



Earnings Release



ARCA

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FOURTH QUARTER AND FULL YEAR 2005 RESULTS

- Total sales volume grew 6.8% in 4Q05 vs. 4Q04.
- Operating income increased 11% to Ps. 501 million in 4Q05.
- Operating margin rose from 13.6% in 4Q04 to 14.2% in 4Q05.

Fourth Quarter 2005 (4Q05) Highlights:

- In 4Q05, total sales volume¹ increased 6.8% to 106.4 million unit cases ("MUC"), compared to 99.6 MUC in 4Q04.
- Net sales were Ps. 3,527 million in 4Q05, an increase of 5.7% when compared to 4Q04.
- Operating income² increased 10.7% to Ps. 500.8 million, representing a margin of 14.2%.
- EBITDA^{2,3} reached Ps. 665 million, 2.2% higher than in 4Q04, representing an EBITDA margin of 18.9%.

Full Year 2005 (FY05) Highlights:

- Total sales volume¹ increased 4.5% to 436 MUC.
- Net sales rose 2.2% to Ps. 14,647 million.
- Operating income² in FY05 increased by 9.7% when compared to FY04, to Ps. 2,774 million, representing an operating margin of 18.9%.
- EBITDA^{2,3} reached Ps. 3,443 million, 3.8% higher than in FY04, representing an EBITDA margin of 23.5%.

¹Total sales volume includes soft drinks and single serve water. It does not include jug water.

²Excluding non-recurring expenses

³Operating Profit + Depreciation + Goodwill Amortization



Monterrey, Mexico, February 21, 2006 – Embotelladoras Arca, S.A. de C.V. (“Arca” or “the Company”) (BMV: ARCA), the second-largest *Coca-Cola* bottler in Mexico and Latin America, announced today its unaudited results for the fourth quarter and full-year periods ended December 31, 2005. All figures are expressed in thousands of constant Mexican pesos as of December 31, 2005.

Comments from the CEO

Mr. Francisco Garza Egloff, Arca’s Chief Executive Officer, stated, “Consumer loyalty and preference for our products and brands, as well as the resolve and performance of our people to better serve our clients with greater efficiency, allowed us to overcome the challenges and obtain positive results during 2005. The 4.5% sales volume growth in 2005 and the expansion of our operating margin from 17.7% in 2004 to 18.9% in 2005 are proof that our Company has a team of highly motivated people determined to overcome obstacles to quickly respond to market opportunities and consumer demands, through the right strategies.”

He added, “Our strategy of these last few years has enabled us to achieve outstanding results in 2005 despite increased competition. We have been focused on offering a wider range of products in order to satisfy the growing needs of our consumers who are becoming more selective in their consumption habits each day. Through these and various other initiatives executed throughout the year, we remain the product of choice of our clients and consumers, with significant increases in all our segments, including 2% in colas, 8% in diet and 7% in flavors. Exports, purified water and new categories are also growing at double-digit rates.”

“We will continue, on the one hand, developing new products and packages with The Coca-Cola Co. to meet the increasing demand for more presentation and flavor options. On the other hand, based on our price-package-promotion strategy, we will carry on the rollout of our “Revenue Growth Management” and “Sales Force Automation” projects in all of our territories in 2006 in order to preserve the value of our product portfolio,” concluded Mr. Garza-Egloff.

OPERATING RESULTS

Sales volume in 4Q05 rose 6.8% when compared to 4Q04, to 106.4 MUCs. Successful strategies implemented this period included: the launching of new products, the installation of additional vending machines and coolers, more favorable weather in the regions in which we operate, the introduction of new flavors and formats to satisfy the various needs of our clients and consumers, and several promotions implemented throughout the year. For the full year of 2005, total sales volume increased 4.5% to 435.6 MUCs.

During 4Q05, Arca launched the following products:

- In the cola segment, we introduced *Coca-Cola* in 1.25-liter glass returnable in Mazatlan at a price of Ps. 6.00. Also, in Coahuila we introduced the 16-ounce Christmas can at a price of Ps. 5.00 which gained wide acceptance among consumers.
- Joya in pineapple, punch and peach in 12 oz. returnable at Ps. 3.00 and 500-ml. returnable at Ps. 4.00, both in Saltillo, Monclova and Matehuala.
- Joya in Ciudad Juarez in 600-ml NR in various flavors.
- Manzana Lift Golden in 12-oz. cans and 600-ml. NR at Ps. 4.50 and Ps. 5.50, respectively, in Monterrey.



- SierrAzul purified water in 1-gallon was introduced in Mazatlan at Ps. 8.00 and in La Paz at Ps. 10.00. In Monclova and Matehuala, we introduced the 5-liter jug at Ps. 13.00.
- Minute Maid Revita in “Melondia” and “Limone” flavors in a 500-ml. presentation at Ps. 7.00 in all of Arca’s territories, and in “Marandu” flavor exclusively in the city of Monterrey.
- Peach Nestea in all of our territories in 400-ml. at Ps. 7.00.

Table 1. SALES SUMMARY (in '000 unit cases)

	Quarter			Twelve Months		
	4Q05	4Q04	Var. %	2005	2004	Var. %
Total Volume *	106,408	99,624	6.8%	435,567	416,877	4.5%

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

The average price per unit case in 4Q05 was Ps. 33.1, which represents a slight reduction compared to Ps. 33.5 reported in 4Q04. Towards the end of December of 2006 and at the beginning of 2006, we made selective price increases in the majority of our territories which will result in an expected average price increase of approximately 3%.

Table 2. SALES BY SEGMENT (in '000 unit cases)

	Quarter			Twelve Months		
	4Q05	4Q04	Var. %	2005	2004	Var. %
Colas	69,268	66,121	4.8%	283,831	277,657	2.2%
Diet Soft Drinks	6,964	6,394	8.9%	27,934	25,827	8.2%
Flavors*	26,439	24,490	8.0%	106,745	100,132	6.6%
Purified Water**	2,571	2,085	23.3%	13,441	10,797	24.5%
Other***	1,165	534	118.4%	3,615	2,464	46.7%
TOTAL	106,408	99,624	6.8%	435,567	416,877	4.5%

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

** Does not include 19-liter jug water presentations.

*** Includes sports drinks, juices, milks and teas.

During 4Q05, the **cola** segment increased 4.8% to 69.3 MUCs. The most significant actions taken to achieve this record result was the recent introduction of packages aimed at closing the price gap with our competitors, primarily in single serve presentations. For example, we expanded the availability of 1-liter NR in various cities as well as the 500 ml NR in practically all of the cities and channels in which we operate, including vending.

Furthermore, the 435-ml. glass returnable bottle with twistable plastic cap continues bringing favorable results in the border cities of Tamaulipas in the state of Coahuila, by offering a product with new attributes demanded by consumers. The 2.5-liter REF PET has also reached its goal of offering a product for the price sensitive bulk consumer in the cities of Monterrey and Chihuahua.

The **diet** category also increased, by 8.9%, during 4Q05 as a result of the growth in Coca-Cola Light and the strong performances of Topo Chico Sangria Light and Topo Chico Toronja.

The **flavors** segment grew 8.0% in 4Q05 thanks to the aforementioned expansion of the multi-flavor brand Joya to other Arca territories, and the addition of national brands such as Manzana Lift and Fresca to complement regional brands. Fanta and Sprite continued their strong performances in 4Q05 as well.

Topo Chico mineral water maintains its growth at a rate of 8% during 4Q05 thanks to its renowned quality and prestige as well as greater coverage, while its exports grew more than 36% in 4Q05.



Single-serve **purified water** rose 23.3% during 4Q05 due to the Company's incentive programs to drive these sales as well as greater demand generated by the favorable weather in the majority of our territories. Furthermore, in 4Q05 we began the gradual change in the labels of the Ciel products reflecting the new image of this purified water brand. The new design presents a fresher, rejuvenated image while differentiating us from our competition.

During 4Q05 the volume of **new categories** increased by over 100% mainly as a result of the strong performance of Powerade, the successful launch of Ciel Aquarius flavored water and the introduction of new flavors of Ciel Dasani water and Minute Maid in different formats.

Lastly, we will continue driving sales in the **purified jug water** segment, in which we expect to grow in those cities that present attractive volume and profit potential. To this end, we recently entered the jug water business in Monterrey from which we expect to grow and capture an important market share, particularly in home delivery service. Furthermore, in line with this strategy, we introduced the one gallon and 5-liter jug presentation, in certain cities.

During 4Q05, Arca executed various promotions directed at strategic market segments. Among these were:

- **“Every Day is the Day”**: A promotion aimed at mothers of the household whereby in exchange for 2 marked crown caps plus Ps. 5.00, consumers can purchase kitchen utensils. The third and final phase ended in October 2005, and most of the giveaways were distributed.
- **“Konec-T Coca-Cola”** (aimed mainly at the younger population): By registering the codes that appear on plastic caps at www.coca-cola.com.mx, participants accumulate points and qualify for prizes, and/or interact with virtual personalities, play soccer and chess on-line to win “morlacos” (points) which can be used to purchase cell phone ringtones, jerseys and music CDs, among other prizes. This promotion will be permanently available on the 600 ml. NR packages of *Coca-Cola*.
- **Christmas Promotion** - Through the exchange of 5 crown caps or twist caps plus Ps. 40, you receive 1 “Cachivache” or Coca-Cola brand figurines made from bric-a-brac (4 to choose from). This promotion was available on Coca-Cola and Coca-Cola Light products in 12-oz. and 500-ml. returnable, and 600-ml., 2.0-liter, 2.5-liter and 3-liter NR.

	Quarter				Twelve Months			
	4Q05	% of total	4Q04	% of total	2005	% of total	2004	% of total
Returnable (R)	39,511	37.1%	44,914	45.1%	175,756	40%	197,189	47%
Non returnable (NR)	66,897	62.9%	54,710	54.9%	259,810	60%	219,688	53%
Single serve	55,359	52.0%	52,270	52.5%	228,856	53%	226,829	54%
Multiple serve	51,049	48.0%	47,354	47.5%	206,711	47%	190,048	46%

We have implemented various strategies designed to protect single serve packages, which held a stable 52% share of the total mix in 4Q05. These strategies included greater penetration of vending machines and coolers, the launching of competitively priced presentations such as Coca-Cola 500 ml NR and 435-ml. glass returnable and the expansion of 1-liter NR into various territories. Furthermore, we have continued promotions to drive these products' sales including “Twist Off and Win” in 12-oz. returnable glass and “Konec-T Coca-Cola” as mentioned above for 600-ml. NR.



At the close of 2005, we had approximately 190,000 coolers in the marketplace, which represents a coverage rate of close to 90%. Furthermore, to renew and drive the vending channel, we placed over 4,000 new machines in 2005 to reach close to 11,500 units, net of replacements, making us the largest vending machine operator in Mexico. This channel contributed approximately 2% of total sales volume in 2005.

Our efforts in becoming a more efficient company each day continue yielded positive results. Productivity per employee (measured in terms of total sales volume divided by average number of employees) as well as per route both increased by 8% during 2005. Our outsourcing of primary transportation (tractor trailers and tow trucks) has yielded highly favorable results within the few months of its launch. The average load per truck doubled in 2005 while the number of tractor trailers was cut in half.

By better coordinating the various links in the supply chain, we have improved our client service indicators by delivering nearly 100% of pre-sale orders. In addition, the transportation costs of pre-forms and bottles continues to decline, despite the greater shift towards one-way products, thanks to the installation of additional blowing equipment. Our inventories of product available for sale as well as raw materials have also declined despite a greater amount of sales and SKUs.

In our information systems area, we successfully completed the first phase of SAP Business Warehouse, which improves our ability to measure profitability by product and channel more rapidly and efficiently. We also completed the first phase of the standardization of operating procedures in our commercial area in Chihuahua. Furthermore, we concluded the migration of all our basic system infrastructure to the EDS computer center as per the outsourcing project we implemented in June 2005. This project enables growth and reliability of our information systems, while giving us access to backup contingency systems. As for our Revenue Growth Management project, we finished implementing the Sales Force Automation system in Coahuila and expect to complete it in Chihuahua during 1Q06.

Mindful of our responsibility to the community, we have engaged in developmental activities such as training people with different skills to place them in jobs that benefit their community. We recently joined the "Congruence" movement made up of Mexico's leading companies. It's mission is to promote the socio-labor integration of people with different skills within companies, educational institutions and civic organizations. We also instituted a program called "Arca Volunteer", or "VOLAR", which encourages our employees to participate in non-profit organizations and contribute to a cause that benefits the underprivileged and/or society in general.

2006 Outlook

We expect our sales volume to grow approximately 3%. We also expect the selective price increases we recently passed to yield a weighted average increase of approximately 3% for the year, in nominal terms.

We have put together a third, additional cost and expense reduction program from which we expect to save Ps. 125 million annualized by the end of 2006. This new program will derive savings mainly through improved negotiations with vendors, lower transportation costs, greater efficiency in production combined with less waste and the relocation of production lines and distribution centers.

In terms of capital expenditures, we expect to invest close to US\$90 million in fixed assets, primarily to complete projects initiated in 2005 such as regular maintenance and replacement of assets, the installation of 16,500 additional coolers and 4,000 vending machines, increased capacity of one-way bottled products in the Eastern region, strategic land purchases and the construction of facilities for PET bottle blowing equipment.

FINANCIAL ANALYSIS

INCOME STATEMENT

Net sales for 4Q05 reached Ps. 3,526.8 million, an increase of 5.7% in real terms with respect to the Ps. 3,335.1 million recorded in 4Q04. The average price per unit case was Ps. 33.1 in 4Q05, representing a decrease of 1.0% in real terms with respect to 4Q04.

Cost of goods sold in 4Q05 increased by 5.0% with respect to 4Q04 to Ps. 1,867.6 million. This increase was principally due to the large increases in the prices of PET resin, which rose by an average of 10% (in pesos) compared to 4Q04, offset by a decrease of approximately 5.0% in the average price of sugar. The cost of goods sold per unit case was reduced by 1.7% from Ps. 17.9 in 4Q04 to Ps. 17.6 in 4Q05. Gross margin increased from 46.7% in 4Q04 to 47.0% in 4Q05.

During 4Q05 selling expenses rose 5.0% reaching Ps. 872.7 million, while administrative expenses grew 4.8% to Ps. 285.6 million. This increase is mainly due better than expected sales that resulted in higher commissions derived from a new compensation structure, higher performance bonuses to managers and directors, as well as costs associated with the launch of new products such as Minute Maid, Ciel Dasani and Ciel Aquarius, among others. On an accumulated basis, selling expenses decreased 1.8% reaching Ps. 3,372.6, while administrative costs were reduced by 12.6% to Ps. 960.1 million

As a result of the above, operating income for 4Q05 reached Ps. 500.8 million, an increase of 10.7% year-on-year. Operating margin went from 13.6% in 4Q04 to 14.2% in 4Q05. On an accumulated basis, operating income reached Ps. 2,774.4 million, an increase of 9.7% with respect to the same period of last year. Operating margin for 2005 was 18.9%, compared to 17.7% obtained in 2004.

EBITDA increased 2.2%, from Ps. 651.0 million in 4Q04 to Ps. 665.1 million in 4Q05, a margin of almost 19%. On an accumulated basis, EBITDA reached Ps. 3,442.8 million, representing an increase of 3.8% when compared to the Ps. 3,316.9 registered in 2004. EBITDA margin for 2005 was 23.5%, while in 2004 it totaled 23.1%.

During 4Q05, non-recurring expenses reached Ps. 2.8 million, mainly allocated towards personnel severance payments, compared to the Ps. 125.8 reported in 4Q04. On an accumulated basis, non-recurring expenses were Ps. 43.5 million compared to the Ps. 151.3 reported in 2004.

The integral cost of financing in 4Q05 was Ps. 3.1 million, compared to the Ps. 21.3 million registered in the same period of 2004. This is mainly due to a lesser exchange rate loss as a result of the appreciation of the exchange rate.

During 4Q05, other income of Ps. 68.5 million was reported compared to the Ps. 21.0 million registered during the same period of 2004. The rise in this figure is mainly a result of the refund of taxes corresponding to previous periods. For 2005, other income totaled Ps. 115.1 million, while in 2004, it totaled roughly Ps. 400 million. It is important to mention that the amount reported in 4Q04 includes the non-recurring income generated by the sale of the *Joya* brand to The Coca-Cola Company.

Provisions for income tax and employee profit sharing in 4Q05 were Ps. 77.0 million, while in 4Q04 there was a credit of Ps. 153.9 million. This credit was mainly due to the rate used for the calculation of deferred taxes, as well as the accelerated depreciation allowed for certain investments in fixed assets. On an accumulated basis, the ISR and PTU provision was Ps. 878.8 million, a 6.3% increase compared to the Ps. 826.6 million registered in 2004. The effective tax rate was 31.3% and 30.3% for 2005 and



2004, respectively.

Arca's net income for 4Q05 reached Ps. 486.2 million or Ps. 0.60 per share, compared to Ps. 480.4 million registered in 4Q04. On an accumulated basis, net income in 2005 was Ps. 1,934.8, or Ps. 2.40 per share, despite a one-time gain derived from the sale of Joya to The Coca-Cola Company in 2004.

BALANCE SHEET AND CASH FLOW STATEMENT

At December 31, 2005, Arca's cash balance was Ps. 1,949.9 million, and had debt of Ps. 1,542.4 million, resulting in a net cash position of Ps. 407.5 million.

Net operating cash flow decreased by 4.2% in 2005, despite extraordinary inflows generated by a one-time working capital reduction in 2004. Nonetheless, during 2005 inventory levels were significantly reduced, offset by an increase in accounts receivable from key customers such as convenience stores and supermarket chains.

During 2005, investment in fixed assets were Ps. 827.0 million, mainly allocated for maintenance, and the regular replacement of plant and equipment as well as the installation of vending machines, land acquisitions and equipment for the installation of injection and blowing facilities.

On November 15, 2005 Arca paid a dividend of approximately Ps. 685 million or Ps. 0.85 per share, corresponding to the extraordinary dividend declared at the Annual Ordinary Shareholders' Meeting, celebrated on November 3, 2005 in Ciudad Juarez, Chihuahua. In total, during 2005, the Company distributed approximately Ps. 1,330 million or Ps. 1.65 per share, representing one of the highest returns among companies listed on the Mexican Stock Exchange.

About Arca

Embotelladoras Arca, S.A. de C.V. produces and sells soft drinks under The Coca-Cola Company brand, proprietary brands and third-party brands. Arca was formed in 2001 through the merger of three of the oldest bottlers in Mexico and is now the second-largest bottler in Mexico and Latin America. The Company distributes its products in the northern region of Mexico mainly in the states of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, Sonora, Sinaloa, Baja California and Baja California Sur. Arca also exports Topo Chico brand products to the U.S.

For more information, visit ARCA's website at www.e-arca.com.mx.

Disclaimer

This material may contain forward-looking statements regarding Arca and its subsidiaries based on management's expectations. This information as well as statements regarding future events and expectations is subject to risks and uncertainties, as well as factors that could cause the results, performance and achievements of the Company to differ at any time. Such factors include changes in the general economic, political, governmental and commercial conditions both domestically and globally, as well as variations in interest rates, inflation rates, exchange rate volatility, tax rates, the demand for and the price of carbonated beverages, water and ice, taxes on and the price of sugar, the prices of raw materials used in the production of soft drinks, weather conditions and various others. As a result of these risks and factors, actual results could be materially differ from the estimates provided, therefore, Arca does not accept responsibility for any variations or for the information provided by official sources.



EMBOTELLADORAS ARCA, S. A. DE C. V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT

(in thousands of constant Mexican pesos as of December 31, 2005)

	4th. Quarter		January-December	
	2005	2004	2005	2004
NET SALES	3,526,786	3,335,115	14,646,950	14,329,121
COST OF SALES	<u>(1,867,640)</u>	<u>(1,778,895)</u>	<u>(7,539,899)</u>	<u>(7,266,541)</u>
GROSS PROFIT	1,659,145	1,556,220	7,107,051	7,062,580
	47.0%	46.7%	48.5%	49.3%
SELLING EXPENSES	(872,705)	(831,459)	(3,372,552)	(3,434,775)
ADMINISTRATIVE EXPENSES	<u>(285,649)</u>	<u>(272,460)</u>	<u>(960,109)</u>	<u>(1,098,481)</u>
OPERATING INCOME (excludes non-recurring expenses)	500,791	452,302	2,774,390	2,529,324
	14.2%	13.6%	18.9%	17.7%
NON-RECURRING EXPENSES	<u>(2,762)</u>	<u>(125,765)</u>	<u>(43,489)</u>	<u>(151,308)</u>
COMPREHENSIVE FINANCIAL RESULT:				
INTEREST EXPENSE, NET	11,010	11,521	10,580	(29,191)
EXCHANGE GAIN (LOSS)	(5,428)	(23,899)	(34,060)	(13,285)
MONETARY POSITION GAIN (LOSS)	<u>(8,657)</u>	<u>(8,949)</u>	<u>(14,818)</u>	<u>(3,562)</u>
	<u>(3,076)</u>	<u>(21,327)</u>	<u>(38,298)</u>	<u>(46,039)</u>
	494,954	305,210	2,692,603	2,331,977
OTHER INCOME (EXPENSE), NET	68,522	20,955	115,090	399,259
INCOME BEFORE THE FOLLOWING PROVISIONS:	563,475	326,165	2,807,693	2,731,236
	16.0%	9.8%	19.2%	19.1%
PROVISIONS FOR:				
INCOME ASSET TAX	(60,503)	130,541	(673,058)	(642,277)
EMPLOYEES' PROFIT SHARING	<u>(16,544)</u>	<u>23,356</u>	<u>(205,768)</u>	<u>(184,305)</u>
TOTAL PROVISIONS	<u>(77,047)</u>	<u>153,898</u>	<u>(878,826)</u>	<u>(826,582)</u>
EQUITY IN EARNINGS OF AFFILIATES AND MINORITY INTEREST	(252)	379	5,979	5,660
CONSOLIDATED NET INCOME	486,176	480,441	1,934,846	1,910,313
DEPRECIATION AND AMORTIZATION OF GOODWILL	164,325	198,662	668,367	787,593
EBITDA (excludes non-recurring expenses)	665,116	650,964	3,442,757	3,316,917
EBITDA MARGIN	18.9%	19.5%	23.5%	23.1%
Per Share Data:				
Net Income	0.60	0.60	2.40	2.37
Total number of shares outstanding ('000)	806,020	806,020	806,020	806,020



EMBOTELLADORAS ARCA, S. A. DE C. V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(in thousands of constant Mexican pesos as of December 31, 2005)

	as of December 31,	
	<u>2005</u>	<u>2004</u>
ASSETS		
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CURRENT ASSETS		
Cash & Cash Equivalents	1,949,869	1,843,711
Accounts receivable, net	523,445	459,405
Other accounts receivable	323,490	228,348
Inventories	866,679	966,224
Prepayments	58,101	49,421
Total Current Assets	3,721,584	3,547,109
ACCOUNTS RECEIVABLE - LONG TERM	223,547	298,303
INVESTMENT IN SHARES	124,606	111,140
PROPERTY, PLANT AND EQUIPMENT	7,880,057	7,754,754
GOODWILL, NET	2,102,071	2,085,481
OTHER ASSETS	156,838	156,257
TOTAL ASSETS	14,208,703	13,953,044
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LIABILITIES AND SHAREHOLDERS' EQUITY		
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CURRENT LIABILITIES		
Bank loans	11,139	12,056
Suppliers	647,627	602,082
Other accounts payable and expenses	532,483	621,865
Total Current Liabilities	1,191,249	1,236,003
LONG TERM BANK LOANS	1,531,242	1,595,859
PENSION PLANS AND SENIORITY PREMIUMS	119,119	143,175
DEFERRED INCOME TAX	1,039,761	1,115,638
TOTAL LIABILITIES	3,881,371	4,090,675
SHAREHOLDERS' EQUITY		
Capital Stock	4,980,409	4,976,064
Retained Earnings	3,412,077	2,975,993
Net Profit (Loss)	1,934,846	1,910,312
TOTAL SHAREHOLDERS' EQUITY	10,327,332	9,862,369
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14,208,703	13,953,044



**EMBOTELLADORAS ARCA, S. A. DE C. V. AND SUBSIDIARIES
CASH FLOW STATEMENT**

As of December 31, 2005

(in thousands of constant Mexican pesos as of December 31, 2005)

	<u>2005</u>	<u>2004</u>
NET INCOME	1,934,846	1,910,312
+ DEPRECIATION AND AMORT.	671,167	962,444
+ OTHER	(53,277)	(746,161)
+ PENSION PLANS AND SENIORITY PREMIU	(24,056)	(11,279)
= OPERATING CASH FLOW	2,528,680	2,115,316
- WORKING CAPITAL	190,742	(325,661)
= OPERATING CASH FLOW AFTER WORKING CAPITAL NEEDS	2,337,938	2,440,977
- DEBT AMORTIZATION	65,534	22,521
- CAPITAL EXPENDITURES (NET)	827,108	429,426
- DIVIDENDS PAID	1,348,039	1,270,791
- SHARE REPURCHASE PROGRAM	(8,901)	63,074
= OPERATING CASH FLOW AFTER FIN. AND INVESTING NEEDS	106,158	655,164
CASH BALANCE AT THE BEGINNING OF PERIOD	1,843,711	1,188,548
= CASH BALANCE AT THE END OF PERIOD	1,949,869	1,843,711