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ARCACONTINENTAL



PRESS RELEASE

Arca Continental to build new plant in Texas

- *Through its subsidiary Coca-Cola Southwest Beverages (CCSWB), the Monterrey, Mexico-based Company will invest US\$250 million in a modern production and distribution facility in Houston.*
- *This will be the first Coca-Cola plant built in the U.S. in a decade.*

Monterrey, Mexico May 30, 2018. – Arca Continental, one of the world’s largest Coca-Cola bottlers, announced today that it will build a new production and distribution facility in Houston, Texas, through its subsidiary Coca-Cola Southwest Beverages (CCSWB).

After a little over a year of becoming the first Latin American bottler to operate in the U.S. Coca-Cola system, the Monterrey, Mexico-based company announced that it will invest US\$250 million in a facility close to 1 million square feet in size. This will be the first Coca-Cola production plant built in the U.S. in a decade.

“This significant investment confirms Arca Continental’s commitment for the sustainable value-creation in all the markets we serve and is a reflection of the confidence in our company’s ability to continue perfecting its performance, serving its customers with excellence and anticipating the needs of consumers,” stated Manuel L. Barragan Morales, Chairman of the Board of Directors of Arca Continental.

The new plant, scheduled to begin operating in early 2020, will have the latest technology, five new production lines, in-line blow molding, as well as distribution facilities, warehouse and sales, which will enable CCSWB to efficiently serve the Southeast Texas market. This project will contribute close to USD 30 million in cost savings and operating efficiencies, as part of the USD 90 million synergy program.

“The productivity, efficiency and sustainability that this new plant will bring to beverage production in the U.S. Coca-Cola system, confirms our company’s determination to improve its competitiveness, enhance service at the point of sale and expand our portfolio for the communities we serve in Texas, Oklahoma, some parts of Arkansas and New Mexico, always in a profitable and sustainable way,” added Francisco Garza Egloff, Chief Executive Officer of Arca Continental.

Mark Schortman, CEO of Coca-Cola Southwest Beverages, a subsidiary of Arca Continental, highlighted the long tradition of over 100 years that the Coca-Cola brand has in Texas, a history during which the local bottler has maintained a close proximity to its communities and a strong commitment to the economic, social and environmental development of one of the most dynamic growth regions in the U.S.

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Mr. Schortman also added that during the construction of the new facility in Houston, the company will continue offering the highest-quality products and the best customer service as it has done until now.

Through this initiative, Arca Continental advances in the integration process of best practices and the capturing of synergies in the CCSWB territories, updating the technology and market service platforms, as well as standardizing commercial models, focused on continuing to strengthen all areas for customers and consumers.

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 92 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 119 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 on the Mexican Stock Market under the ticker symbol "AC". For further information about Arca Continental, please visit www.arcacontal.com

About Coca-Cola Southwest Beverages

Dallas-based Coca-Cola Southwest Beverages (CCSWB), a company of Arca Continental, is one of the largest Coca-Cola bottlers in the United States. CCSWB produces, markets and distributes Coca-Cola brands throughout Texas and parts of New Mexico, Oklahoma and Arkansas. The company employs more than 8,900 associates who operate 10 production plants and 40 distribution facilities, serving more than 31 million consumers. For further information about Coca-Cola Southwest Beverages, please visit www.cocacolaswb.com.