual Shareholders' Meeting, Chairman of the Board Manuel L. Barragan Morales, and Francisco Garza Egloff, Chief Executive Officer, discussed Arca Continental's 2016 performance, as well as its main strategies for 2017.

"Consistent with the strategic investment plans that we have carried out in all the markets in which we operate, in 2017 we estimate that we will to invest in the order of 10 billion of Mexican pesos, which will be allocated to strengthening our operations, both to modernize and strengthen production facilities as well as to further improve the quality of customer and consumer service in the five countries where we are present," stated Barragan Morales.

During the presentation of the Company's results, Garza Egloff highlighted the 23 consecutive quarters of EBITDA growth and the progress in reaching the Company's sales target of 100 billion of Mexican pesos in 2017, which the Company expects to surpass in 2017, without including the incorporation of the U.S. operations.

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"The integration of Coca-Cola Southwest Beverages' territories into Arca Continental, gives us access to a market of more than 30 million additional consumers", commented Garza Egloff.

"This transaction will allow us to increase our total revenues by an estimated 47% and EBITDA by 30%, on a proforma annualized basis for 2017. It represents an additional 400 million of unit cases and sales of approximately USD\$ 2.4 billion", he added.

## **About Arca Continental**

Arca Continental is a company dedicated to the production, distribution, and sale of non-alcoholic beverages which are brand names of The Coca-Cola Company as well as salty snacks under the brands of Bokados in Mexico, Inalecsa in Ecuador, and Wise in the United States. With an outstanding track record of more than 91 years, Arca Continental is the second largest Coca-Cola bottling company in Latin America and one of the most important in the world. Within its Coca-Cola franchise, the company serves a population of more than 118 million in the northern and western parts of Mexico as well as Ecuador, Peru, the northern region of Argentina and the Southwestern U.S. Arca Continental is listed in the Mexican Stock Market under the "AC" symbol. For further information about Arca Continental, please visit www.arcacontal.com

Arca Continental hi-res photographs: https://www.flickr.com/gp/154237613@N02/5185DJ