

Offer to Purchase and Consent Solicitation Statement

Coca-Cola FEMSA, S.A.B. de C.V.

Offer to Purchase for Cash Any and All of its Outstanding 3.875% Senior Notes due 2023 (CUSIP/ISIN 191241 AE8 / US191241AE83) and Solicitation of Consents for Proposed Amendment

THE OFFER TO PURCHASE THE NOTES WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON FEBRUARY 3, 2020, UNLESS EXTENDED OR EARLIER TERMINATED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED, THE “OFFER EXPIRATION TIME”). THE CONSENT SOLICITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JANUARY 17, 2020, UNLESS EXTENDED OR EARLIER TERMINATED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED, THE “CONSENT PAYMENT AND WITHDRAWAL DEADLINE”). IN ORDER TO BE ELIGIBLE TO RECEIVE THE APPLICABLE TOTAL CONSIDERATION DESCRIBED BELOW, YOU MUST VALIDLY TENDER (AND NOT VALIDLY WITHDRAW) YOUR NOTES ON OR PRIOR TO THE CONSENT PAYMENT AND WITHDRAWAL DEADLINE.

Coca-Cola FEMSA, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* (publicly traded stock corporation with variable capital) organized under the laws of Mexico (the “Company”, the “Issuer,” “we,” “us” or “our”), hereby offers to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase and Consent Solicitation Statement (as it may be amended or supplemented from time to time, this “Statement”), any and all of its outstanding 3.875% Senior Notes due 2023 (CUSIP/ISIN 191241 AE8 / US191241AE83) (the “Notes”), from each registered holder of the Notes (each a “Holder” and, collectively, the “Holders”). We refer to the offer to purchase the Notes, upon the terms set forth in this Statement, as the “Offer”. The Offer may be amended, extended or terminated, subject to applicable law. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Indenture (as defined below).

The following table summarizes the material terms of the Offer (all as further described below):

Notes	CUSIP/ISIN	Principal Amount Outstanding	Reference Security	Relevant Bloomberg Page	Fixed Spread	Hypothetical Total Consideration per \$1,000 principal amount of Notes ⁽¹⁾
3.875% Senior Notes due 2023	191241 AE8 / US191241AE83	\$900,000,000	2.750% U.S. Treasury Note due November 15, 2023	PX5	20 bps	\$1,076.99

(1) Hypothetical total consideration was calculated on the basis of the bid-side price of the Reference Security at 11:00 a.m., New York City time, on January 3, 2020. The total consideration includes a consent payment of \$30.00 per \$1,000 principal amount of Notes validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Offer.

The Total Consideration (as defined below) includes a consent payment (the “Consent Payment”) of \$30.00 per \$1,000 principal amount of Notes payable in respect of Notes validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the terms of the Offer and as to which Consents (as defined below) to the Proposed Amendment (as defined below) to the Fifth Supplemental Indenture (as defined below) are validly delivered (and not revoked) on or prior to the Consent Payment and Withdrawal Deadline. The proposed amendment to the Fifth Supplemental Indenture with respect to the Notes consists of the reduction of the optional redemption notice periods as they apply to the Notes from 45 days in the case of the notice to the Trustee (as defined below) and between 30 and 60 days in the case of the notice to the Holders, in each case, to three (3) Business Days (the “Proposed Amendment”).

Holders must validly tender on or prior to the Consent Payment and Withdrawal Deadline and not validly withdraw Notes in order to be eligible to receive the Total Consideration for Notes purchased in the Offer. Holders who validly tender their Notes after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time will be eligible to receive an amount, paid in cash, equal to the Total Consideration *minus* the Consent Payment (such amount referred to as the “Purchase Price”).

Holders whose Notes are accepted for purchase in the Offer will receive accrued and unpaid interest in respect of such purchased Notes from and including the last interest payment date to, but not including, the applicable Settlement Date (as defined below) and Additional Amounts (as defined below), if any.

Subject to the results of the Offer, we currently intend to send a notice of redemption to the Trustee and the Holders of any outstanding Notes immediately following the Initial Settlement Date in accordance with the terms and conditions set forth on the Fifth Supplemental Indenture, after giving effect to the Proposed Amendment, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion. This statement of intent shall not constitute a notice of redemption under the Fifth Supplemental Indenture.

The Dealer Managers for the Offer and the Solicitation Agents for the Consent Solicitation are:

BofA Securities

Citigroup

Goldman Sachs & Co. LLC

The date of this Offer to Purchase and Consent Solicitation Statement is January 6, 2020.

(Cover page, continued)

The total consideration (the “Total Consideration”) offered hereby for each \$1,000 principal amount of Notes validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Offer is the price (calculated as described in Schedule I to this Statement) equal to:

- (i) the present value on the Initial Settlement Date of (x) \$1,000, the principal amount payable on the Notes on November 26, 2023, the scheduled maturity date of the Notes (the “Maturity Date”), and (y) all scheduled interest payments on the Notes from the Initial Settlement Date up to and including the Maturity Date, in each case discounted on the basis of a yield to maturity equal to the sum of (a) the yield to maturity (the “Reference Yield”) on the 2.750% U.S. Treasury Note due November 15, 2023 (the “Reference Security”), as calculated by any of BofA Securities, Inc., Citigroup Global Markets Inc. or Goldman Sachs & Co. LLC in its capacity as Dealer Manager (as defined below) in accordance with standard market practice, based on the bid-side price of the Reference Security at 11:00 a.m., New York City time, on January 17, 2020, or such other date as may be decided by the Company in its sole discretion (such date, the “Price Determination Date”), as displayed on the Bloomberg Government Pricing Monitor Page PX5 or any recognized quotation source selected by the Dealer Managers in their sole discretion if the Bloomberg Government Pricing Monitor is not available or is manifestly erroneous, *plus* (b) 20 basis points, *minus*
- (ii) accrued and unpaid interest on the Notes from and including the last interest payment date to, but not including, the Initial Settlement Date (the “Accrued Interest”),

such price being rounded to the nearest \$0.01 per \$1,000 principal amount of the Notes. The amount referred to in the preceding clause (i) includes the Consent Payment.

Tenders of Notes may be withdrawn at any time on or before 5:00 p.m., New York City time, on January 17, 2020, but not thereafter. Holders may not withdraw Notes previously tendered without revoking the previously delivered Consents to which such tender relates and vice versa.

Subject to the terms and conditions of the Offer, each Holder who validly tenders on or prior to the Consent Payment and Withdrawal Deadline and does not validly withdraw such Holder’s Notes will be entitled to receive, if such Notes are accepted for purchase (the date of such purchase, the “Initial Settlement Date”), the Total Consideration, plus accrued and unpaid interest, from and including the last interest payment date to, but not including, the Initial Settlement Date, and Additional Amounts, if any. Holders who validly tender their Notes after the Consent Payment and Withdrawal Deadline but on or prior to the Offer Expiration Time will be entitled to receive, if such Notes are accepted for purchase (the date of such purchase, which is expected to occur promptly following the Offer Expiration Time, the “Final Settlement Date” and each of the Initial Settlement Date and the Final Settlement Date, a “Settlement Date”), the Total Consideration *minus* the Consent Payment, *plus* accrued and unpaid interest, from and including the last interest payment date to, but not including, the Final Settlement Date, and Additional Amounts, if any. Assuming all conditions to the Offer have been satisfied or waived, the Initial Settlement Date is expected to occur on the second business day following the Consent Payment and Withdrawal Deadline, or January 22, 2020, and the Final Settlement Date is expected to occur on the second business day following the Offer Expiration Time, or February 5, 2020.

In conjunction with the Offer, the Company hereby solicits with respect to the Notes (such solicitation, the “Consent Solicitation”), consents (the “Consents”) of Holders of the Notes to the Proposed Amendment to the Fifth Supplemental Indenture, dated as of November 26, 2013, (the “Fifth Supplemental Indenture”) to the Indenture, dated as of February 5, 2010 (as amended to the date hereof, the “Base Indenture” and as supplemented by the Fifth Supplemental Indenture, the “Indenture”), among the Company and The Bank of New York Mellon as trustee, security registrar, paying agent and transfer agent (the “Trustee”). The Fifth Supplemental Indenture sets forth the relevant terms applicable to the Notes. The Proposed Amendment would amend the Fifth Supplemental Indenture to reduce the notice periods required for an optional redemption of the Notes. The notice periods applicable to an optional redemption of any other series of notes under the Base Indenture would not be affected by the Proposed Amendment. Subject to the terms and conditions of the Offer, the Company hereby offers to pay to each registered Holder who validly delivers a Consent to the Proposed Amendment on or prior to the Consent Payment and Withdrawal Deadline the Total Consideration, which will include the Consent Payment equal to \$30.00 for each \$1,000 principal amount of Notes for which Consents have been validly delivered and not revoked on or prior to the Consent Payment and Withdrawal Deadline, with such payment to be made on the Initial Settlement Date for the purchase of such Notes pursuant to the Offer. The payment of the Total Consideration or the Purchase Price, as applicable, will only be made if the Notes are accepted for purchase pursuant to the terms of the Offer. In order for the Proposed Amendment to be effective, it must be consented to by the Holders of a majority of the aggregate principal amount outstanding of the Notes (the “Requisite Consents”). Assuming that the Requisite Consents are received for the Notes, it is expected that the Ninth Supplemental Indenture (as defined below) will be entered into promptly after the Consent Payment and Withdrawal Deadline. The Proposed Amendment will become operative concurrently with the execution of the Ninth Supplemental Indenture, provided that all the Notes validly tendered on or prior to the Consent Payment and Withdrawal Deadline and not validly withdrawn that are accepted for purchase are purchased pursuant to the Offer, whereupon the Proposed Amendment will apply to all Notes remaining outstanding.

Holders who tender Notes pursuant to the Offer shall be deemed to deliver their Consents to the Proposed Amendment. The transmission of an Agent’s Message (as defined below), in connection with a tender of Notes pursuant to the Offer will be deemed to constitute the delivery of Consents with respect to the Notes tendered. Holders may not deliver Consents in the Consent Solicitation without tendering their Notes in the Offer and may not revoke Consents without withdrawing the previously tendered Notes to which such Consents relate. Tendered Notes and the related Consents may not be withdrawn subsequent to the Consent Payment and Withdrawal Deadline.

Notwithstanding any other provision of the Offer or the Consent Solicitation, the Company's obligation to accept for purchase, and to purchase, Notes validly tendered pursuant to the Offer (including the Company's obligation to make Consent Payments as part of the Total Consideration with respect to Consents delivered pursuant to the Consent Solicitation) is conditioned upon the satisfaction or waiver of:

- (i) the New Debt Condition (as defined below); and
- (ii) the General Conditions (as defined below).

See "Conditions to the Offer and Consent Solicitation."

The Company reserves the right to terminate, withdraw or amend the Offer and the Consent Solicitation at any time and from time to time, as described in this Statement.

Neither this Statement nor any of the other documents related to the Offer or the Consent Solicitation have been filed with or reviewed by any federal, state or foreign securities commission or regulatory authority, nor has any such commission or authority passed upon the accuracy or adequacy of this Statement or any of the other documents related to the Offer or the Consent Solicitation. Any representation to the contrary is unlawful and may be a criminal offense.

See "Certain Significant Considerations" and "Certain U.S. Federal Income Tax Consequences" and "Certain Mexican Income Tax Consequences" for discussions of certain factors that should be considered in evaluating the Offer and the Consent Solicitation. See "Proposed Amendment" for a description of the Proposed Amendment.

THE OFFER AND CONSENT SOLICITATION MAY ONLY BE MADE AVAILABLE IN MEXICO TO INVESTORS THAT QUALIFY AS INSTITUTIONAL INVESTORS (*INVERSIONISTAS INSTITUCIONALES*) OR ACCREDITED INVESTORS (*INVERSIONISTAS CALIFICADOS*), SOLELY PURSUANT TO THE PRIVATE OFFERING EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*). THIS STATEMENT IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*). THE TENDER OF THE NOTES BY AN INVESTOR WHO IS A RESIDENT OF MEXICO WILL BE REQUIRED TO BE MADE UNDER ITS OWN RESPONSIBILITY.

THIS STATEMENT SHOULD BE READ CAREFULLY BEFORE A DECISION IS MADE WITH RESPECT TO THIS OFFER AND THE CONSENT SOLICITATION. NONE OF THE COMPANY, THE DEALER MANAGERS, THE TENDER AGENT, THE TRUSTEE OR THE INFORMATION AGENT OR ANY OF THE COMPANY'S OR THEIR AFFILIATES MAKES ANY RECOMMENDATION AS TO WHETHER OR NOT HOLDERS SHOULD TENDER NOTES PURSUANT TO THE OFFER OR DELIVER CONSENTS PURSUANT TO THE CONSENT SOLICITATION. EACH HOLDER MUST MAKE ITS OWN DECISION AS TO WHETHER TO TENDER ITS NOTES AND TO DELIVER ITS CONSENTS, AND, IF SO, THE PRINCIPAL AMOUNT OF THE NOTES AS TO WHICH ACTION IS TO BE TAKEN.

**HOLDERS SHOULD TAKE NOTE OF THE FOLLOWING DATES IN CONNECTION WITH THE
OFFER AND CONSENT SOLICITATION**

Date	Calendar Date	Event
Commencement Date	January 6, 2020	Commencement of the Offer and Consent Solicitation upon the terms and subject to the conditions set forth in this Statement
Consent Payment and Withdrawal Deadline	5:00 p.m., New York City time, on January 17, 2020, unless the Consent Solicitation is either extended or earlier terminated by us	The last day and time for Holders to (i) deliver their Consents pursuant to the Consent Solicitation in order to be eligible to receive the Total Consideration, which will include the Consent Payment; Holders validly tendering Notes and delivering Consents after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time will be eligible to receive only the Purchase Price and (ii) validly withdraw tendered Notes and revoke delivered Consents
Price Determination Date	11:00 a.m., New York City time, on January 17, 2020, unless modified by us	The day and time at which the Dealer Managers will determine the Reference Yield, Total Consideration and Purchase Price pursuant to the Offer
Initial Settlement Date	For Notes that have been validly tendered on or prior to the Consent Payment and Withdrawal Deadline and not withdrawn and that are accepted for purchase by us, settlement will occur on the Initial Settlement Date, which is expected to be the second business day following the Consent Payment and Withdrawal Deadline after all conditions to the Offer have been satisfied or waived, or January 22, 2020	Payment of the Total Consideration and the accrued and unpaid interest on the Notes, from and including the last interest payment date to, but not including, the Initial Settlement Date, and Additional Amounts, if any, for all Notes validly tendered on or prior to the Consent Payment and Withdrawal Deadline and not validly withdrawn
Offer Expiration Time	11:59 p.m., New York City time, on February 3, 2020, unless the Offer is extended or earlier terminated by us	The last day and time for Holders to tender Notes pursuant to the Offer in order to be eligible to receive the Purchase Price
Final Settlement Date	For Notes that have been validly tendered after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time and that are accepted for purchase by us, settlement will occur on the Final Settlement Date, which is expected to be the second business day following the Offer Expiration Time after all conditions to the Offer have been satisfied or waived, or February 5, 2020	Payment of the Purchase Price (namely, the Total Consideration <i>minus</i> the Consent Payment) and the accrued and unpaid interest on the Notes, from and including the last interest payment date to, but not including, the Final Settlement Date, and Additional Amounts, if any, for all Notes validly tendered after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time

TABLE OF CONTENTS

	<u>Page</u>
Important Information	2
Where You Can Find More Information	5
Incorporation by Reference	6
Special Note Regarding Forward-Looking Statements	7
Summary.....	8
Terms of the Offer and the Consent Solicitation	13
Purpose of the Offer and the Consent Solicitation.....	16
Source and Amount of Funds	16
Certain Information Concerning the Issuer	17
Recent Developments	18
Certain Significant Considerations	19
Proposed Amendment.....	20
Acceptance for Purchase and Purchase for Notes; Acceptance of Consents	21
Procedures for Tendering Notes and Delivering Consents	22
Withdrawal of Tenders and Revocation of Consents.....	24
Conditions to the Offer and Consent Solicitation	25
Certain Mexican Income Tax Consequences.....	27
Certain U.S. Federal Income Tax Consequences.....	28
The Dealer Managers, the Tender Agent and the Information Agent.....	30
Fees And Expenses	31
Miscellaneous	31
Schedule I	S-1

IMPORTANT INFORMATION

All of the Notes are registered in the name of Cede & Co., the nominee of The Depository Trust Company (“DTC”). A beneficial owner of Notes that are held of record by a broker, dealer, commercial bank, trust company or other nominee must instruct such broker, dealer, commercial bank, trust company or other nominee to effect the transaction on behalf of such beneficial owner, and to transmit an Agent’s Message in connection with tenders and Consents made through the DTC Automated Tender Offer Program (“ATOP”). To effect such a tender, DTC participants should transmit their acceptance through ATOP and follow the procedure for book-entry transfer set forth in “Procedures for Tendering Notes and Delivering Consents—Book-Entry Delivery Procedures.” Notes may be tendered and Consents may be delivered only in minimum denominations of \$150,000 principal amount and integral multiples of \$2,000 in excess thereof. No alternative, conditional or contingent tenders or deliveries of Consents will be accepted. Holders who tender less than all of their Notes must continue to hold Notes in the minimum denomination of \$150,000 principal amount and integral multiples of \$2,000 in excess thereof.

We have not provided guaranteed delivery provisions in connection with the Offer. You must tender Notes and deliver Consents in accordance with the procedures set forth under “Procedures for Tendering Notes and Delivering Consents.”

If the Proposed Amendment is adopted, the Notes that are not tendered, or that are not accepted for purchase pursuant to the Offer, will remain outstanding but will be subject to the terms of the Fifth Supplemental Indenture as modified by the Ninth Supplemental Indenture described under “Proposed Amendment.” **If a Holder does not properly tender Notes pursuant to the Offer on or prior to the Consent Payment and Withdrawal Deadline, or such Holder’s Consent with respect to such Notes is either not properly delivered or is revoked and not properly redelivered on or prior to the Consent Payment and Withdrawal Deadline, such Holder will not receive the Consent Payment, even though the Proposed Amendment will be operative as to all Notes that are not purchased pursuant to the Offer if the Requisite Consents to adopt the Proposed Amendment are received.** In addition, the trading markets for any Notes not properly tendered pursuant to the Offer are likely to be significantly more limited in the future if the Offer is consummated. See “Proposed Amendment” and “Certain Significant Considerations.”

Holders who validly tender Notes pursuant to the Offer and deliver Consents pursuant to the Consent Solicitation may withdraw their tenders and revoke their Consents at any time before the Consent Payment and Withdrawal Deadline, but not thereafter. Holders may not withdraw Notes previously tendered without revoking the previously delivered Consents to which such tender relates and may not revoke Consents without withdrawing their tenders. For a withdrawal of a tendered Note and a revocation of a Consent to be valid, such withdrawal and revocation must comply with the procedures set forth in “Withdrawal of Tenders and Revocation of Consents.” A valid withdrawal of a Note on or prior to the Consent Payment and Withdrawal Deadline will be deemed a revocation of the Consent related to such Note and a valid revocation of Consent will automatically render the prior tender of the Notes defective, and the Company will have the right, which it may waive, to reject such tender as invalid. If the Company makes a material change in the terms of the Offer or the information concerning the Offer or waives a material condition of the Offer, the Company will disseminate additional offer materials relating to and extend the Offer to the extent required by law. If the Offer or Consent Solicitation is amended prior to the Consent Payment and Withdrawal Deadline, in a manner determined by the Company, in its sole discretion, to constitute a material adverse change to the Holders, the Company promptly will disclose such amendment and, if necessary, extend the Offer and the Consent Solicitation for a period deemed by the Company to be adequate to permit Holders to withdraw their Notes and revoke their Consents. In addition, the Company may, if it deems appropriate, extend the Offer and Consent Solicitation for any other reason.

Upon the terms and subject to the conditions of the Offer and Consent Solicitation (including, if the Offer or Consent Solicitation is extended or amended, the terms and conditions of any such extension or amendment) and applicable law, the Company will (i) purchase Notes validly tendered (and not validly withdrawn on or prior to the Consent Payment and Withdrawal Deadline) on or prior to the Offer Expiration Time pursuant to the Offer, and (ii) pay for all Consents validly delivered (and not revoked) on or prior to the Consent Payment and Withdrawal Deadline pursuant to the Consent Solicitation, on the applicable Settlement Date.

If Notes are accepted for purchase pursuant to the Offer, Holders who validly deliver Consents to the Proposed Amendment pursuant to the terms of the Consent Solicitation and tender Notes pursuant to the Offer on or prior to the Consent Payment and Withdrawal Deadline and do not revoke such Consents or validly withdraw such tenders on or prior to the Consent Payment and Withdrawal Deadline will receive the Total Consideration, which will include the Consent Payment, *plus* accrued and unpaid interest on such Holder's Notes from and including the last interest payment date up to, but not including, the Initial Settlement Date, and Additional Amounts, if any. Holders who validly tender their Notes after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time will be eligible to receive only the Purchase Price, *plus* accrued and unpaid interest on such Holder's Notes from and including the last interest payment date up to, but not including, the Final Settlement Date, and Additional Amounts, if any, but will not receive the Consent Payment.

BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC are acting as dealer managers for the Offer and solicitation agents for the Consent Solicitation (the "Dealer Managers" and each, a "Dealer Manager").

Tendering Holders will not be obligated to pay brokerage fees or commissions or the fees and expenses of the Dealer Managers, the Tender Agent or the Information Agent, each as defined below, in connection with the Offer and Consent Solicitation. See "The Dealer Managers, the Tender Agent and the Information Agent." Questions and requests for assistance may be directed to Global Bondholder Services Corporation, the Information Agent (the "Information Agent"), or to any of the Dealer Managers, at their respective addresses and telephone numbers set forth on the back cover of this Statement. Additional copies of this Statement and any other related materials may be obtained from the Information Agent. Beneficial owners of Notes may also contact their brokers, dealers, commercial banks, trust companies or other nominees through which they hold the Notes with questions and requests for assistance.

This Statement (including Schedule I) contains important information that should be read before any decision is made with respect to the Offer and Consent Solicitation.

We expressly reserve the absolute right, in our sole discretion, at any time and from time to time, to purchase or offer to purchase any Notes, through open market or privately negotiated transactions, tender offers, exchange offers, optional redemption transactions or otherwise, in each case upon terms and conditions and at such prices as we may determine, which may or may not differ materially from the terms of the Offer and could be for cash or other consideration. Subject to the results of the Offer, we currently intend to send a notice of redemption to the trustee and the Holders of any outstanding Notes immediately following the Initial Settlement Date in accordance with the terms and conditions set forth on the Fifth Supplemental Indenture, after giving effect to the Proposed Amendment, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion. This statement of intent shall not constitute a notice of redemption under the Fifth Supplemental Indenture. See "Certain Significant Considerations—Treatment of Notes Not Tendered in the Offer."

Neither this Statement nor any of the other documents related to the Offer or the Consent Solicitation have been filed with or reviewed by any federal, state or foreign securities commission or regulatory authority, nor has any such commission or authority passed upon the accuracy or adequacy of this Statement or any of the other documents related to the Offer or the Consent Solicitation. Any representation to the contrary is unlawful and may be a criminal offense.

This Statement constitutes neither an offer to purchase Notes nor a solicitation of Consents in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities or "blue sky" laws. The delivery of this Statement shall not under any circumstances create any implication that the information contained in this Statement is correct as of any time subsequent to the date of this Statement or that there has been no change in the information set forth in this Statement or in any attachments hereto or in the affairs of the Company or any of its subsidiaries or affiliates since the date of this Statement.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Statement and, if given or made, such information or representation may not be relied upon as having been authorized by the Company, the Dealer Managers, the Tender Agent, the Trustee or the Information Agent.

Certain of the statements in this Statement and the documents incorporated by reference in this Statement, including, without limitation, statements regarding future transactions, constitute forward-looking statements which involve certain risks. For information on these and other risks, please see “Special Note Regarding Forward-Looking Statements” and “Certain Significant Considerations” below and the reports and other documents filed with the Securities and Exchange Commission (the “SEC”) and incorporated by reference in this Statement, as described below.

None of the Company, the Dealer Managers, the Tender Agent, the Trustee or the Information Agent or any of the Company’s or their affiliates makes any recommendation as to whether or not Holders should tender Notes pursuant to the Offer or deliver Consents pursuant to the Consent Solicitation. Each Holder must make its own decision as to whether to tender its Notes and to deliver its Consents, and, if so, the principal amount of the Notes as to which action is to be taken.

WHERE YOU CAN FIND MORE INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), applicable to a foreign private issuer, and accordingly files or furnishes reports, including annual reports on Form 20-F, reports on Form 6-K and other information with the SEC. Any information we file or furnish electronically will be available to the public over the Internet at the SEC’s website at www.sec.gov and at our website at <https://www.coca-colafemsa.com/investors.html>. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information on our website, even if it might be accessible through a hyperlink resulting from this URL, is not and shall not be deemed to be incorporated into this Statement.

INCORPORATION BY REFERENCE

This Statement incorporates important information about us that is not included in or delivered with this Statement. The information incorporated by reference is considered to be part of this Statement, and certain later information that we file with the SEC will automatically update and supersede this information.

We incorporate by reference the following documents:

- our Annual Report on Form 20-F for the year ended December 31, 2018, filed with the SEC on April 12, 2019 (SEC File No. 001-12260);
- our report on Form 6-K, filed with the SEC on May 2, 2019 (SEC File No. 001-12260) containing the announcement of the replacement of an alternate director to our Board of Directors;
- our report on Form 6-K, filed with the SEC on December 17, 2019 (SEC File No. 001-12260), containing our unaudited interim condensed consolidated financial information as of September 30, 2019 and for the nine months ended September 30, 2019 and 2018 and the related discussion of such results of operations; and
- any future annual reports on Form 20-F filed with the SEC and any future reports on Form 6-K furnished to the SEC that are identified in those forms as being incorporated by reference into this Statement, in each case after the date of this Statement and prior to the Offer Expiration Time.

Any statement contained in any of the foregoing documents shall be deemed to be modified or superseded for purposes of this Statement to the extent that a statement contained in this Statement, or in any subsequently filed document which is also incorporated by reference herein, modifies or supersedes such earlier statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Statement.

You may request a copy of any and all of the information that has been incorporated by reference in this Statement and that has not been delivered with this Statement, at no cost, by writing or telephoning us at Calle Mario Pani No. 100, Colonia Santa Fe Cuajimalpa, Alcaldía Cuajimalpa de Morelos, 05348, Ciudad de México, México, Attention: Investor Relations, telephone +(52-55) 1519-6179.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the information contained or incorporated by reference in this Statement contains words such as “believe,” “expect,” “anticipate” and similar expressions that identify forward-looking statements. Use of these words reflects our views about future events and financial performance. Actual results could differ materially from those projected in these forward-looking statements as a result of various factors that may be beyond our control, including, but not limited to:

- effects on our company from changes in our relationship with The Coca-Cola Company;
- fluctuation in the prices of raw materials;
- competition;
- significant developments in Mexico, Central and South America;
- fluctuation in currency exchange and interest rates;
- our ability to implement our business expansion strategy, including our ability to successfully integrate mergers and acquisitions we have completed in recent years; and
- economic or political conditions or changes in our regulatory or legal environment, including the impact of existing laws and regulations, changes thereto or the imposition of new taxes, environmental, health, energy, foreign investment and/or antitrust laws or regulations impacting our business, activities and investments.

Forward-looking statements involve inherent risks and uncertainties. We caution you not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Some of these factors are discussed under “Risk Factors” in our most recent annual report on Form 20-F, which is incorporated in this Statement by reference, and any reports on Form 6-K that may be incorporated by reference in this Statement. They include economic and political conditions and government policies in the countries in which we operate, inflation rates, exchange rates, regulatory developments, customer demand and competition. See “Where You Can Find More Information” for information about how to obtain a copy of these documents. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere or incorporated by reference in this Statement. Capitalized terms used but not defined in this summary have the meanings assigned to them elsewhere in this Statement.

Issuer	Coca-Cola FEMSA, S.A.B. de C.V., a <i>sociedad anónima bursátil de capital variable</i> (publicly traded variable stock corporation) organized under the laws of Mexico.
Notes.....	3.875% Senior Notes due 2023 (CUSIP/ISIN 191241 AE8 / US191241AE83).
Purpose of the Offer and Consent Solicitation	The purpose of the Offer is to acquire any and all of the outstanding Notes. The purpose of the Consent Solicitation is to obtain the Requisite Consents in order to adopt the Proposed Amendment.
Offer	Upon the terms and subject to the conditions described in this Statement, the Company is offering to purchase for cash any and all of the outstanding Notes validly tendered on or prior to the Offer Expiration Time (and not validly withdrawn on or prior to the Consent Payment and Withdrawal Deadline). See “Terms of the Offer and the Consent Solicitation.”
Offer Expiration Time	The Offer will expire at 11:59 p.m., New York City time, on February 3, 2020, unless extended or earlier terminated by us. See “Terms of the Offer and the Consent Solicitation.”
Consent Solicitation.....	Upon the terms and subject to the conditions described in this Statement, we are also soliciting Consents to the Proposed Amendment. Each Holder who tenders Notes pursuant to the Offer shall be deemed to deliver a Consent to the Proposed Amendment, and the transmission of an Agent’s Message in connection with such Holder’s tender of Notes is required to effectuate the delivery of Consents with respect to the Notes tendered. Holders may not deliver Consents in the Consent Solicitation without tendering their Notes in the Offer. The Offer is not conditioned upon the receipt of the Requisite Consents to adopt the Proposed Amendment. See “Terms of the Offer and the Consent Solicitation,” “Proposed Amendment” and “Acceptance for Purchase and Purchase for Notes; Acceptance of Consents.”
Consent Payment	If Notes are purchased in the Offer, each Holder of purchased Notes who delivers Consents to the Proposed Amendment on or prior to the Consent Payment and Withdrawal Deadline will be entitled to receive the Total Consideration, which will include a Consent Payment in the amount of \$30.00 per \$1,000 principal amount of Notes with respect to which Consents are validly delivered and not revoked on or prior to the Consent Payment and Withdrawal Deadline.
Total Consideration	The Total Consideration offered hereby for each \$1,000 principal amount of Notes validly tendered and accepted for purchase pursuant to the Offer

is the price (calculated as described in Schedule I to this Statement) equal to:

(i) the present value on the Initial Settlement Date of (x) \$1,000, the principal amount payable on the Maturity Date, and (y) all scheduled interest payments on the Notes from the Initial Settlement Date up to and including the Maturity Date, in each case discounted on the basis of a yield to maturity equal to the sum of (a) the Reference Yield on the Reference Security, as calculated by any of the Dealer Managers in accordance with standard market practice, based on the bid-side price of the Reference Security at 11:00 a.m., New York City time, on the Price Determination Date, as displayed on the Bloomberg Government Pricing Monitor Page PX5 or any recognized quotation source selected by the Dealer Managers in their sole discretion if the Bloomberg Government Pricing Monitor is not available or is manifestly erroneous, *plus* (b) 20 basis points, *minus*

(ii) the Accrued Interest,

such price being rounded to the nearest \$0.01 per \$1,000 principal amount of the Notes. The amount referred to in the preceding clause (i) includes the Consent Payment.

Holders must validly tender on or prior to the Consent Payment and Withdrawal Deadline and not validly withdraw Notes in order to be eligible to receive the Total Consideration for Notes purchased in the Offer.

In the event that the Consent Payment and Withdrawal Deadline is extended for any period of time ten full business days or longer from the previously scheduled Consent Payment and Withdrawal Deadline, a new Price Determination Date will be established with respect to the Offer. In the event that the Offer is extended for any period of time less than ten full business days from the previously scheduled Consent Payment and Withdrawal Deadline, a new Price Determination Date may, at the Company's discretion, be established with respect to the Offer.

Consent Payment and Withdrawal

DeadlineThe Consent Solicitation will expire at 5:00 p.m., New York City time, on January 17, 2020, unless extended or earlier terminated by us. See "Terms of the Offer and the Consent Solicitation."

Purchase PriceHolders who validly tender their Notes after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time will be eligible to receive only the Purchase Price, which is an amount, to be paid in cash, equal to the Total Consideration *minus* the Consent Payment of \$30.00 per \$1,000 principal amount of Notes.

Accrued and Unpaid InterestIn addition to the Total Consideration and the Purchase Price, as applicable, Holders whose Notes are validly tendered (and not validly withdrawn) and are accepted for purchase in the Offer will receive accrued and unpaid interest in respect of such purchased Notes from and including the last interest payment date to, but not including, the applicable Settlement Date for Notes purchased in the Offer.

Additional AmountsIn addition to the Total Consideration and the Purchase Price, as applicable, Holders whose Notes are validly tendered (and not validly withdrawn) and are accepted for purchase in the Offer will receive additional amounts in respect of interest payments (including gains derived from the sale of the Notes in the Offer that are treated as interest and the applicable Accrued Interest), if any (the “Additional Amounts”).

Proposed Amendment.....The Proposed Amendment consists of the reduction of the optional redemption notice periods as they apply to the Notes from 45 days in the case of the notice to the Trustee and between 30 and 60 days in the case of the notice to the Holders, in each case, to three (3) Business Days. For a detailed description of the Proposed Amendment to the Fifth Supplemental Indenture, see “Proposed Amendment.”

Subject to the results of the Offer, we currently intend to send a notice of redemption to the trustee and the Holders of any outstanding Notes immediately following the Initial Settlement Date in accordance with the terms and conditions set forth on the Fifth Supplemental Indenture, after giving effect to the Proposed Amendment, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion. This statement of intent shall not constitute a notice of redemption under the Fifth Supplemental Indenture.

Requisite ConsentsThe Proposed Amendment must be consented to by the Holders of a majority of the aggregate principal amount outstanding of the Notes in order for the Proposed Amendment to be effective. Assuming that the Requisite Consents are received for the Notes, it is expected that the Ninth Supplemental Indenture will be entered into promptly after the Consent Payment and Withdrawal Deadline. The Proposed Amendment will become operative concurrently with the execution of the Ninth Supplemental Indenture, provided that all the Notes validly tendered on or prior to the Consent Payment and Withdrawal Deadline and not validly withdrawn that are accepted for purchase are purchased pursuant to the Offer, whereupon the Proposed Amendment will apply to all Notes remaining outstanding. See “Proposed Amendment.”

Conditions to the Offer and Consent SolicitationThe Offer and Consent Solicitation are conditioned upon the satisfaction or waiver of:

- (i) the New Debt Condition; and
- (ii) the General Conditions.

See “Conditions to the Offer and Consent Solicitation.”

Acceptance for Purchase and Purchase for Notes; Acceptance of Consents.....Upon the terms and subject to the conditions of the Offer and the Consent Solicitation (including if the Offer and the Consent Solicitation are extended or amended, the terms and conditions of any such extension or amendment) and applicable law, the Company will accept for purchase all Notes validly tendered (and not validly withdrawn), including the Consents delivered and not validly revoked, on or prior to the Consent Payment and Withdrawal Deadline promptly thereafter, and will accept for purchase all Notes validly tendered after the Consent Payment and Withdrawal Deadline but on or prior to the Offer Expiration Time promptly thereafter.

Only Holders who validly tender Notes on or prior to the Consent Payment and Withdrawal Deadline (and do not validly withdraw such tender and revoke such Consent on or prior to the Consent Payment and Withdrawal Deadline) will be eligible to receive the Total Consideration, which will include the Consent Payment. For Notes that have been validly tendered on or prior to the Consent Payment and Withdrawal Deadline and not validly withdrawn and that are accepted for purchase, payment of the Total Consideration and the accrued and unpaid interest on the Notes, from and including the last interest payment date to, but not including, the Initial Settlement Date, and Additional Amounts, if any, will occur on the Initial Settlement Date, which is expected to be the second business day following the Consent Payment and Withdrawal Deadline, or January 22, 2020, assuming all conditions to the Offer have been satisfied or waived. For Notes that have been validly tendered after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time and that are accepted for purchase, payment of the Purchase Price (namely, the Total Consideration *minus* the Consent Payment), the accrued and unpaid interest on the Notes, from and including the last interest payment date to, but not including, the Final Settlement Date, and Additional Amounts, if any, will occur on the Final Settlement Date, which is expected to be the second business day following the Offer Expiration Time, or February 5, 2020, assuming all conditions to the Offer have been satisfied or waived. See “Acceptance for Purchase and Purchase for Notes; Acceptance of Consents.”

Withdrawal of Tenders and Revocation

of ConsentsTenders of Notes may be withdrawn and related Consents may be revoked at any time on or prior to the Consent Payment and Withdrawal Deadline by following the procedures described under “Withdrawal of Tenders and Revocation of Consents.” A valid withdrawal of tendered Notes will constitute the concurrent valid revocation of such Holder’s related Consent. In order for a Holder to revoke a Consent on or prior to the Consent Payment and Withdrawal Deadline, such Holder must withdraw the tendered Notes. Tendered Notes may not be withdrawn and the related Consents may not be revoked subsequent to the Consent Payment and Withdrawal Deadline. Tenders of Notes may be validly withdrawn if the Offer is terminated without any Notes being purchased thereunder. In the event of a termination of the Offer (other than as a result of its consummation on the Offer Expiration Time and Final Settlement Date), the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders, the Ninth Supplemental Indenture will not become operative and the related Consents will be deemed revoked. See “Withdrawal of Tenders and Revocation of Consents.”

Source of FundsThe Company expects payments for the purchase of the Notes pursuant to the Offer and Consents pursuant to the Consent Solicitation to be funded with the proceeds from the New Debt Offering. See “Source and Amount of Funds.”

New Debt OfferingConcurrently with the commencement of the Offer, we announced an international capital markets debt offering of notes (the “New Debt Offering”), the consummation of which is subject to customary closing conditions. Our obligation to accept for purchase, and to pay for, any Notes validly tendered pursuant to the Offer, is conditioned on the closing of the New Debt Offering and having sufficient funds to fund the Offer

and the Consent Solicitation and any related fees and expenses. See “Conditions to the Offer and Consent Solicitation.”

This Statement is not deemed to be an offer to sell or a solicitation of an offer to buy any securities in the New Debt Offering.

The Dealer Managers are acting as underwriters in the New Debt Offering.

Certain Tax Considerations Holders of Notes should consider the tax consequences of the Offer and the Consent Solicitation. See “Certain U.S. Federal Income Tax Consequences” and “Certain Mexican Income Tax Consequences.”

Dealer Managers and Solicitation Agents BofA Securities, Inc.
Citigroup Global Markets Inc.
Goldman Sachs & Co. LLC

Tender Agent and Information Agent..... Global Bondholder Services Corporation is serving as Tender Agent and Information Agent for the Offer and Consent Solicitation.

Additional Documentation;

Further Information; Assistance..... Any questions or requests for assistance concerning the Offer and the Consent Solicitation may be directed to any of the Dealer Managers at their addresses and telephone numbers set forth on the back cover of this Statement. Requests for additional copies of this Statement may be directed to the Information Agent at its address and telephone numbers set forth on the back cover of this Statement. Requests for copies of the Fifth Supplemental Indenture and the form of the Ninth Supplemental Indenture may also be directed to the Information Agent. Beneficial owners may also contact their custodians for assistance concerning the Offer and the Consent Solicitation.

TERMS OF THE OFFER AND THE CONSENT SOLICITATION

General. We hereby offer to purchase for cash any and all of the outstanding Notes, upon the terms and subject to the conditions set forth in this Statement.

The Total Consideration offered hereby for each \$1,000 principal amount of Notes validly tendered and accepted for purchase pursuant to the Offer is the price (calculated as described in Schedule I to this Statement) equal to:

- (i) the present value on the Initial Settlement Date of (x) \$1,000, the principal amount payable on the Maturity Date, and (y) all scheduled interest payments on the Notes from the Initial Settlement Date up to and including the Maturity Date, in each case discounted on the basis of a yield to maturity equal to the sum of (a) the Reference Yield on the Reference Security, as calculated by any of the Dealer Managers in accordance with standard market practice, based on the bid-side price of the Reference Security at 11:00 a.m., New York City time, on the Price Determination Date, as displayed on the Bloomberg Government Pricing Monitor Page PX5 or any recognized quotation source selected by the Dealer Managers in their sole discretion if the Bloomberg Government Pricing Monitor is not available or is manifestly erroneous, *plus* (b) 20 basis points, *minus*
- (ii) the Accrued Interest,

such price being rounded to the nearest \$0.01 per \$1,000 principal amount of the Notes. The amount referred to in the preceding clause (i) includes the Consent Payment.

Holders must validly tender on or prior to the Consent Payment and Withdrawal Deadline and not validly withdraw Notes in order to be eligible to receive the Total Consideration for Notes purchased in the Offer.

In the event that the Consent Payment and Withdrawal Deadline is extended for any period of time ten full business days or longer from the previously scheduled Consent Payment and Withdrawal Deadline, a new Price Determination Date will be established with respect to the Offer. In the event that the Offer is extended for any period of time less than ten full business days from the previously scheduled Consent Payment and Withdrawal Deadline, a new Price Determination Date may, at the Company's discretion, be established with respect to the Offer.

For Notes that have been validly tendered on or prior to the Consent Payment and Withdrawal Deadline and not validly withdrawn and that are accepted for purchase, payment of the Total Consideration and the accrued and unpaid interest on the Notes, from and including the last interest payment date to, but not including, the Initial Settlement Date, and Additional Amounts, if any, will occur on the Initial Settlement Date, which is expected to be the second business day following the Consent Payment and Withdrawal Deadline, or January 22, 2020, assuming all conditions to the Offer have been satisfied or waived.

For Notes that have been validly tendered after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time and that are accepted for purchase, payment of the Purchase Price (namely, the Total Consideration *minus* the Consent Payment) and the accrued and unpaid interest on the Notes, from and including the last interest payment date to, but not including, the Final Settlement Date, and Additional Amounts, if any, will occur on the Final Settlement Date, which is expected to be the second business day following the Offer Expiration Time, or February 5, 2020, assuming all conditions to the Offer have been satisfied or waived.

The purpose of the Offer is to acquire any and all of the outstanding Notes. The purpose of the Consent Solicitation is to obtain the Requisite Consents in order to adopt the Proposed Amendment. The Proposed Amendment will be set forth in a ninth supplemental indenture to the Base Indenture (the "Ninth Supplemental Indenture"). It is expected that the Ninth Supplemental Indenture will be executed and become effective promptly following the Consent Payment and Withdrawal Deadline, *provided* that the Requisite Consents sought pursuant to the Consent Solicitation are delivered. The Proposed Amendment will become operative concurrently with the execution of the Ninth Supplemental Indenture, provided that all the Notes validly tendered on or prior to the

Consent Payment and Withdrawal Deadline and not validly withdrawn that are accepted for purchase are purchased pursuant to the Offer, whereupon the Proposed Amendment will apply to all Notes remaining outstanding. The Proposed Amendment will not affect any of the Company's existing securities that are not the subject of the Offer. The notice periods applicable to an optional redemption of any other series issued from time to time under the Base Indenture will not be affected by the Proposed Amendment. A Holder who validly tenders Notes will, by tendering such Notes, be deemed to have consented to the Proposed Amendment and the Company's direction to the Trustee to execute the Ninth Supplemental Indenture containing the Proposed Amendment. See "Proposed Amendment."

Holders who desire to tender their Notes pursuant to the Offer and to receive the Total Consideration are required to validly tender such Notes and delivery their Consents to the Proposed Amendment on or prior to the Consent Payment and Withdrawal Deadline, which will be 5:00 p.m., New York City time, on January 17, 2020, unless modified. If a Holder's Notes are not properly tendered pursuant to the Offer on or prior to the Consent Payment and Withdrawal Deadline, such Holder will not receive the Total Consideration, even though the Proposed Amendment will be effective as to all such Notes that are not purchased in the Offer, assuming that the Requisite Consents are delivered and the Consent Solicitation is completed. The Company is not soliciting and will not accept Consents to the Proposed Amendment from Holders who are not also tendering their Notes pursuant to the Offer.

The Offer Expiration Time will be 11:59 p.m., New York City time, on February 3, 2020, unless modified.

If Notes are accepted for purchase pursuant to the Offer, Holders who validly tender Notes pursuant to the Offer (and do not validly withdraw such tender or revoke such Consent) on or prior to the Consent Payment and Withdrawal Deadline will receive the Total Consideration, *plus* accrued and unpaid interest on such Holder's Notes from and including the last interest payment date to up to, but not including, the Initial Settlement Date, and Additional Amounts, if any. Holders who validly tender Notes and deliver Consents pursuant to the Offer on or prior to the Consent Payment and Withdrawal Deadline may not withdraw such tender or revoke such Consents after the Consent Payment and Withdrawal Deadline. Holders who validly tender their Notes after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time will be eligible to receive an amount, to be paid in cash, equal to the Purchase Price, which is the Total Consideration *minus* the Consent Payment, *plus* accrued and unpaid interest in respect of such purchased Notes from and including the last applicable interest payment date to, but not including, the Final Settlement Date, and Additional Amounts, if any.

Holders may not deliver Consents without tendering their Notes in the Offer, and may not revoke Consents without withdrawing the previously tendered Notes. Holders may not withdraw previously tendered Notes without revoking the previously delivered Consents. Tendered Notes may not be withdrawn and Consents may not be revoked subsequent to the Consent Payment and Withdrawal Deadline.

All Notes validly tendered in accordance with the procedures set forth under "Procedures for Tendering Notes and Delivering Consents" and not withdrawn in accordance with the procedures set forth under "Withdrawal of Tenders and Revocation of Consents" on or prior to the Offer Expiration Time will, upon the terms and subject to the conditions hereof, including satisfaction or waiver of the New Debt Condition and the General Conditions, be accepted for purchase by the Company, and payments will be made therefor on the applicable Settlement Date.

If the Requisite Consents for the Proposed Amendment for the Notes are received and the Ninth Supplemental Indenture has become operative, the Proposed Amendment will be binding on all Holders of the Notes. See "Certain Significant Considerations."

The Company's obligation to accept for purchase and purchase Notes validly tendered pursuant to the Offer is conditioned upon satisfaction or waiver of:

- (i) the New Debt Condition; and
- (ii) the General Conditions.

Consent payments (included in the Total Consideration) to Holders who have validly delivered (and not revoked) Consents to the Proposed Amendment on or prior to the Consent Payment and Withdrawal Deadline are conditioned upon the Company's acceptance of the related Notes for purchase pursuant to the Offer. Subject to

applicable securities laws and the terms and conditions set forth in this Statement, the Company reserves the right (x) to waive any and all conditions to the Offer or the Consent Solicitation, (y) to extend the Offer or the Consent Solicitation or (z) if the conditions to the Offer are not satisfied or waived, to otherwise amend or terminate the Offer or Consent Solicitation in any respect. See “Conditions to the Offer and Consent Solicitation.” The rights reserved by the Company in this paragraph are in addition to the Company’s rights to terminate the Offer described under “Conditions to the Offer and Consent Solicitation.” Any extension, amendment or termination will be followed promptly by public announcement thereof, the announcement in the case of an extension of the Offer to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Offer Expiration Time. Without limiting the manner in which any public announcement may be made, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release.

Total Consideration. Holders must tender the Notes and deliver their Consents on or prior to the Consent Payment and Withdrawal Deadline in order to be eligible to receive the Total Consideration, which will include the Consent Payment. Holders who tender their Notes after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time will be eligible to receive only the Purchase Price (namely, the Total Consideration *minus* the Consent Payment).

The Total Consideration or Purchase Price, as applicable, *plus* accrued and unpaid interest, if any, per \$1,000 principal amount of Notes purchased pursuant to the Offer will be rounded to the nearest cent. Any of the Dealer Managers will determine the bid-side price, the resulting Reference Yield, Tender Offer Yield (as defined in Schedule I to this Statement), Total Consideration and Purchase Price per \$1,000 principal amount of the Notes as of the Price Determination Date by reference to the applicable page of the Bloomberg Government Pricing Monitor (or any recognized quotation source selected by the Dealer Managers in their sole discretion if the Bloomberg Government Pricing Monitor is not available or is manifestly erroneous) and their determination will be final and binding, absent manifest error. The Company will publicly announce the actual Reference Yield, Total Consideration and Purchase Price amounts for the Notes promptly after they are determined.

Holders of the Notes may obtain hypothetical quotes of the Reference Yield (calculated as of that time) and the resulting hypothetical Tender Offer Yield and Total Consideration or Purchase Price, as the case may be, for the Notes prior to the time at which the actual Total Consideration and Purchase Price are calculated, and may obtain the actual Reference Yield, Tender Offer Yield, Total Consideration and Purchase Price at such time by contacting any of the Dealer Managers. Although the Purchase Price will be calculated based solely on the Reference Yields (determined as described above), information regarding the closing yield to maturity of the Reference Security on any trading day may also be found in *The Wall Street Journal*.

Because the Total Consideration or the Purchase Price, as applicable, for the Notes prior to the Price Determination Date is based on a fixed spread pricing formula that is linked to the yield on the Reference Security, the actual amount that will be received by a tendering Holder pursuant to the Offer for the Notes will be affected by changes in such yield during the term of the Offer prior to the Price Determination Date and the exact Settlement Dates. After the Price Determination Date, when the Purchase Price and Total Consideration for the Notes are no longer changed in conjunction with changes in the Reference Security, the actual amount of cash that may be received by a Holder tendering the Notes pursuant to the Offer therefor will not change and Holders will be able to ascertain the Total Consideration or the Purchase Price, as applicable, in the manner described above, unless the Initial Settlement Date changes or a new Price Determination Date is established following any extension of the Offer.

If the Company makes a material change in the terms of the Offer or Consent Solicitation or the information concerning the Offer or Consent Solicitation, the Company will disseminate additional offering materials and extend the Offer or, if applicable, Consent Solicitation, to the extent required by law. If the Offer or Consent Solicitation is amended prior to the Consent Payment and Withdrawal Deadline in a manner determined by the Company in its sole discretion to constitute a material adverse change to the Holders, the Company promptly will disclose such amendment and, if necessary, extend the Offer and Consent Solicitation for a period deemed by the Company to be adequate to permit Holders to withdraw their Notes and revoke their Consents. See “Withdrawal of Tenders and Revocation of Consents.”

PURPOSE OF THE OFFER AND THE CONSENT SOLICITATION

The purpose of the Offer is to acquire any and all outstanding Notes. The purpose of the Consent Solicitation is to obtain the Requisite Consents in order to adopt the Proposed Amendment.

Whether or not the Offer is consummated, the Company and its subsidiaries or affiliates may from time to time acquire Notes other than pursuant to the Offer through open market or privately negotiated transactions, tender offers, exchange offers, optional redemption transactions or otherwise, in each case upon terms and conditions and at such prices as we may determine, which may or may not differ materially from the terms of the Offer and could be for cash or other consideration.

Subject to the results of the Offer, we currently intend to send a notice of redemption to the Trustee and the Holders of any outstanding Notes immediately following the Initial Settlement Date in accordance with the terms and conditions set forth on the Fifth Supplemental Indenture, after giving effect to the Proposed Amendment, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion. This statement of intent shall not constitute a notice of redemption under the Fifth Supplemental Indenture.

SOURCE AND AMOUNT OF FUNDS

The Company expects payments for the purchase of the Notes pursuant to the Offer to be funded with the proceeds from the New Debt Offering.

CERTAIN INFORMATION CONCERNING THE ISSUER

We are the largest franchise bottler of *Coca-Cola* trademark beverages in the world in terms of volume. We operate in territories in the following countries:

- Mexico—a substantial portion of central Mexico, the southeast and northeast of Mexico
- Guatemala
- Nicaragua
- Costa Rica
- Panama
- Colombia—most of the country
- Brazil—a major part of the states of Sao Paulo and Minas Gerais, the states of Parana, Santa Catarina and Mato Grosso do Sul and part of the states of Rio de Janeiro, Rio Grande do Sul and Goias
- Argentina—Buenos Aires and surrounding areas
- Uruguay

Our principal executive offices are located at Calle Mario Pani No. 100, Colonia Santa Fe Cuajimalpa, Alcaldía Cuajimalpa de Morelos, 05348, Ciudad de México, México. Our telephone number is + (52-55) 1519-6179. We maintain a website, www.coca-colafemsa.com. The information contained on, or accessible through, our website is not incorporated by reference into this Statement.

Additional information concerning us, our business and our financial condition is contained in our Annual Report on Form 20-F for the fiscal year ended December 31, 2018, as updated by our subsequent filings with the SEC. See “Where You Can Find More Information.”

RECENT DEVELOPMENTS

Favorable Resolution of Arbitration in Brazil

On October 31, 2019, the arbitration tribunal in charge of the arbitration proceeding between us and Cervejarias Kaiser Brasil, S.A., a subsidiary of Heineken, N.V. (“Kaiser”), issued an award confirming that the distribution agreement pursuant to which we distribute Kaiser’s portfolio in the country, including Heineken beer, shall continue in full force and effect until and including March 19, 2022.

Mexican Tax Reform

On October 30, 2019, the Mexican Congress approved a series of tax reforms (the “2020 Tax Reform”), which became effective on January 1, 2020.

The 2020 Tax Reform is intended to:

- limit taxpayers’ net interest deductions each year to 30.0% of the taxpayer’s adjustable taxable income, subject to certain exceptions and 10-year long carry-forwards;
- increase the excise tax applicable to the production, sale and import of beverages with added sugar and high-fructose corn syrup in 2020 and on a yearly basis thereafter to account for the effects of inflation;
- expand the definition of “energy drink” to apply an excise tax of 25% to energized beverages when beverages include a mix of caffeine and any other stimulants; and
- modify the Mexican Federal Tax Code to (x) increase the number of events that may trigger a joint and several liability of partners, shareholders, directors, managers or any other person responsible for the management of a business, (y) add a disclosure obligation of certain reportable transactions to tax authorities, and (z) to increase the tax authorities’ discretion to limit tax benefits or attributes in situations where authorities believe there is a lack of business reason and no economic benefit obtained, other than the tax benefit.

We are currently analyzing the effects of these tax reforms on our operations and procedures.

CERTAIN SIGNIFICANT CONSIDERATIONS

The following considerations, in addition to the other information described elsewhere in this Statement, should be carefully considered by each Holder before deciding whether to participate in the Offer and the Consent Solicitation.

Treatment of Notes Not Tendered in the Offer

Under the terms of the Fifth Supplemental Indenture, the Company currently has the ability to redeem the Notes at any time, and the Company intends to call for redemption any Notes that remain outstanding following the Initial Settlement Date. Whether or not the Offer is consummated, the Company and its subsidiaries or affiliates may from time to time acquire Notes other than pursuant to the Offer through open market or privately negotiated transactions, tender offers, exchange offers, optional redemption transactions or otherwise, in each case upon terms and conditions and at such prices as we may determine, which may or may not differ materially from the terms of the Offer and could be for cash or other consideration.

Subject to the results of the Offer, we currently intend to send a notice of redemption to the Trustee and the Holders of any outstanding Notes immediately following the Initial Settlement Date in accordance with the terms and conditions set forth on the Fifth Supplemental Indenture, after giving effect to the Proposed Amendment, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion. This statement of intent shall not constitute a notice of redemption under the Fifth Supplemental Indenture. We, however, may decide not to send such notice of redemption, and Holders not participating in the Offer will continue to hold an investment in the Notes.

Adverse Effects of the Proposed Amendment on Unpurchased Notes

If the Proposed Amendment becomes operative, Notes that are not tendered and purchased pursuant to the Offer will remain outstanding and will be subject to the terms of the Fifth Supplemental Indenture, as modified by the Ninth Supplemental Indenture. As a result of the adoption of the Proposed Amendment, the Fifth Supplemental Indenture will be amended with respect to the Notes to amend the notice provision for optional redemptions. Following the adoption and implementation of the Proposed Amendment, Holders of the Notes not tendered will no longer be entitled to the benefits of the previous notice provision, even though such Holders did not consent to the Proposed Amendment. The Proposed Amendment will only apply to the Notes and will not apply to any other series of debt securities issued from time to time under the Base Indenture. See “Proposed Amendment.”

Limited Trading Market

Holders are urged to contact their brokers with respect to current information regarding the Notes. To the extent that Notes are tendered and accepted in the Offer, any existing trading market for the remaining Notes may become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. The reduced float may also make the trading price of the Notes that are not tendered and accepted for purchase more volatile. Consequently, the liquidity, market value and price volatility of Notes that remain outstanding may be adversely affected. Holders of unpurchased Notes may attempt to obtain quotations for the Notes from their brokers; however, we cannot assure you that any trading market will exist for the Notes following consummation of the Offer. The extent of the public market for the Notes following consummation of the Offer will depend upon the number of Holders remaining at such time, the interest in maintaining a market in such Notes on the part of securities firms and other factors.

Valuation Risk

The consideration offered to purchase the Notes does not reflect any independent valuation of the Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Offer. The Company has not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration offered for the Notes. If a Holder tenders Notes, such Holder may or may not receive more or as much value than if it chose to keep them.

PROPOSED AMENDMENT

Modification of Certain Provisions in the Fifth Supplemental Indenture with respect to the Notes (and related references in such Notes). The Proposed Amendment consists of an amendment to the Fifth Supplemental Indenture and the Notes to modify and reduce the notice periods applicable to an optional redemption. **The Proposed Amendment will not affect any of the Company's existing securities that are not the subject of the Offer. The notice periods applicable to an optional redemption of any other series issued from time to time under the Base Indenture will not be affected by the Proposed Amendment.**

It is expected that the Ninth Supplemental Indenture will be executed and become effective promptly following the Consent Payment and Withdrawal Deadline, *provided* that the Requisite Consents sought pursuant to the Consent Solicitation are obtained. The Proposed Amendment will become operative concurrently with the execution of the Ninth Supplemental Indenture, provided that all the Notes validly tendered on or prior to the Consent Payment and Withdrawal Deadline and not validly withdrawn that are accepted for purchase are purchased pursuant to the Offer, whereupon the Proposed Amendment will apply to all Notes remaining outstanding.

If the Proposed Amendment is adopted and the Offer is completed, the Notes that are not tendered, or that are not accepted for purchase pursuant to the Offer, will remain outstanding but will be subject to the terms of the Fifth Supplemental Indenture, as modified by the Ninth Supplemental Indenture.

The Proposed Amendment will, if adopted, modify:

- Section 203(b) to the Fifth Supplemental Indenture – Forms; Terms and Conditions in Forms. – Form of Reverse of Note (delete “upon not less than 30 nor more than 60 days” and replace with the following “upon not less than three Business Days nor more than 60 days”)
- Section 701 to the Fifth Supplemental Indenture (delete in its entirety and replace with the following: “Each series of Notes may be redeemed at the option of the Company on the terms and conditions set forth in the form of Note as set forth in Section 203(b) of this Fifth Supplemental Indenture and in accordance with Article Eleven of the Base Indenture, modified with respect to the Notes only as follows:
 - (a) The election of the Company to redeem any Securities shall be evidenced by a Board Resolution. In case of any redemption at the election of the Company of the Securities of any series, the Company shall, at least 3 Business Days prior to the Redemption Date fixed by the Company, notify the Trustee in writing of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. Such notice, once given to the Trustee, shall be irrevocable;
 - (b) Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than three Business Days nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.”)

The Notes will also be deemed to be amended to delete or amend all provisions inconsistent with the Fifth Supplemental Indenture that are affected by the Proposed Amendment.

The valid tender by a Holder of Notes pursuant to the Offer will be deemed to constitute the valid delivery of a Consent by such Holder to the Proposed Amendment and the Fifth Supplemental Indenture. Holders who tender Notes following the Consent Payment and Withdrawal Deadline, however, will not be eligible to receive the Consent Payment. The Company is not soliciting and will not accept Consents from Holders who are not tendering their Notes pursuant to the Offer.

ACCEPTANCE FOR PURCHASE AND PURCHASE FOR NOTES; ACCEPTANCE OF CONSENTS

Upon the terms and subject to the conditions of the Offer and the Consent Solicitation (including if the Offer and the Consent Solicitation are extended or amended, the terms and conditions of any such extension or amendment) and applicable law, the Company will accept for purchase all Notes validly tendered (and not validly withdrawn), including the Consents delivered and not validly revoked, on or prior to the Consent Payment and Withdrawal Deadline promptly thereafter, and will accept for purchase all Notes validly tendered after the Consent Payment and Withdrawal Deadline but on or prior to the Offer Expiration Time promptly thereafter. For purposes of the Offer, validly tendered Notes (or defectively tendered Notes for which the Company has waived such defect) will be deemed to have been accepted for purchase by the Company if, as and when the Company gives oral notice (promptly confirmed in writing) or written notice thereof to the Tender Agent. For purposes of the Consent Solicitation, Consents validly delivered to the Tender Agent will be deemed to have been accepted by the Company if, as and when the Company gives oral notice (promptly confirmed in writing) or written notice thereof to the Tender Agent or if, as and when the Company and the Trustee execute the Ninth Supplemental Indenture promptly after the Consent Payment and Withdrawal Deadline.

For Notes that have been validly tendered on or prior to the Consent Payment and Withdrawal Deadline and not validly withdrawn and that are accepted for purchase, payment of the Total Consideration and the accrued and unpaid interest on the Notes, from and including the last interest payment date to, but not including, the Initial Settlement Date, and Additional Amounts, if any, will occur on the Initial Settlement Date, which is expected to be the second business day following the Consent Payment and Withdrawal Deadline, or January 22, 2020, assuming all conditions to the Offer have been satisfied or waived. For Notes that have been validly tendered after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time and that are accepted for purchase, payment of the Purchase Price (namely, the Total Consideration *minus* the Consent Payment), the accrued and unpaid interest on the Notes, from and including the last interest payment date to, but not including, the Final Settlement Date, and Additional Amounts, if any, will occur on the Final Settlement Date, which is expected to be the second business day following the Offer Expiration Time, or February 5, 2020, assuming all conditions to the Offer have been satisfied or waived.

The Company expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for purchase or purchase of Notes in order to comply, in whole or in part, with any applicable law. See “Conditions to the Offer and Consent Solicitation.”

The Tender Agent will instruct the Company to deposit funds with DTC to transmit such payment to tendering Holders. Under no circumstances will interest on the Total Consideration or Purchase Price, as applicable, be paid by the Company by reason of any delay on behalf of the Tender Agent or DTC in making such payment.

In all cases, assuming the satisfaction or waiver of all conditions to the Offer, payment by the Tender Agent or DTC to Holders of the Total Consideration or Purchase Price, as applicable, will be made only after timely receipt by the Tender Agent of (i) timely confirmation of a book-entry transfer of such Notes into the Tender Agent’s account at DTC pursuant to the procedures set forth under “Procedures for Tendering Notes and Delivering Consents” and (ii) a properly transmitted Agent’s Message.

If any tendered Notes are not purchased pursuant to the Offer for any reason, or certificates are submitted evidencing more Notes than are tendered, such Notes not purchased will be credited to the account maintained at DTC from which such Notes were delivered promptly following the Offer Expiration Time or termination of the Offer.

The Company reserves the right to transfer or assign, in whole at any time or in part from time to time, to one or more of its affiliates, the right to purchase Notes tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Company of its obligations under the Offer or prejudice the rights of tendering Holders to receive the Total Consideration or Purchase Price, as applicable, pursuant to the Offer and the Consent Solicitation.

PROCEDURES FOR TENDERING NOTES AND DELIVERING CONSENTS

Holders will not be eligible to receive the Total Consideration unless they BOTH tender their Notes pursuant to the Offer AND deliver their Consents to the Proposed Amendment (and not validly withdraw such tenders or revoke such Consents) pursuant to the Consent Solicitation on or prior to the Consent Payment and Withdrawal Deadline. The tender of Notes pursuant to the Offer and in accordance with the procedures described below will constitute (i) a tender of the Notes and (ii) the delivery of a Consent by such Holder. The Company is not soliciting and will not accept Consents to the Proposed Amendment from Holders who are not tendering their Notes pursuant to the Offer, and will not accept tenders of Notes from Holders who do not deliver the Consent pursuant to the Consent Solicitation. Holders who tender after the Consent Payment and Withdrawal Deadline will be eligible to receive only the Purchase Price. Notes may be tendered and consents may be delivered only in minimum denominations of \$150,000 principal amount and integral multiples of \$2,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Notes must continue to hold Notes in the minimum denomination of \$150,000 principal amount and integral multiples of \$2,000 in excess thereof.

Tender of Notes and delivery of Consents through DTC and any acceptance of an Agent's Message transmitted through ATOP is at the risk of the person tendering Notes and delivering Consents, and will be deemed made only when actually received by the Tender Agent.

There is no consent and letter of transmittal in connection with the Offer and Consent Solicitation. The valid electronic tender of Notes in accordance with DTC's ATOP procedures shall constitute a tender of Notes and delivery of Consents pursuant to the Offer.

The Trustee has informed the Company that all custodians and beneficial Holders of the Notes hold their Notes through DTC accounts and that there are no physical Notes in non-global form. If a Holder believes that such Holder is holding Notes in physical form, the Holder may tender such Notes pursuant to the terms of the Offer through the Tender Agent. Non-DTC participants should request that their custodian bank tender their Notes through DTC on their behalf. There are no guaranteed delivery procedures provided by the Company in connection with the Offer.

Tender of Notes and Delivery of Consents. The tender by a Holder of Notes and delivery of Consents (and subsequent acceptance of such tender of Notes and delivery of Consents by the Company) pursuant to one of the procedures set forth below will constitute a binding agreement between such Holder and the Company.

Tender of Notes Held Through a Custodian. Any beneficial owner whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender Notes and deliver Consents should contact its nominee promptly and instruct such nominee to tender Notes and deliver Consents on such beneficial owner's behalf. As only Holders are authorized to tender Notes through DTC, beneficial owners of Notes that are held in the name of a custodian must contact such entity sufficiently in advance of the Consent Payment and Withdrawal Deadline or the Offer Expiration Time if they wish to tender their Notes and be eligible to receive the Total Consideration or Purchase Price, as applicable.

Tender of Notes Held Through DTC. To effectively tender Notes (and deliver the Consents) that are held through DTC, DTC participants should electronically transmit their acceptance through ATOP (and thereby tender Notes), for which the transaction will be eligible. Upon receipt of such participant's acceptance through ATOP, DTC will edit and verify the acceptance and send an Agent's Message to the Tender Agent for its acceptance. Delivery of tendered Notes must be made to the Tender Agent pursuant to the book-entry delivery procedures set forth below.

Except as provided below, unless the Notes being tendered are deposited with the Tender Agent on or prior to the Consent Payment and Withdrawal Deadline or on or prior to the Offer Expiration Time, as the case may be (accompanied by a properly transmitted Agent's Message), the Company may, at its option, treat such tender as defective for purposes of the right to receive the Total Consideration or Purchase Price, as applicable. Payment for the Notes will be made only against deposit of the tendered Notes and delivery of any other required documents.

A DTC participant using ATOP may validly deliver a Consent through ATOP with respect to Notes transferred through ATOP. Any DTC participant which has Notes credited to its DTC account at any time (and thereby held of record by DTC's nominee) may directly provide a Consent to the Proposed Amendment as though it were the registered Holder by having transmitted an Agent's Message.

The deadlines set by DTC for the submission and withdrawal of an electronic tender of Notes in accordance with ATOP procedures (the "Electronic Instructions") may be earlier than the relevant deadlines specified in this Statement.

Book-Entry Delivery Procedures. The Tender Agent will establish an account with respect to the Notes at DTC for purposes of the Offer within two business days after the date of this Statement, and any financial institution that is a participant in DTC may make book-entry delivery of the Notes by causing DTC to transfer such Notes into the Tender Agent's account in accordance with DTC's procedures for such transfer. However, although delivery of Notes may be effected through book-entry transfer into the Tender Agent's account at DTC, an Agent's Message in connection with a book-entry transfer, and any other required documents, must, in any case, be transmitted to and received by the Tender Agent at one or more of its addresses set forth on the back cover of this Statement on or prior to the Consent Payment and Withdrawal Deadline or the Offer Expiration Time, as the case may be, in connection with the tender of such Notes. Holders who tender Notes after the Consent Payment and Withdrawal Deadline and on or prior to the Offer Expiration Time will only be eligible to receive the Purchase Price and will not be entitled to the Consent Payment. **Delivery of documents to DTC or to the Trustee does not constitute delivery to the Tender Agent.** The confirmation of a book-entry transfer into the Tender Agent's account at DTC as described above is referred to in this Statement as a "Book-Entry Confirmation." The term "Agent's Message" means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from each participant in DTC tendering the Notes and delivering Consents that such participants have received and agree to be bound by the terms of the Offer as set forth in this Offer to Purchase and Consent Solicitation and that the Company may enforce such agreement against such participants.

Holders who tender Notes on or prior to the Consent Payment and Withdrawal Deadline (and do not validly withdraw such tender and revoke such Consent on or prior to the Consent Payment and Withdrawal Deadline) will be eligible to receive the Total Consideration, which will include the Consent Payment, *plus* accrued and unpaid interest up to, but not including, the Initial Settlement Date, and Additional Amounts, if any. Holders who tender Notes after the Consent Payment and Withdrawal Deadline and on or before the Offer Expiration Time will be eligible to receive only the Purchase Price, *plus* accrued and unpaid interest up to, but not including, the Final Settlement Date, and Additional Amounts, if any, but will not be entitled to receive the Consent Payment. Notwithstanding any other provision hereof, payment of the Total Consideration or the Purchase Price, as applicable, for Notes tendered and accepted for purchase pursuant to the Offer will, in all cases, be made only after Book-Entry Confirmation of the transfer of such Notes into the Tender Agent's account at DTC as described above and a properly transmitted Agent's Message.

Determination of Validity. **All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tendered Notes or delivery of Consents pursuant to any of the procedures described above will be determined by the Company in the Company's sole discretion (whose determination shall be final and binding).** The Company expressly reserves the absolute right, in its sole discretion, subject to applicable law, to reject any or all tenders of any Notes or delivery of Consents determined by it not to be in proper form or, in the case of tenders of Notes, if the acceptance for purchase or purchase of such Notes may, in the opinion of the Company's counsel, be unlawful. The Company also reserves the absolute right, in its sole discretion, subject to applicable law, to waive any defect or irregularity in any tender with respect to Notes or delivery of Consents of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. The Company's interpretation of the terms and conditions of the Offer and Consent Solicitation will be final and binding. **None of the Company, the Dealer Manager, the Tender Agent, the Information Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur any liability for failure to give any such notification. If the Company waives its right to reject a defective tender of Notes, the Holder will be entitled to the Total Consideration or, if applicable, the Purchase Price.**

WITHDRAWAL OF TENDERS AND REVOCATION OF CONSENTS

Tenders of Notes may be withdrawn and related Consents may be revoked at any time on or prior to the Consent Payment and Withdrawal Deadline. A valid withdrawal of tendered Notes effected on or prior to the Consent Payment and Withdrawal Deadline will constitute the concurrent valid revocation of such Holder's Consent. In order for a Holder to revoke a Consent on or prior to the Consent Payment and Withdrawal Deadline, such Holder must withdraw the tendered Notes. Tendered Notes may not be withdrawn and the Consents may not be revoked subsequent to the Consent Payment and Withdrawal Deadline. Accordingly, tenders made after the Consent Payment and Withdrawal Deadline will be irrevocable.

Tenders of Notes will be validly withdrawn if the Offer is terminated without any Notes being purchased thereunder. In the event of a termination of the Offer (other than as a result of its consummation on the Offer Expiration Time and Final Settlement Date), the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holder, the Ninth Supplemental Indenture will not become operative and the related Consents will be deemed revoked. If the Offer or Consent Solicitation is amended prior to the Consent Payment and Withdrawal Deadline in a manner determined by the Company, in its sole discretion, to constitute a material adverse change to the Holders, the Company promptly will disclose such amendment and, if necessary, extend the Offer and Consent Solicitation for a period deemed by the Company to be adequate to permit Holders to withdraw their Notes and revoke their Consents. In addition, the Company may, if it deems appropriate, extend the Offer and Consent Solicitation for any other reason. If the Company makes a material change in the terms of the Offer or the information concerning the Offer or waives a material condition of the Offer, the Company will disseminate additional Offer materials and extend the Offer to the extent required by law.

In the case of Notes held through DTC, for a withdrawal of Notes, which will constitute the concurrent valid revocation of such Holder's Consent, to be effective, a Request Message (as defined below) must be received by the Tender Agent through ATOP on or prior to the Consent Payment and Withdrawal Deadline. In order to be valid, a notice of withdrawal must specify the name of the participant in the book-entry transfer facility whose name appears on the security position listing as the owner of such Notes, if different than the depositor, and the principal amount of Notes to be withdrawn. If Notes have been identified (through confirmation of book-entry transfer of such Notes) to the Tender Agent, the name and the account at the book-entry transfer facility to be credited with withdrawn Notes must also be furnished to the Tender Agent. The term "Request Message" means a message transmitted by DTC, which states that DTC has received a request for withdrawal from a DTC participant and identified the Notes to which such request relates.

Any permitted withdrawal of Notes and revocation of Consents may not be rescinded. Any Notes properly withdrawn will thereafter be deemed not validly tendered and any Consents revoked will be deemed not validly delivered for purposes of the Offer and Consent Solicitation, *provided, however*, that withdrawn Notes may be re-tendered and revoked Consents may be re-delivered by again following one of the appropriate procedures described herein at any time on or prior to the Offer Expiration Time; *provided, however*, that Holders who tender Notes after the Consent Payment and Withdrawal Deadline shall only be eligible to receive the Purchase Price (namely, the Total Consideration *minus* the Consent Payment).

If the Company extends the Offer or is delayed in its acceptance for purchase of the Notes or is unable to purchase Notes pursuant to the Offer for any reason, then, without prejudice to the Company's rights hereunder, tendered Notes may be retained by the Tender Agent on behalf of the Company and may not be withdrawn (subject to Rule 14e-1(c) under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the investor promptly after the termination or withdrawal of a tender offer), except as otherwise provided in this section.

All questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal and revocation of the Consents will be determined by the Company, in the Company's sole discretion (whose determination shall be final and binding). None of the Company, the Dealer Manager, the Tender Agent, the Information Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or revocation of the Consents, or incur any liability for failure to give any such notification.

CONDITIONS TO THE OFFER AND CONSENT SOLICITATION

Notwithstanding any other provisions of the Offer and the Consent Solicitation (or any extensions or amendments thereof) and in addition to (and not in limitation of) the Company's right to extend or amend the Offer and the Consent Solicitation as described in this Statement, the Company will not be required to accept for purchase or purchase any Notes tendered and may terminate the Offer at any time in its sole discretion and may, subject to Rule 14e-1(c) under the Exchange Act, postpone the acceptance of any Notes tendered pursuant to the Offer or delay the purchase of Notes accepted for purchase under the Offer if any of the following conditions has not been satisfied or waived by the Company:

- (1) the New Debt Offering has been consummated and the Company shall have sufficient funds to fund the Offer and the Consent Solicitation and any related fees and expenses (the "New Debt Condition");
- (2) there shall not have been any action taken or threatened, or any statute, rule, regulation, judgment, order, stay, decree or injunction promulgated, enacted, entered, enforced or deemed applicable to the Offer or Consent Solicitation by or before any court or governmental, regulatory or administrative agency or authority or tribunal, domestic or foreign, which (a) challenges the making of the Offer or Consent Solicitation or might directly or indirectly prohibit, prevent, restrict or delay the consummation of, or otherwise adversely affects in any material manner, the Offer or Consent Solicitation or (b) in the reasonable judgment of the Company, could materially adversely affect the business, financial condition, income, operations, properties, assets, liabilities or prospects of the Company or any of its subsidiaries or affiliates, taken as a whole, before and after giving effect to the Offer and Consent Solicitation; and
- (3) there shall not have occurred
 - (a) any general suspension of, shortening of hours for or limitation on prices for, trading in securities in the United States or Mexican securities or financial markets (whether or not mandatory),
 - (b) a material impairment in the trading markets for the Notes or securities generally,
 - (c) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Mexico (whether or not mandatory),
 - (d) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States or Mexico,
 - (e) any attack on, outbreak or escalation of hostilities or acts of terrorism directly or indirectly involving the United States or Mexico that would reasonably be expected to have a material, disproportionate effect on the Company's (or its affiliates') business, operations, condition or prospects relative to other companies in the same industry,
 - (f) any significant adverse change in the United States or Mexican securities or financial markets generally or in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof,
 - (g) an objection by the Trustee to the terms of the Offer or our ability to amend any provision of the Fifth Supplemental Indenture or the Notes as contemplated by the Consent Solicitation, or any other action by the Trustee that could, in our reasonable judgment, adversely affect the consummation of the Offer, or
 - (h) any other change or development, including a prospective change or development, in general economic, financial, monetary or market conditions that, in the Company's reasonable judgment, has or may have a material adverse effect on the market price or trading of the Notes or upon the value of the Notes to the Company (conditions (2) and (3) collectively, the "General Conditions").

The foregoing conditions are for our sole benefit and may be waived at any time prior to the Initial Settlement Date by us, in whole or in part, in our reasonable discretion. Neither you nor any other person who tenders Notes for purchase or delivers Consents will have the ability to prevent us from waiving a condition or will have the ability to withdraw Notes tendered or revoke consents delivered if we waive any of the foregoing conditions. We also have the right to determine whether or not any of the conditions were satisfied and to terminate or extend the Offer or the Consent Solicitation if any condition of the Offer or the Consent Solicitation was not satisfied. Our decision as to whether or not a condition was satisfied will be final and binding, and you will have no right to disagree with our conclusions.

After the Initial Settlement Date, our obligation to accept further valid tenders on or prior to the Offer Expiration Time will be conditioned only upon the satisfaction of the conditions described in clauses (2) and (3) above. Any determination made by the Company concerning an event, development or circumstance described or referred to above will be final and binding on all parties.

CERTAIN MEXICAN INCOME TAX CONSEQUENCES

This summary is based upon the federal income tax law of Mexico (*Ley del Impuesto Sobre la Renta*) in effect on the date of this Statement, which is subject to change, including retroactively. THIS SUMMARY IS NOT INTENDED TO BE TAX ADVICE TO ANY PARTICULAR HOLDER, WHICH CAN BE RENDERED ONLY IN LIGHT OF THAT HOLDER'S PARTICULAR TAX SITUATION. ACCORDINGLY, EACH HOLDER IS URGED TO CONSULT SUCH HOLDER'S TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE OFFER TO SUCH HOLDER, INCLUDING THE APPLICATION AND AVAILABILITY OF ANY TAX TREATY TO SUCH HOLDER. ALL HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

This summary of certain Mexican federal income tax considerations refers only to holders of Notes (i) that are not residents of Mexico for Mexican tax purposes and (ii) that do not hold Notes or a beneficial interest therein, through a permanent establishment for tax purposes in Mexico (any such non-resident holder, a "Foreign Holder"). For purposes of Mexican taxation, an individual is a resident of Mexico if he or she has established his or her domicile in Mexico, unless he or she has a place of residence in another country, in which case such individual will be considered a resident of Mexico for tax purposes if such individual has his or her center of vital interest in Mexico. An individual would be deemed to maintain his or her center of vital interests in Mexico if, among other things, (i) more than 50% of his or her total income for a calendar year results from Mexican sources, or (ii) his or her principal center of professional activities is located in Mexico. Mexican nationals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico and where his or her income is subject to a preferred tax regime as defined by Mexican law, will be considered Mexican residents for tax purposes during the fiscal year of the filing of notice of such residence change and during the following three fiscal years.

A legal entity is a resident of Mexico if it maintains the principal place of its management in Mexico or has established its effective management in Mexico.

A non-Mexican resident who acts in Mexico through a third party other than an independent agent will be considered to have established a permanent establishment in Mexico if such third party habitually concludes contracts or "plays a primary role in the conclusion of contracts" entered into by the non-Mexican resident and such contracts (i) are entered into on behalf of or in the name of the non-Mexican resident, (ii) relate to the sale of property rights or the rights of temporary use or enjoyment of property owned by such non-Mexican resident or as to which the non-Mexican resident enjoys certain rights, or (iii) compel the non-Mexican resident to provide a service.

A Mexican citizen is presumed to be a resident of Mexico unless such person can demonstrate the contrary. If a person has a permanent establishment for tax purposes in Mexico, such person shall be required to pay taxes in Mexico on income attributable to such permanent establishment in accordance with the Mexican federal income tax law.

Taxation of Foreign Holders that Participate in the Offer

Gains obtained from the Sale of the Notes Pursuant to the Offer.

Under Mexican federal tax laws, gains obtained by a Foreign Holder on the sale of the Notes pursuant to the Offer will be considered Mexican sourced interest income and, as such, will be subject to Mexican income tax withholding (as described below). The gain or loss obtained by a Foreign Holder will be determined by subtracting from the consideration received by the Foreign Holder (including the Consent Payment), the Foreign Holder's tax basis in the Notes. Generally, the Foreign Holder's tax basis in the Notes would be the amount paid by each Foreign Holder for such securities.

Interest Payments.

Under Mexican federal tax laws, payments of interest on the Notes (including gains derived from the sale of the Notes in the Offer that are treated as interest and Accrued Interest) made to a Foreign Holder are subject to Mexican withholding tax at a rate of 4.9%, given that the requirements under Article 166(II)(a) of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) have been satisfied.

Additional Amounts.

We have agreed, subject to specified exceptions and limitations, to pay Additional Amounts to Holders participating in the Offer to cover Mexican withholding taxes on interest payments (including gains derived from the sale of the Notes in the Offer that are treated as interest and the applicable Accrued Interest), such that the amount received by such holders after deduction of the withholding tax on interest payments (including gains treated as interest with respect to the sale of the Notes tendered in the Offers and the applicable Accrued Interest) will equal the Total Consideration or Purchase Price, as applicable, and the Accrued Interest.

Other Taxes.

A Foreign Holder will not be liable for Mexican estate, gift, inheritance or similar taxes with respect to the sale of the Notes, nor will it be liable for any Mexican stamp, issue, registration or similar taxes.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax consequences of the Offer that may be relevant to a beneficial owner of Notes that is a citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes (a “U.S. Holder”), or in certain cases to a beneficial owner of Notes that is not a U.S. Holder (a “Non-U.S. Holder”). The summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. The discussion does not deal with special classes of Holders, such as dealers in securities or currencies, banks, financial institutions, insurance companies, tax-exempt organizations, entities classified as partnerships and the partners therein, nonresident alien individuals present in the United States for 183 days or more during the taxable year, persons holding Notes as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction or persons that have a functional currency other than the U.S. dollar. This discussion assumes that the Notes are held as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”).

The Company has not sought any ruling from the Internal Revenue Service (the “IRS”) with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with these statements and conclusions. In addition, the discussion does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation that may be relevant to a Holder. Accordingly, each Holder should consult its own tax advisor with regard to the Offer and the Consent Solicitation and the application of U.S. federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdictions, to its particular situation.

Sale of the Notes

Sales of Notes pursuant to the Offer by U.S. Holders will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, a U.S. Holder selling Notes pursuant to the Offer will recognize capital gain or loss in an amount equal to the difference between the amount of cash received (other than amounts received attributable to accrued interest, which will be taxed as such) and the U.S. Holder’s adjusted tax basis in the Notes sold at the time of sale. A U.S. Holder’s adjusted tax basis in a Note generally will equal the amount paid therefor, increased by the amount of any market discount previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Notes. Any gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period for the Notes on the date of sale was more than one year. Long-term capital gains of non-corporate U.S. Holders are subject to tax at a reduced rate. The deductibility of capital losses is subject to limitations.

In general, if a U.S. Holder acquired the Notes with market discount, any gain realized by a U.S. Holder on the sale of the Notes will be treated as ordinary income to the extent of the portion of market discount that has accrued while the Notes were held by the U.S. Holder, unless the U.S. Holder has elected to include market discount in income currently as it accrues.

Consent Payment

The U.S. federal income tax treatment of the Consent Payment is unclear. We intend to treat the Consent Payment as part of the cash consideration received by a U.S. Holder in exchange for the U.S. Holder's Note. That amount should therefore be treated as sales proceeds, as discussed above. It is possible, however, that the IRS may take the position that the Consent Payment is not part of the cash consideration received by a U.S. Holder in exchange for the U.S. Holder's Note but rather that the Consent Payment is a separate amount payable for consenting to the amendments, which may be treated as a fee or as additional interest on the Notes. In that case, the Consent Payment would be taxable as ordinary income to the U.S. Holder.

Non-Tendering Holders

The tax treatment of a non-tendering U.S. Holder following the Proposed Amendments will depend upon whether the modification of the debt instruments results in a "deemed" exchange for U.S. federal income or withholding tax purposes. Under general principles of federal income tax law, the modification of a debt instrument creates a deemed exchange upon which gain or loss is realized if the modified debt instrument differs materially either in kind or in extent from the original debt instrument (a "significant modification"). A modification of a debt instrument that is not a significant modification does not create a deemed exchange. Under applicable regulations, the modification of a debt instrument is a significant modification if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively (other than modifications which are subject to special rules), the legal rights or obligations that are altered and the degree to which they are altered are "economically significant." The applicable regulations provide that a modification that adds, deletes or alters customary accounting or financial covenants is not a significant modification.

In the case of a U.S. Holder who does not tender its notes pursuant to the Offer, the adoption of the Pending Amendments should not cause a deemed exchange of the Note because the Pending Amendments should not constitute a significant modification to the terms of the notes for U.S. federal income tax purposes. Accordingly, a U.S. Holder who does not tender its Notes pursuant to the Offer should not recognize any gain or loss, for U.S. federal income tax purposes, upon the adoption of the Pending Amendments and should have the same adjusted tax basis and holding period in the Notes after the adoption of the Pending Amendments that the U.S. Holder had in the Notes immediately before the adoption.

Information Reporting and Backup Withholding

A U.S. Holder who tenders its Notes may be subject to backup withholding unless the U.S. Holder (i) is a corporation or comes within certain other exempt categories and demonstrates this fact, or (ii) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The amount of any backup withholding with respect to the tender of Notes will be allowed as a credit against the U.S. Holder's federal income tax liability and may entitle the U.S. Holder to a refund, *provided* that the required information is furnished to the IRS. In order for a holder who is not a U.S. Holder to qualify for exemption from backup withholding, the holder generally may be required to submit an IRS Form W-8BEN or W-8BEN-E or other applicable IRS Form W-8, signed under penalties of perjury, attesting to that holder's non-U.S. status.

THE DEALER MANAGERS, THE TENDER AGENT AND THE INFORMATION AGENT

BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC have been engaged to act as dealer managers and solicitation agents in connection with the Offer and the Consent Solicitation, respectively. In such capacity, the Dealer Managers may contact Holders regarding the Offer and the Consent Solicitation and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Statement and related materials to beneficial owners of Notes.

The Company has agreed to indemnify the Dealer Managers against certain liabilities, including certain liabilities under the federal securities laws. The Dealer Managers and their respective affiliates have provided in the past, and are currently providing, other investment banking and financial advisory services to the Company and its affiliates, for which services they received or will receive customary compensation. In particular, the Dealer Managers are acting as underwriters in the New Debt Offering. From time to time in the future, the Dealer Managers may provide services to the Company or its affiliates.

At any given time, the Dealer Managers, in the ordinary course of their business, may make markets in the Company's securities and, as a result, from time to time, may trade the Notes for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Notes. In addition, in the ordinary course of their business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Dealer Managers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Dealer Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Dealer Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Any Holder that has questions concerning the terms of the Offer or the Consent Solicitation may contact the Dealer Managers at their addresses and telephone numbers set forth on the back cover of this Statement.

Global Bondholder Services Corporation has been appointed as Tender Agent for the Offer and the Consent Solicitation. All correspondence in connection with the Offer and the Consent Solicitation should be sent or delivered by each Holder or a beneficial owner's broker, dealer, commercial bank, trust company or other nominee to the Tender Agent at the address and telephone number set forth on the back cover of this Statement. Any Holder or beneficial owner that has questions concerning the procedures for tendering Notes or whose Notes have been mutilated, lost, stolen or destroyed should contact the Tender Agent at the addresses and telephone number set forth on the back cover of this Statement.

Global Bondholder Services Corporation has been appointed as Information Agent for the Offer and the Consent Solicitation. Questions and requests for assistance or additional copies of this Statement may be directed to the Information Agent at the address and telephone numbers set forth on the back cover of this Statement. Holders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer and Consent Solicitation.

None of the Dealer Managers, the Tender Agent, the Trustee nor the Information Agent assumes any responsibility for the accuracy or completeness of the information concerning the Company or its affiliates or the Notes contained or referred to in this Statement (except to the extent they have provided such information to the Company) or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information.

FEES AND EXPENSES

The Company will pay the Dealer Managers and Solicitation Agents, the Tender Agent and the Information Agent customary fees for their services and will reimburse them for their reasonable and documented out-of-pocket expenses in connection therewith. The Company will pay brokerage firms and other custodians, nominees and fiduciaries the reasonable and documented out-of-pocket expenses incurred by them in forwarding copies of this Statement and related materials to the beneficial owners of Notes.

MISCELLANEOUS

The Offer and the Consent Solicitation are being made to all Holders of the Notes. The Company is not aware of any jurisdiction in which the making of the Offer and the Consent Solicitation is not in compliance with applicable law. In any jurisdiction in which the Offer or the Consent Solicitation are required to be made by a licensed broker or dealer, they shall be deemed to be made by the Dealer Managers on behalf of the Company. If the Company becomes aware of any jurisdiction in which the making of the Offer and the Consent Solicitation would not be in compliance with applicable law, the Company will make a good faith effort to comply with any such law. If, after such good faith effort, the Company cannot comply with any such law, the Offer and the Consent Solicitation will not be made to (nor will tenders of Notes and delivery of Consents be accepted from or on behalf of) the owners of Notes residing in such jurisdiction.

No person has been authorized to give any information or make any representation on behalf of the Company not contained in this Statement and, if given or made, such information or representation must not be relied upon as having been authorized.

SCHEDULE I

Formula for Determining Total Consideration and Purchase Price for the Notes

- YLD = The sum of (A) the Reference Yield on the Reference Security, as calculated by any of the Dealer Managers in accordance with standard market practice, based on the bid-side price of the Reference Security at 11:00 a.m., New York City time, on the Price Determination Date, as displayed on the Bloomberg Government Pricing Monitor Page PX5 or any recognized quotation source selected by the Dealer Managers in their sole discretion if the Bloomberg Government Pricing Monitor is not available or is manifestly erroneous, *plus* (B) 20 basis points, expressed as a decimal number.
- CPN = The contractual annual rate of interest payable on the Notes expressed as a decimal number.
- N = The number of remaining scheduled semi-annual interest payments from (but not including) the Initial Settlement Date to (and including) the Maturity Date.
- S = The number of days from and including the semi-annual interest payment date immediately preceding the Initial Settlement Date up to, but not including, the Initial Settlement Date. The number of days is computed using the 30/360 day-count convention.
- exp = Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp”
- CP = Consent Payment of \$30.00 per \$1,000 principal amount of Notes
- Σ = Summate. The term to the right of the summation symbol is separately calculated “N” times (substituting for “k” in that term each whole number between 1 and N, inclusive), and the separate calculations are then added together.

$$\text{Accrued Interest} = \$1,000(\text{CPN}/2)(\text{S}/180)$$

Total Consideration = For each \$1,000 principal amount of the Notes,

- (i) the present value on the Initial Settlement Date of (x) \$1,000, the principal amount payable on the Maturity Date, and (y) all scheduled interest payments on the Notes from the Initial Settlement Date up to and including the Maturity Date, in each case discounted on the basis of a yield to maturity equal to the sum of (a) the Reference Yield on the Reference Security, as calculated by any of the Dealer Managers in accordance with standard market practice, based on the bid-side price of the Reference Security at 11:00 a.m., New York City time, on the Price Determination Date, as displayed on the Bloomberg Government Pricing Monitor Page PX5 or any recognized quotation source selected by the Dealer Managers in their sole discretion if the Bloomberg Government Pricing Monitor is not available or is manifestly erroneous, *plus* (b) 20 basis points, *minus*

- (ii) the Accrued Interest,

such price being rounded to the nearest \$0.01 per \$1,000 principal amount of the Notes. The amount referred to in the preceding clause (i) includes the Consent Payment.

Formula for Total Consideration for Notes

$$Total\ Consideration = \left[\frac{\$1000}{\left(\left(1 + \frac{YLD}{2} \right)^{N - \frac{S}{180}} \right)} \right] + \sum_{k=1}^N \left[\frac{\left[\$1000 \left(\frac{CPN}{2} \right) \right]}{\left(\left(1 + \frac{YLD}{2} \right)^{k - \frac{S}{180}} \right)} \right] - \$1000 \left(\frac{CPN}{2} \right) \left(\frac{S}{180} \right)$$

Purchase Price = The Purchase Price is equal to the Total Consideration *minus* the Consent Payment, such price being rounded to the nearest \$0.01 per \$1,000 principal amount of the Notes.

Formula for Purchase Price = Total Consideration – CP

The Tender Agent and Information Agent for the Offer and the Consent Solicitation is:

Global Bondholder Services Corporation

65 Broadway Suite 404
New York, New York 10006
Attn: Corporate Actions
Email: contact@gbsc-usa.com

By facsimile:
(For Eligible Institutions only)
(212) 430-3775

Banks and Brokers call: (212) 430-3774
Toll free (866) 794-2200

Confirmation:
(212) 430-3774

By Mail:
65 Broadway Suite 404
New York, New York 10006

By Overnight Courier:
65 Broadway Suite 404
New York, New York 10006

By Hand:
65 Broadway Suite 404
New York, New York 10006

Any questions or requests for assistance or additional copies of this Statement may be directed to the Information Agent at the telephone numbers and address listed above. A Holder may also contact the Dealer Managers at their addresses or telephone numbers set forth below or such Holder's broker, dealer, commercial bank or trust company or nominee for assistance concerning the Offer and the Consent Solicitation.

The Dealer Managers for the Offer and the Solicitation Agents for the Consent Solicitation are:

BofA Securities, Inc.
One Bryant Park, 9th Floor
New York, New York 10036
Attn: Liability Management Group
Collect: +1 (646) 855-8988
U.S. Toll Free: +1 (888) 292-0070

Citigroup Global Markets Inc.
388 Greenwich Street, 7th Floor
New York, New York 10013
Attention: Liability Management Group
Collect: +1 (212) 723-6106
U.S. Toll-Free: +1 (800) 558-3745

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282
Attention: Liability Management
Collect: +1 (212) 357-1452
U.S. Toll Free: +1 (800) 828-3182