OFFERING MEMORANDUM

U.S.$100,000,000

The Central America Bottling Corporation

(incorporated with limited liability under the laws of the British Virgin Islands)

6.750% Senior Guaranteed Notes due 2022

The new notes will bear interest at the rate of 6.750% per year. Interest on the new notes is payable on February 9 and August 9 of each year, beginning on August 9, 2013. The new notes will mature on February 9, 2022. We may redeem some or all of the new notes at any time at the prices and as described under the caption "Description of Notes—Redemption."

The new notes will be additional notes issued under the indenture under which we initially issued and sold U.S.$200 million aggregate principal amount of notes on February 9, 2012 (the "initial notes"). The new notes will have identical terms and conditions as the initial notes, other than issue date, issue price and first interest payment date, and will constitute part of the same series as, and will vote together as a single class with, the initial notes. Upon consummation of this offering, the aggregate principal amount of our 6.750% Senior Guaranteed Notes due 2022 will be U.S.$300,000,000.

The new notes will be our unsecured senior obligations and will rank equally with all of our other unsecured senior indebtedness. The new notes will be fully and unconditionally guaranteed on an unsubordinated unsecured basis by certain of our subsidiaries.

We have applied to admit the new notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange. This offering memorandum constitutes a prospectus for the purposes of Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended.

Investing in the notes involves risks. See "Risk Factors" beginning on page 17.

The new notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. We are offering the new notes only to qualified institutional buyers under Rule 144A under the Securities Act and non-U.S. persons outside the United States in reliance on Regulation S of the Securities Act. For a description of certain restrictions on transfer of the new notes, see "Transfer Restrictions."

ANY OFFER OR SALE OF NOTES IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE "EEA") THAT HAS IMPLEMENTED DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE") MUST BE ADDRESSED TO QUALIFIED INVESTORS (AS DEFINED IN THE PROSPECTUS DIRECTIVE).

Issue Price: 109.147% plus accrued interest from February 9, 2013

Delivery of the new notes was made in book entry form only through The Depository Trust Company ("DTC") and its direct and indirect participants, including Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), against payment on May 13, 2013.

Sole Bookrunner

Citigroup

May 23, 2013

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This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any new notes by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation. Neither the delivery of this offering memorandum nor any sale made hereunder will under any circumstances imply that there has been no change in the affairs of CABCORP or the guarantors or that the information contained in this offering memorandum is correct as of any date subsequent to the date hereof.

In this offering memorandum, unless the context otherwise requires or unless specified otherwise, "CABCORP," the "Company," "we," "us," and "our" refer to The Central America Bottling Corporation and its consolidated subsidiaries; "PepsiCo" refers to PepsiCo Beverages International, Pepsi-Cola Metropolitan Bottling Company, Inc., PepsiCo, Inc., and/or Pepsi-Cola Interamericana S.A.; "AmBev" refers to Companhia de Bebidas das Americas and its subsidiary Monthiers, S.A.; "AmBev Centroamérica", formerly known as Cervecería Rio, refers to Industrias del Atlántico, S.A.; "Embotelladora La Mariposa" refers to Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A., Comercializadora Leo, S.A. de C.V. and Post-Mix de Centroamérica, S.A. de C.V.; "LivSmart" refers to LivSmart Holdings, S.A., LivSmartAméricas, S.A. de C.V., formerly known as Bon Appetit, S.A. de C.V. "Central American region" includes Guatemala, Southern Honduras (including Tegucigalpa, the capital), Nicaragua and El Salvador. "Caribbean region" includes Puerto Rico, Jamaica, Trinidad & Tobago and Barbados and "South American region" includes Ecuador.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the securities described in this offering memorandum and may be used solely for the purpose for which it has been prepared. You are authorized to use this offering memorandum solely for the purpose of considering the purchase of our new notes. Distribution of this offering memorandum to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. This restriction applies to investors outside of Luxembourg. For Luxembourg listing purposes, this offering memorandum is freely obtainable.

Each prospective purchaser of new notes acknowledges that (1) it has been afforded an opportunity to request from CABCORP and to review, and has received, all additional information considered by such purchaser to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum, (2) it has not relied on Citigroup Global Markets Inc. (the "Initial Purchaser") or any person affiliated with the Initial Purchaser in connection with its investigation of the accuracy of this information or its investment decision and (3) no person has been authorized to give any information or to make any representation concerning CABCORP or the new notes other than as contained in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by CABCORP or the Initial Purchaser.

We have prepared the information contained in this offering memorandum. Neither we nor the Initial Purchaser have authorized anyone to provide you with any other information and neither we nor the Initial Purchaser takes any responsibility for other information others may give you.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE ANYTHING IN THIS OFFERING MEMORANDUM AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ADVISORS AS NEEDED TO MAKE ITS INVESTMENT DECISION AND TO DETERMINE WHETHER IT IS LEGALLY PERMITTED TO PURCHASE THE SECURITIES UNDER APPLICABLE LEGAL INVESTMENT OR SIMILAR LAWS OR REGULATIONS.

The new notes have not been, and will not be, registered under the U.S. Securities Act of 1933. Accordingly, the new notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Each prospective purchaser should be aware that it may be required to bear the financial risks of this investment for an indefinite period of time. See "Transfer Restrictions."

The new notes will initially be represented by two notes in global form that together will represent the aggregate principal amount of the notes. The new notes sold in reliance on Rule 144A under the Securities Act will be represented by a permanent global note without interest coupons. The new notes sold in reliance on Regulation S under the Securities Act will initially be represented by a temporary global note, in fully registered form without interest coupons. Such temporary Regulation S global note will be exchangeable for a single permanent global note after the expiration of the 40th day after the later of the commencement of this offering and the Closing Date (such period through and including such 40th day, the "Distribution Compliance Period") and the certification of non-U.S. ownership required by Regulation S delivered to Euroclear and/or Clearstream. When issued, the Rule 144A global note and the Regulation S global note will be deposited with, or on behalf of, DTC and registered in the name of DTC or its nominee. See "Form of Notes, Clearing and Settlement" and "Transfer Restrictions."

All applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the new notes in, from or otherwise involving the United Kingdom. See "Plan of Distribution."

Each prospective purchaser of new notes must comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the new notes, and it must obtain any required consent, approval or permission for the purchase, offer or sale by it of the new notes under the laws and regulations applicable to it in force in the jurisdiction to which it is subject or in which it makes those purchases, offers or sales. Neither CABCORP nor the Initial Purchaser has any responsibility therefor. See "Transfer Restrictions."

CABCORP and the guarantors, having made all reasonable inquiries, confirm that this offering memorandum contains all information that is material in the context of the issue of the new notes, that the information contained in this offering memorandum is true and accurate in all material respects, and that there are no other facts the omission of which makes this offering memorandum as a whole or any such information misleading in any material respect. CABCORP and the guarantors accept responsibility accordingly.

We have furnished the information in this offering memorandum. You acknowledge and agree that the Initial Purchaser makes no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchaser. This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us.

The Luxembourg Stock Exchange takes no responsibility for the contents of this offering memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this offering memorandum.

Neither CABCORP nor the guarantors, nor the Initial Purchaser, nor any of their representatives, is making any representation regarding the legality of an investment by it under appropriate legal investment or similar laws. Each prospective purchaser should consult with its own advisors as to legal, tax, business, financial and related aspects of a purchase of the new notes.

Each prospective purchaser of new notes should rely only on the information contained in this offering memorandum. CABCORP has not authorized any person to provide any prospective purchaser of new notes with information different from that contained in this offering memorandum. CABCORP is offering to sell the new notes only where offers and sales are permitted. The information contained in this offering memorandum is accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or of any sale of the new notes.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of these securities or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

The new notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please see "Transfer Restrictions."

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this offering memorandum is only being distributed to, and is only directed at, (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"); and (b) high net worth companies and other persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any person in the United Kingdom that is not a relevant person should not act or rely on this offering memorandum or any of its contents. Any investment or investment activity to which this offering memorandum relates is available in the United Kingdom only to relevant persons, and will be engaged in only with such persons.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this offering memorandum that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management, and on information currently available to us. Forward-looking statements include statements regarding our intent, belief or current expectations of our directors or executive officers with respect to:

- the positive impact on our operating results of the launch of new beverage categories;
- our ability to leverage our multinational operations to improve production efficiencies;
- our plans to improve manufacturing, sales, marketing and technology by working closely with PepsiCo;
- our projections in respect of compliance of financial ratios with respect to other outstanding financings after the issuance of the new notes;
- our expectations in connection with acquisitions;
- our ability to capitalize on our extensive distribution system and numerous points of sale;

- our plan to increase our sales in Central America, the Caribbean and South America, both in the countries where we currently operate and elsewhere in the region;
- our corporate strategy;
- the demand for carbonated soft drinks, beer, isotonic drinks, water, juices, nectars, energy drinks and other beverages, especially in our principal countries of operation;
- the supply and availability of raw materials at competitive prices;
- trends affecting our financial position, liquidity or results of operations;
- our dividend policy; or
- political and economic conditions in the countries in which we or our affiliates operate or may operate in the future.

Forward-looking statements also include the information concerning our possible or assumed future results of operations set forth under "Summary," "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Position and Results of Operations" and elsewhere and statements preceded by, followed by, or that include, the words "believes," "may," "will," "continues," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Our future results may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. You are cautioned not to put undue reliance on any forward-looking statements.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These factors include:

- the nature and extent of future competition in our principal markets;
- our ability to maintain and build on our strong relationship with PepsiCo;
- the return on investment we obtain from our efforts to obtain production and distribution efficiencies across our operations;
- governmental changes in taxes on carbonated soft drinks and other beverages;
- general economic and demographic conditions, such as the rates of economic growth or fluctuations in exchange rates in the Central American, Caribbean and South American markets where we conduct our business;
- industry conditions, such as the strength of product demand, the intensity of competition, pricing pressures, popularity of returnable and non-returnable packaging, the introduction of new products by us, the introduction of new products by competitors, changes in technology or in our ability to obtain products from suppliers without interruption and at reasonable prices, and the financial conditions of our customers and distributors;
- operating factors, such as the continued success of our manufacturing activities and the achievement of efficiencies and the continued success of product development;

- the future impact of competition and regulation or other changes in import and export restrictions;
- the effects of shifts in beverage consumption patterns in the countries in which we operate; or
- our ability to identify and consummate potential acquisitions, joint ventures and strategic alliances and the result of any such events.

All forward-looking statements attributed to us or a person acting on our behalf are expressly qualified in their entirety by this cautionary statement, and you should not place reliance on any forward-looking statement contained herein.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

This offering memorandum includes our audited consolidated financial statements and related auditors' reports and notes as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010 (the "Annual Audited Financial Statements" or the "Consolidated Financial Statements").

The Company recorded certain adjustments against retained earnings in restating its financial statements as of and for the years ended December 31, 2011 and 2010. The adjustments are associated with: (i) the recognition of the amortization of bottles and boxes in the Jamaican operation and, and (ii) the contribution for future capital increases in a subsidiary that should have been eliminated upon consolidation.

Our Consolidated Financial Statements have been prepared in U.S. dollars in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, which differ in certain respects from U.S. generally accepted accounting principles ("U.S. GAAP"). No reconciliation to U.S. GAAP of the Consolidated Financial Statements or of any other financial information presented herein has been prepared. There can be no assurance that a reconciliation would not identify material quantitative differences between such financial statements or information prepared on the basis of U.S. GAAP.

Because the new notes have not been registered and will not be registered with the SEC, our Consolidated Financial Statements contained elsewhere in this offering memorandum do not and are not required to comply with the applicable registration requirements, rules and regulations adopted by the SEC, which would apply if the new notes had been registered with the SEC.

Currency of Presentation and Exchange Rates

Unless otherwise indicated, references to "U.S. dollars," "dollars," "$" and "U.S.$" are to United States dollars. References to "Quetzales" or "Q." are to Guatemalan quetzales. References to "Lempiras" or "L." are to Honduran lempiras. References to "Cordobas" or "C." are to Nicaraguan cordobas. References to "Jamaican dollars" or "JAM$." are to Jamaican dollars. References to "Trinidadian dollars" or "TT$." are to Trinidadian dollars. El Salvador adopted the U.S. dollar as its legal currency on January 1, 2001. Ecuador adopted the U.S. dollar as its legal currency on September 9, 2000. The U.S. dollar is the legal currency of Puerto Rico.

Effect of Rounding

Certain percentages and amounts in this offering memorandum have been rounded for ease of presentation. Certain percentages and amounts in this offering memorandum may not sum due to rounding.

Certain Non-GAAP Measures

Adjusted EBITDA represents net income plus (i) income tax, (ii) change in fair value of financial instruments, (iii) financials costs, net, (iv) share of loss of equity accounted investees, (v) other non-operative expenses (income), net, (vi) employee participation, (vii) depreciation, (viii) amortization of rights and exclusivity contracts,

(ix) impairments and (x) non-recurring charges including non-cash items. Adjusted EBITDA is not a financial measure under IFRS. Adjusted EBITDA is included in this offering memorandum because we believe certain investors may consider this useful as an additional measure of our financial performance and ability to service our debt and fund capital expenditures. Adjusted EBITDA is not and should not be considered as substitute for net income, cash flow provided by operations or other measures of financial performance or liquidity under IFRS. Because Adjusted EBITDA is not an IFRS measure and not all companies calculate EBITDA in the same manner, our presentation of Adjusted EBITDA may not be comparable to other EBITDA, adjusted EBITDA or similarly titled measures reported by other companies.

Net debt represents total debt less cash and cash equivalents. Net debt is not a financial measure under IFRS. Net debt is included in this offering memorandum because we believe certain investors may consider this useful as an additional measure of our financial performance and ability to service our debt and fund capital expenditures. Net debt is not and should not be considered as substitute for net income, cash flow provided by operations or other measures of financial performance or liquidity under IFRS. Because net debt is not an IFRS measure and not all companies calculate net debt in the same manner, our presentation of net debt may not be comparable to other similarly titled measures reported by other companies.

Market and Industry Data

Market and industry data and other statistical information used throughout this offering memorandum are based on independent industry publications by market research firms including A. C. Nielsen ("Nielsen"), Emevenca or other published independent sources, and in some cases data provided by our joint venture partner AmBev and by PepsiCo. Where indicated, some data are also based on our good faith estimates, which are derived from our review of internal surveys, as well as independent sources. Industry volume share is determined with respect to CSD, isotonic drinks, energy drinks and tea based on information provided by Nielsen and Emevenca. Industry volume share with respect to juices and nectars is based on internal sales estimates taking as a basis industry data from Nielsen. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness. CABCORP accepts responsibility for correct reproduction of the information.

TRADEMARKS

This document includes names of our products that constitute trademarks or trade names that we own or that are owned by others and are licensed to us for our use. This offering memorandum also contains other brand names, trade names, trademarks or service marks of other companies, and these brand names, trade names, trademarks or service marks are the property of those other companies.

CERTAIN INDUSTRY TERMINOLOGY

A "carbonated soft drink" or "CSD" is a non-alcoholic, carbonated beverage, containing a natural or artificial sweetener, natural or artificial flavors, and sometimes juice.

An "energy drink" is a soft drink offering metabolic stimulation through B-complex, vitamins and central nervous system stimulation through caffeine, taurine, carnitine and other natural stimulants such as guarana or açaí. These ingredients can vary by brand.

A "flavored drink" contains sugar, flavor and color.

A "juice" contains at least 20% fruit juice, and less pulp than nectar.

A "juice beverage" contains 15% or less fruit juice.

A "nectar" is a beverage made from fruit pulp and fruit juice, and contains at least 30% fruit juice. Nectars may also include water and sweetener.

"PET" means polyethylene terephthalate.

A "raw case" equals 11.36 liters.

A "sports drink" is an isotonic or energy beverage that may contain electrolytes, fruit juice, sweeteners, natural supplements, or other ingredients designed to provide energy or replenish the body after physical activity.

A "unit case" is a case of 24 bottles of eight ounces each and is the industry standard to measure case sales.

DIFFICULTIES OF ENFORCING CIVIL LIABILITIES AGAINST NON-U.S. PERSONS

CABCORP is incorporated in the British Virgin Islands. All of the directors and officers of CABCORP and, except for our subsidiary in Puerto Rico, the guarantors reside outside the United States. Substantially all of the assets of CABCORP and the guarantors are located outside the United States. As a result, it may not be possible for investors to enforce against CABCORP or the guarantors in the United States the federal securities laws of the United States, or to enforce judgments obtained in the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States, including the Securities Act and the Securities Exchange Act of 1934, as amended (the "*Exchange Act*").

British Virgin Islands

CABCORP has been advised by its British Virgin Islands counsel, Samuels Richardson & Co, that the United States and the British Virgin Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters and that a final judgment for the payment of money rendered by any general or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be automatically enforceable in the British Virgin Islands. The courts of the British Virgin Islands would recognize as a valid judgment, a final and conclusive judgment *in personam* obtained in the U.S. courts against the Company or any guarantor under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) and would give a judgment based thereon provided that (i) such courts had proper jurisdiction over the parties subject to such judgment, (ii) such courts did not contravene the rules of natural justice of the British Virgin Islands, (iii) such judgment was not obtained by fraud, (iv) the enforcement of the judgment would not be contrary to the public policy of the British Virgin Islands, (v) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the British Virgin Islands and (vi) there is due compliance with the correct procedures under the laws of the British Virgin Islands.

Guatemala

CABCORP has been advised by its Guatemalan counsel, Palacios & Asociados, that judgments based upon civil liability provisions of the federal securities laws of the United States would only be enforceable in Guatemala if such judgments were final and conclusive monetary judgments for a definite sum and the Guatemalan courts were satisfied in each case that (i) the action is exercised due to a personal action, whether it be commercial or civil, (ii) the courts of the country issuing the ruling provide the same enforcement to Guatemalan rulings, (iii) the ruling is not a default judgment or against a person reportedly absent in the foreign jurisdiction who is domiciled in Guatemala, (iv) the obligation is legal in Guatemala and not against Guatemalan public policy principles, and (v) in accordance with the laws of the jurisdiction in which the ruling was issued, the ruling is final and not subject to appeal.

Honduras

CABCORP has been advised by its Honduran counsel, Bufete Forlar, that judgments based upon civil liability provisions of the federal securities laws of the United States would only be enforceable in Honduras if (i) it relates to an action *in personam*, (ii) the ruling is not a default judgment, (iii) the obligation is legal in Honduras, and (iv) the courts of the country issuing the ruling provide the same enforcement to Honduran judgments.

Nicaragua

CABCORP has been advised by its Nicaraguan counsel, Consortium – Taboada & Asociados, that judgments based upon civil liability provisions of the federal securities laws of the United States would only be enforceable in Nicaragua if (i) the action is exercised due to a personal action, (ii) the obligation is legal in Nicaragua and not against Nicaragua's public policy principles, (iii) the courts of the country issuing the ruling provide the same enforcement to Nicaraguan judgments, (iv) the ruling is not a default judgment, unless the defendant was duly and timely served and such defendant did not appear before the court, and (v) the decision is final and enforceable in the country of origin. The execution of the foreign judgment must be requested to the Supreme Court of Nicaragua, and translated into Spanish.

El Salvador

CABCORP has been advised by its Salvadorian counsel, Benjamin Valdez & Asociados, that judgments based upon civil liability provisions of the federal securities laws of the United States would only be enforceable in El Salvador if the claimant follows the *pareatis* process both in the U.S. jurisdiction and in the Salvadorian jurisdiction where enforcement of the judgment is sought.

Any such final judgment may be enforced in the courts of El Salvador without retrial of the originating action by instituting *exequatur* proceedings in the Supreme Court of El Salvador upon determination by such court that: (i) the judgment comes from a court that has competent jurisdiction according to Salvadorian international jurisdiction law; (ii) there is no pending or rendered judgment in the courts of El Salvador related to the same cause; (iii) the defendant was served personal notices, issued in accordance with competent law, of the initiation of the procedure and of the final resolution, except in the case where the exequatur is being sought by the defendant in contempt of court; (iv) the cause of action upon which judgment was based does not contravene the law, constitutional principles or public policy of El Salvador; (v) the documents evidencing the judgment are in authentic form according to the laws of the judgment country and have been duly legalized by a consul of El Salvador or with the *Apostille*; and, (vi) no additional requirements are established in any other international treaty applicable between the State of jurisdiction and the Republic of El Salvador.

Jamaica

CABCORP has been advised by its Jamaican counsel, Lex Caribbean, that judgments based upon civil liability provisions of the federal securities laws of the United States are not enforceable in Jamaica. There is no automatic reciprocal enforcement of judgment rights afforded to federal securities laws of the United States of America.

Trinidad and Tobago

CABCORP has been advised by its Trinidad & Tobago counsel, Johnson, Camacho & Singh, that the courts in Trinidad and Tobago will recognize as valid and final, and will enforce, any final and conclusive judgment against the Company obtained in a New York court arising out of or in relation to the obligations of the Company under the notes in that such courts would grant a judgment which would be enforceable against the Company in Trinidad and Tobago without retrial (subject to four exceptions), of a money judgment *in personam*, of a New York court or other foreign court of competent jurisdiction which is final and conclusive on the merits and is not impeachable or examinable on the merits whether for fact or law. These exceptions are (i) where the foreign court acted without jurisdiction; (ii) where the judgment was obtained by fraud (iii) where the judgment was obtained by breach of the rules of natural justice and (iv) where the enforcement of the judgment will be contrary to public policy. Save as aforesaid a judgment rendered by any New York State or Federal Court sitting in New York City in respect of the applicable documents which are governed by New York law will be recognized and given effect to in the courts of Trinidad and Tobago by permitting such judgment to be sued upon and enforced through the courts of Trinidad and Tobago.

Ecuador

CABCORP has been advised by its Ecuadorian counsel, Lexim Attorney at Law, that judgments based upon civil liability provisions of the federal securities laws of the United States would only be enforceable in Ecuador if (i) the foreign judge acted with jurisdiction; (ii) the involved parties have been legally notified at the trial; (iii) the judgment is not contrary to the Ecuadorian Public Law and not contrary to public policy order principles; (iv) the decision is enforceable in the country of origin, (v) the execution of the foreign judgment must be translated into Spanish by official interpreter; and (vi) the decision meets the legal requirements of its authenticity in the country of origin. The foregoing conditions are in accordance to the Private International Code "*Sánchez de Bustamante*". CABCORP has been advised that because Ecuador does not have *exequátor* procedures per se, and in accordance with "New York Treaty" and "Ecuadorian Arbitration Law", a foreign arbitral award requires *exequátor*, it would be enforceable "via apremio" based on a resolution of the Ecuadorian Supreme Court of Justice (227-2001) that the foreign judgments would be enforceable based on "via ordinaria". Therefore, in Ecuador it is a legal vacuum of the *exequatur* in arbitration; and in other civil procedures, the *exequatur* for judicial foreign decisions have to be in a knowledge process "vía ordinaria", in which an Ecuadorian judge reviews that the foreign judgment does not violate any national law.

AVAILABLE INFORMATION

The Company will furnish to the Trustee, upon the request of any registered or beneficial owner of a note (a **"***Noteholder***"** or **"***Note Owner*,**"** respectively), such information as is specified in paragraph (d)(4) of Rule 144A: (a) to such Noteholder or Note Owner, (b) to a prospective purchaser of such note (or a beneficial interest therein) who is a QIB designated by such Noteholder or Note Owner or (c) to the Trustee for delivery to such Noteholder or Note Owner or such prospective purchaser so designated, in each case in order to permit compliance by such Noteholder or Note Owner with Rule 144A in connection with the resale of such note (or a beneficial interest therein) in reliance upon Rule 144A unless, at the time of such request, the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

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SUMMARY

This summary highlights some of the information in this offering memorandum. Because this is a summary, it does not contain all of the information that you should consider before deciding to purchase the new notes. You should carefully read the entire offering memorandum, as well as the tax and other considerations that are important to you in making your investment decision. You should pay special attention to the "Risk Factors" section appearing elsewhere in this offering memorandum.

Overview

We produce, distribute and market beverages, including carbonated soft drinks, bottled drinking water, sports drinks, energy drinks, juices, nectars and beer in our operating region comprising Guatemala, Southern Honduras, Nicaragua, El Salvador, Ecuador, Puerto Rico, Jamaica, Trinidad & Tobago and Barbados. We are the "anchor bottler" for PepsiCo in Central America and we are the exclusive PepsiCo bottler in Guatemala, Nicaragua, El Salvador, Southern Honduras (including the capital Tegucigalpa), Jamaica, Ecuador, Puerto Rico, Barbados and Trinidad & Tobago.

PepsiCo beverage products, include *Pepsi*, *7-Up*, *Diet Pepsi*, *Diet 7-Up*, *Mirinda*, *AMP*, *SoBe Adrenaline Rush, Rojita, H2Oh!, Be-Light, Mountain Dew, A&W*, *Lipton*, *Tropicana*, *Ocean Spray* and *Gatorade*. We have the exclusive right to sell and distribute PepsiCo beverage products in our Central American region. Approximately 65% of our unit case sales for the year ended December 31, 2012 corresponded to carbonated soft drinks, which comprises our PepsiCo brands and our other proprietary brands (*Salutaris, Squirt, Rica, Grapette*, *Gallito*, *Mas* and *Quintuples*). The remainder of our unit case sales for that period consists in the sale of proprietary juices and nectars (covered by our *LivSmart* brands) which represented approximately 8%, isotonics (*Gatorade* and *Propel*) which represented approximately 4%, energy drinks (*Sobe Adrenaline Rush*, *AMP* and *220V*) which represented approximately 2%, bottled water (*Aqua*, *Güitig*, *Tesalia*, *Essences* and *Aquabella*) which represented approximately 12%, tea (*Lipton Tea*) which represented approximately 2% and beer (*Brahva*, *Budweiser*, *Stella Artois* and *Beck's*) and other flavored drinks (*Squiz* and *Tesalia Ice*) which represented approximately 7%. We are either the number one or number two bottler, based on industry volume share in the countries in which we operate. We believe that our broad beverage portfolio enables us to satisfy a wide variety of consumer preferences across many dining and beverage consumption occasions and demographic profiles.

Our largest subsidiary is Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A (which uses the commercial name "Embotelladora Mariposa"), based in Guatemala. As of December 31, 2012, we had a 41% industry volume share of the Guatemalan carbonated soft drink market, according to Nielsen. Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A., together with our other Guatemalan subsidiaries, represents 42% of the Company's EBITDA for the year ended December 31, 2012. We own two plants in Guatemala (Cuyotenango and La Mariposa), together with a production capacity of 162 million unit cases of our 497 million of raw cases of total capacity. Guatemala also represents one of the biggest countries in which we operate and is the center of our management and our logistics operations for the rest of the subsidiaries of the Company.

Our Salvadorian subsidiary LivSmart, which is dedicated to health and wellness products, produces juices and nectars, a growing industry in our region. LivSmart represented 17.3% of the Company's EBITDA for the year ended December 31, 2012. Our LivSmart line of products includes our brands *California* (juice beverage), *Petit* (juices and nectars), *Cosecha Pura* (natural orange juice), *Gyro* (fruit smoothies), *Fruti Pop* (juice beverages), *C-Trust* (juice beverage), *Berry Simple* (premium juices), *Naturalisimo* (premium juices), and *Glad* (dairy). We have sales and distribution presence for our LivSmart line of products in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Puerto Rico, Haiti, Dominican Republic, Mexico and United States (mainly south Florida and Texas). As of December 31, 2012, we had a 11% industry volume share of nectars in Guatemala, 49% in El Salvador, 24% in Honduras, 29% in Nicaragua, 3% in Costa Rica, and 6% in Panama. As of December 31, 2012, we had a 22% industry volume share of juices in Guatemala, 3% in El Salvador, 6% in Honduras, and 11% in Nicaragua. We have successfully entered the nectar market in the United States with a 34% of industry volume share in South Florida, which we believe to be the result of our campaign to attract consumers of Latin-American origin to purchase our juice and nectar products from our health and wellness portfolio. In 2009, we entered the Mexican market with our nectar products, reaching a 15% industry volume share for nectars in the Mexican states of Chiapas, Oaxaca, Veracruz, Tabasco, Colima, Jalisco, Guanajuato, Michoacán, Puebla and Nayarit.

In May 2009, we entered the Caribbean market through the acquisition of 100% of the equity interests in certain subsidiaries of PepsiAmericas, Inc. in exchange for shares representing 18% of CABCORP's capital stock. As a result of the transaction, CABCORP acquired PepsiCo's local bottlers in Puerto Rico, Jamaica, Trinidad & Tobago and Barbados. In addition, CABCORP acquired certain carbonated soft drink trademark registrations. As of December 31, 2012, our industry volume share of the carbonated soft drink markets in the jurisdictions listed above was 65% in Jamaica, 13% in Trinidad & Tobago and 26% in Puerto Rico. CABCORP has the right to distribute PepsiCo products for the Barbados territory, even though we do not currently have bottling operations, we service the territory through our bottler in Trinidad & Tobago.

In April 2012, we acquired a controlling interest in each of The Tesalia Springs Company S.A. ("Tesalia") and Delisoda S.A. ("Delisoda"), bottlers and distributors of PepsiCo products in Ecuador. Through this acquisition of Tesalia and Delisoda (together, the "Grupo Tesalia"), the Company entered into and became the exclusive PepsiCo bottler in the Ecuadorian market. The Company is in the process of merging Tesalia and Delisoda, which it expects to be completed during the third quarter of 2013. In Ecuador, our current volume share is 12% in the soft drink market and we have implemented price-pack initiatives to strengthen our position.

Our Ecuadorian operations have a strong market position in the energy drink and isotonic drink categories, where they had a 93% and 76% industry volume share, respectively for the year ended December 31, 2012. Bottled water is another important product category in the Ecuadorian market as it represents 14% of the non-alcoholic beverage industry (as compared to CSDs, sport drinks, energy drinks, tea, juice drinks and nectars) and it represents 50% of our sales volume in Ecuador for the year ended December 31, 2012. For the year ended December 31, 2012, our Ecuadorian operations had a 26% industry volume share for water and 95% industry volume share for carbonated water. Our Ecuadorian operations also had a 11% industry volume share for juices and nectars and approximately 4% industry volume share for tea. In Ecuador, we will continue our branding initiatives with the relaunch of *Gatorade* as we will be focused on highly profitable categories, such as energy drinks and water.

We produce, market and distribute beer in Central America through the joint venture AmBev Centroamérica formed in August 2002 with AmBev. As of the date of this offering memorandum, AmBev and its parent company AB-InBev are currently the largest beer producer in the world. CABCORP began distributing beer on behalf of AmBev Centroamérica under the *Brahva* brand name in 2003 in Guatemala and to other Central American countries in 2004. In addition, in 2011 we commenced distributing *Budweiser* in Guatemala. We have continued to expand our portfolio with the distribution of *Stella Artois* and *Beck's*, which began in March 2012 and May 2012, respectively. We believe that our joint-venture with AmBev has been a major source of best practices in the areas of operational support, management support, strategic relations and other value-adding know-how in the production and distribution process.

For the year ended December 31, 2012, consolidated net sales from our carbonated soft drink operations were U.S.$589.9 million, representing approximately 54% of our consolidated net sales. The remainder of our consolidated net sales for the year ended December 31, 2012 totaled U.S.$502.7 million, or 46% of our consolidated net sales.

For the year ended December 31, 2011, consolidated net sales from our carbonated soft drink operations were U.S.$547.2 million, representing 62% of our consolidated net sales. The remainder of our consolidated net sales in 2011 totaled U.S.$334.2 million, or 38% of our consolidated net sales.

We have more than a 70-year relationship with PepsiCo. In 1998 PepsiCo named CABCORP as the "anchor bottler" for the Central American region. As an "anchor bottler" we have the right of first refusal to purchase any interest in any PepsiCo affiliated company or bottler in the region that is offered for sale. Our appointment with PepsiCo as exclusive bottler in the countries in which we operate has no termination date. We are the number one bottler in the Central American region in which we operate based on unit cases sold. PepsiCo products accounted for approximately 66% of our consolidated net sales in 2012 and 71% in 2011. This change in our product mix was due, in part, to the high percentage of our total sales in Ecuador attributed to our non-PepsiCo brands, as compared to the relative percentages that such non-PepsiCo brand sales represent in other countries in which we operate. Our *Tesalia* and *Aquabella* brands of bottled water and our *Güitig* brand of carbonated water contributed more than 24 million 8-ounce cases to our sales volume, increasing the representation of those product categories in our portfolio by 12%. Our *220 V* brand of energy drink contributed 1.2 million additional unit cases to our sales volume, increasing the representation of energy drinks in our product mix to 2% in 2012 as compared to 1% in 2011.

Approximately 90% of our products are distributed and sold through our direct distribution network. These distribution systems, in aggregate, service approximately 412,300 points of sale in our region as of March 31, 2013 and represent a competitive advantage for us because we can launch new products at a low marginal cost due to our existing infrastructure. We had over 1,940 sales routes as of March 31, 2013, 1,275 delivery trucks, over 144,000 coolers at customer locations and over 8,699 total employees as of March 31, 2013.

We have made significant investments in manufacturing and information systems technology throughout our region. We believe this technology, with multiple servers and over 1,739 handheld computers and the synergies created by our shared services unit, has provided important efficiencies and improved our ability to serve our customers at a lower cost.

Our principal executive offices are located in Guatemala City (Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303) and our telephone number is (502) 2501-8050. We were incorporated on December 28, 1994 in the British Virgin Islands. Our registered office is the Offices of Overseas Management Company Trust (B.V.I.) Ltd., OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. Our Company has perpetual duration under British Virgin Islands law.

Competitive Strengths

Our core goal is to continue to build on our leadership position in the Guatemalan carbonated soft drink and the Jamaican carbonated soft drink market, to strengthen our solid second position in El Salvador, Honduras, Puerto Rico and Nicaragua, and our solid third position in Trinidad & Tobago and Ecuador (estimates with respect to the market position in the Guatemalan carbonated soft drink market were obtained by the Company's and PepsiCo's estimates; with respect to the other countries, in accordance to Nielsen's reports). In addition, we believe that we can grow successfully and efficiently by leveraging our state-of-the-art manufacturing facilities, our extensive distribution network and by adding other beverages to our existing portfolio of beverages. The combination of these factors provides us with a unique opportunity to generate additional revenues using an already efficient infrastructure. We have several competitive strengths that will enable us to achieve this goal, including:

Leading position in core markets

We are a leading producer in the carbonated soft drink market in our region. Our brands have high recognition among our consumers, and our innovative marketing campaigns have helped us to improve the strength of our carbonated soft drink and beer brands. We are a complete beverage company with a product portfolio that covers carbonated soft drinks, sport drinks, bottled water, juices, nectars, energy drinks and beer. We are the leader in the juice and nectar market in El Salvador, Nicaragua, Dominican Republic and South Florida. We believe this makes us attractive to our retailers whose ability to satisfy the needs of their consumers is enhanced by the breadth of the beverages we offer.

Well established and diversified portfolio of leading brands

We offer a broad portfolio with leading brands of carbonated soft drinks including the PepsiCo portfolio: *Pepsi, Pepsi Light, Seven-Up, Diet Seven-Up, H2Oh!, Be-Light, Rojita, Mountain Dew, A&W* and *Mirinda*. Our proprietary brands *Rica*, *Grapette*, *Ting*, *Mas*, *Quintuples* and *Gallito* complement our portfolio in carbonated beverage soft drinks.

We distribute and sell the leading brand in the sport drinks category: *Gatorade*. We began importing and distributing already-packaged *SoBe Adrenaline Rush* and *AMP* beverages from PepsiCo in the United States in 2003 and we began production of these products in Guatemala in 2006. *220 V* was added to our energy drinks portfolio with the acquisition of our Ecuadorian operations. In the tea category, we distribute *Lipton*, a leading brand in our markets, and *Brisk*, which was launched in 2012.

In the nectars and juices segments we have increased our portfolio of products by manufacturing, distributing and selling our LivSmart brands *California* (juices, nectars and juice beverage), *Petit* (juices and nectars), *Cosecha Pura* (juice beverage), *Gyro* (juice beverage), *Fruti Pop* (juice beverage), *C-Trust* (juice beverage), *Berry Simple* (premium juices), *Naturalisimo* (premium juices), and *Glad* (dairy). *Deli* was added to our nectars portfolio with the acquisition of our Ecuadorian operations. The PepsiCo brands in the juices segment include *Ocean Spray*, which was launched in some of our markets in 2012, and *Tropicana*, which is a leading brand in some of our Caribbean markets.

In the water and flavored drink segments, we produce and distribute *Aqua*, *Güitig*, *Salutaris*, *Squiz*, *Tesalia*, *Tesalia Ice* and *Be-Light*.

Finally, the *Brahva* beer brand has proven to be successful since our entry into the beer market in 2003. In addition, we commenced distributing *Budweiser* in Guatemala in 2011. In 2012, as part of our beer segment, we added *Stella Artois* and *Beck's* to our portfolio of beer brands.

We believe that this full beverage portfolio enables us to satisfy a wide variety of consumer preferences across various consumption occasions, demographic profiles and regions. We plan to continue adding new brands and flavors to our already extensive portfolio and targeting different demographics, which should allow us to increase our market share and profits.

Strong alliance with PepsiCo and AmBev

Our strategic allies, PepsiCo and AmBev, are leading, world-class corporations and we look forward to the continued development of our business through these key relationships.

We have more than a 70-year relationship with PepsiCo. Throughout these decades we have been able to build a mutually beneficial business relationship cooperatively adapting to the changes in the marketplace. PepsiCo executives work together with CABCORP executives to plan and implement the sales and marketing programs that are later executed in the market. Manufacturing experts from PepsiCo also advise us on technological improvements. We are frequently visited by international PepsiCo personnel with whom we exchange ideas on marketing and other initiatives to further grow our business.

Our joint venture with AmBev (AmBev Centroamérica) was founded with a shared vision for the development of the beer business in our region. AmBev is working closely with AmBev Centroamérica to implement the business plan. Our executives work together with AmBev to develop the sales strategies for *Brahva*, *Budweiser*, *Stella Artois* and *Beck's*, combining AmBev's international knowledge of beer production and marketing with our knowledge of conducting business in Central America.

Attractive growth potential in our markets

We believe that favorable economic, demographic and industry dynamics will drive growth in the beverage sector in the Central American and Caribbean region, specifically in the carbonated soft drinks market. While currently the levels of consumption per capita are lower when compared to other developing countries, we believe that this will eventually translate into higher consumption levels, and higher growth prospects, over the next five years. The Central American and Caribbean region is one of the fastest growing carbonated soft drink markets in Latin America. We expect that the recent growing demand in health and wellness products will be a key sales driver in respect to the juice and nectar LivSmart products, isotonic and energy drinks and water products we distribute and sell.

Superior manufacturing capabilities and extensive distribution network

We currently own and operate ten manufacturing facilities with a total capacity of 497 million unit cases, in Guatemala, El Salvador, Honduras, Nicaragua, Puerto Rico. Jamaica, Trinidad & Tobago and Ecuador. Our weighted average utilization ratio of these facilities is 61%, and all of our plants have excess capacity. We have invested over U.S.$45 million in capacity upgrades and equipment investments in our plants during the last two years. For 2013, we have budgeted U.S.$32 million in capacity upgrades and equipment investments. Our LivSmart plant in El Salvador received the ISO 9001:2008 (quality management system) certification in December 2010, and it is due to be renewed in 2013. We are currently in the process of renewing this certification for our La Mariposa and Cuyotenango plants in Guatemala.

Our extensive distribution network allows us to visit approximately 412,300 points of sale as of March 31, 2013, across our region, on average, approximately three or four times per week. This network is further strengthened by strategically located distribution centers and a network of mini-warehouses servicing high-density urban areas. These factors allow us to deliver multiple brands and types of beverages to retailers covering a broad geographic area, thereby deepening our market penetration, and give us the potential to achieve significant cost savings and higher margins through economies of scale. In addition, our proprietary technology permits us to compile data on sales trends, consumption patterns and the demand levels at each point of sale, which allows us to better meet our customers' needs. In 2012, we received the "International Bottler of the Year" award from PepsiCo.

Proven management experience

Our Company's senior executive officers average a tenure in excess of 15 years with us. Our Company is recognized as an attractive career development environment for young talent. This reputation is an important factor in allowing us to meet our needs to expand our business with talented and energetic employees. Moreover, our executives routinely travel regionally and to other markets around the world to conduct market research and identify and evaluate new trends that are developing in an increasingly globalized market.

Business Strategy

Our overall strategy is to grow profitably by leveraging our existing infrastructure, alliances and resources. Our fundamental strategic direction is to add new, desirable higher margin beverage products to our efficient production facilities and our extensive distribution network, and thus become the leading regional integrated multi-beverage company in Central America, South America and the Caribbean. Geographic expansion also provides an important component of our strategy. The key elements of our business strategy are set forth below:

Develop our people and culture

We value our people as our main asset. We provide an extensive training program for our employees which we have used to strengthen the human capital within our Company. Many of our senior executives began their careers in CABCORP as part of our trainee program. We foster a culture of ownership through training and through monthly meetings in which every level of our team has an opportunity to provide ideas to such employees' managers and other colleagues. In addition, we follow a merit-based system for promotion and compensation.

Foster organic growth in our region

Our Company has grown, and continues to grow, through the execution of various key business strategies. We seek to continue to achieve profitable growth in carbonated soft drinks, juices and nectars, and other beverages. We work diligently to improve the execution of our points of sale, strengthen our brands, develop new and innovative packaging and develop new products. We also focus on building strong relationships with our existing clients which leads to a higher customer retention rate, as well as acquiring for new clients with which to establish such relationships.

In addition, we plan to continue our expansion and penetration in the beverage industry portfolio by acquiring new brands or bottlers in the region, which would enable us to increase the footprint of our Company.

Capitalize on our extensive distribution network through efficient processes

We are continuously streamlining our distribution channels to continue reducing our per-unit costs. We have a dynamic distribution system through various programs including Fleet-Loader and Road Net Software that allows us to serve our extensive distribution network throughout our region, which serves approximately 412,300 points of sale as of March 31, 2013. In addition, these programs enable us to identify consumption trends and evaluate our product distribution to build revenues and profitable operations throughout our region.

We have developed communication channels with employees at all tiers of our organization. Moreover, we have a best practices process which provides a comprehensive framework for our sales and distribution activities including a meeting in the morning, preparation before communicating with a potential or existing client, the processing of a client's order through a handheld device, and the liquidation at the end of the day. Using this system, we are able to visit a large number of clients per day and process their pre-orders through our handheld devices. During the night, the trucks are loaded in order to deliver and settle client accounts on the following day.

Constant focus to reduce costs

We reduce our costs through the use of zero based budgeting, a best practice acquired from AmBev. We begin by budgeting our fixed costs and then budgeting for other items. Our goal is to maintain a maximum efficiency when addressing our fixed costs. Through our processes, we are able to maintain a consistent level of fixed costs, while maximizing our revenues through sales. We have also established strategic alliances with our suppliers to reduce the overall costs of our supply chain.

We strive to improve our efficiency, particularly with respect to distribution, by making investments in technology in manufacturing, sales processes and distribution. Through our shared service unit, we continue to invest resources that help us build synergies in all our operations.

Conservative use of capital

We continuously maintain an efficient use of capital in order to have such capital available for future growth and investment in the Company. We employ the Economic Value Added ("EVA") growth system to optimize our capital structure with growth within acceptable risk parameters. We outsource certain business functions in certain instances in which savings are possible. It is our policy to maintain high levels of cash for operational, investment and expansion of our activities, and over the last 5 years we have maintained levels of cash-on-hand between U.S.$60 million to U.S.$100 million.

Continue to leverage the benefits of our alliances with PepsiCo and AmBev

The expertise and resources available to us from PepsiCo and AmBev provide us with an important tool to establish and maintain best practices in many areas of our business. We plan to continue to work closely with PepsiCo and AmBev to improve manufacturing, sales and marketing programs, and to provide us with ready access to latest trends and technological improvements for our business.

Opportunistically and selectively expand our geographic presence

Our management possesses a long track record of successfully operating the business in several countries through different political and economic environments. In August 2002, we established the joint venture AmBev Centroamérica with AmBev, in which we have a 50% interest. We own 50% or more interest in local beverage companies in: the southern region of Honduras (including the capital city Tegucigalpa) (1997); Nicaragua (1998); Guatemala (2000); El Salvador (2001); Puerto Rico (2009); Jamaica (2009); Trinidad & Tobago (2009); Panama (2009); Mexico (2010); and Ecuador (2012). We have successfully integrated these operations with our own. Since 2009 we own 95% of LivSmart. We continue to increase our presence in the region by pursuing strategic acquisitions and ventures in the region, including potential expansion into South America. As a PepsiCo "anchor bottler" for the Central American region, we have the right of first refusal to acquire any interest of a PepsiCo bottler in the region.

We believe that we are well positioned to increase our sales in Central America, South America and the Caribbean, both in the countries in which we currently operate as well as elsewhere in the region. We continuously evaluate local markets within our region to expand distribution of our products.

Community service programs

Our vision as a company is to be the premier beverage operator in the Americas and to contribute to a better world by fostering social responsibility and the protecting of natural resources and promoting recycling. We provide support to organizations such as *Guatefuturo,* a private, non-profit foundation, inspired by educational, cultural, training and professional development objectives through which resources are channeled to offer opportunities for Guatemalan professionals who wish to pursue postgraduate training abroad, enriching themselves academically and personally in order to subsequently return to work for the development of the country, through donations and volunteerism.

We are co-sponsors of "Operation Smile" in Guatemala, Honduras, El Salvador and Nicaragua. "Operation Smile" is an international children's medical charity that heals children's smiles by providing free reconstructive surgery and related medical care for children born with facial deformities, including cleft lip and cleft palate.

We also participate in "Fundación Ayúdame a Vivir" (AYUVI), which collects and provides resources necessary for the operation, maintenance and growth of the National Pediatric Oncology Unit (UNOP) as a center of excellence in pediatric cancer treatment in Guatemala.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The summary historical consolidated financial data for CABCORP as of and for each of the years ended December 31, 2012, 2011 and 2010 have been derived from our Annual Audited Financial Statements. The Annual Audited Financial Statements have been prepared in accordance with IFRS which differ in certain respects from U.S. GAAP. In the opinion of our management, the financial data set forth below include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of consolidated financial condition and results of operations as of the dates and for the periods specified. You should read the following summary historical financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related notes, appearing elsewhere in this offering memorandum. CABCORP does not publish unconsolidated financial statements.

	At and for the Year Ended December 31,		
	2012	2011[1]	2010[1]
	(in thousands of U.S. dollars)		
Consolidated Statements of Income			
Net sales	1,092,595	881,424	782,234
Cost of sales	(706,754)	(590,158)	(508,134)
Gross profit	385,841	291,266	274,100
Other income	15,778	7,711	3,906
Selling expenses	(225,840)	(163,297)	(151,249)
General and administrative expenses	(66,752)	(61,994)	(52,277)
Depreciation and amortization	(29,358)	(29,099)	(31,407)
Other expenses	(3,836)	(7,796)	(3,917)
Operating profit	75,833	36,791	39,156
Finance income	19,168	4,990	8,967
Finance cost	(42,200)	(18,740)	(23,042)
Finance cost, net	(23,032)	(13,750)	(14,075)
Other non-operating (expenses) income	—	—	(587)
Share of (loss) of equity-accounted investees	—	(2,116)	(1,950)
Profit before income tax	52,802	20,925	22,544
Income tax			
Current	(15,185)	(10,758)	(6,593)
Deferred benefit (expense), net	1,598	1,424	(1,353)
Minority interest	—	—	—
	(13,587)	(9,334)	(7,946)
Net profit for the period	39,215	11,591	14,598
Consolidated Balance Sheets			
Assets			
Current			
Cash and cash equivalents	67,928	63,095	73,254
Held-to-maturity investments[2]	120,041	21,495	26,166
Accounts receivable, net	179,478	119,980	122,316
Inventories	119,058	82,591	78,187
Prepaid expenses	4,607	3,608	2,935
Available for sale non-financial assets	—	1,286	1,297
Total current assets	491,113	292,055	304,155
Non-current			
Held-to-maturity investments[2]	42,000	—	—
Investment in equity-accounted investees	1,750	1,750	2,116
Property, plant and equipment, net	331,062	226,194	221,122
Intangible assets	100,408	41,032	42,284
Deferred tax assets	5,735	5,319	3,582
Other assets	34,675	7,079	4,812
Total non-current assets	515,630	281,373	273,916
Total assets	1,006,743	573,428	578,071

	At and for the Year Ended December 31,		
	2012	2011[(1)]	2010[(1)]
	(in thousands of U.S. dollars)		
Liabilities			
Current			
Short-term bank loans[(3)]	31,055	12,000	5,066
Current portion of long-term loans	2,609	12,661	14,692
Accounts payable and accrued expenses	240,241	141,926	121,298
Income tax payable	2,764	1,412	2,655
Total current liabilities	276,669	167,998	143,710
Non-current			
Long-term bank loans, less current portion[(4)]	221,704	144,647	173,096
Bonds payable	200,000	—	—
Accounts payable	6,054	2,658	2,942
Provision for employee benefits	6,767	7,013	—
Provision for indemnities	19,460	18,634	20,434
Deferred tax liabilities	12,559	14,025	9,960
Total non-current liabilities	466,544	186,978	206,433
Total liabilities	743, 213	354,977	350,143
Preferred shares	3,547	5,067	9,111
Shareholders' equity			
Paid-in capital	30,488	30,488	30,488
Contributions for future capital increases	57,218	57,218	57,218
Legal reserve	6,541	7,090	4,481
Retained earnings	154,757	134,407	139,230
Cumulative translation adjustment	(19,438)	(23,298)	(24,970)
Total equity attributable to shareholders of the Group	229,565	205,904	206,447
Non-controlling interests	30,418	7,480	12,369
Total equity	259,984	213,384	218,816
	1,006,743	573,428	578,071

	At and for the Year Ended December 31,		
	2012	2011	2010
	(in thousands of U.S. dollars)		
Consolidated Statements of Cash Flows			
Net cash flow from operating activities	45,814	72,935	52,809
Net cash flow provided by (used in) financing activities	219,482	(42,699)	(31)
Net cash flow used in investing activities	(263,456)	(38,787)	(54,381)
Net increase (decrease) in cash and cash equivalents	1,839	(8,551)	(1,603)

	At and for the Year Ended December 31,		
	2012	2011	2010
	(in thousands of U.S. dollars, except for ratios)		
Other Financial Information[5]:			
Adjusted EBITDA[6]	122,898	94,291	84,992
Total debt[7]	455,367	169,309	192,854
Adjusted Total Debt[8]	343,367	169,309	192,854
Net debt[9]	225,397	84,719	93,434
CAPEX[10]	81,193	44,914	36,866
Working capital[11]	214,445	124,057	160,444
Cash flow from operating activities	45,814	72,935	52,809
Cash flow from investing activities	(263,456)	(38,787)	(54,381)
Cash flow from financing activities	219,482	(42,699)	(31)
Free cash flow[12]	67,928	63,095	73,254
Adjusted EBITDA margin[13]	11.25%	10.7%	10.87%
Adjusted Total debt/Adjusted EBITDA[6][7]	2.79	1.80	2.27
Adjusted Total Debt/EBITDA Pro Forma[14]	2.85	1.80	2.27
Net debt/Adjusted EBITDA[6][9]	1.83	0.90	1.10
Interest coverage ratio[15]	5.34	6.86	6.04

	Year Ended December 31,		
	2012	2011	2010
	(in millions)		
Other Data			
Unit cases sold	307.1	236.8	219

(1) Adjustments to the results of previous periods. CABCORP recorded adjustments against retained earnings related to the recording of the amortization of bottles and boxes in their Jamaican operations as of the year ended December 31, 2010 and for the purpose of reconciling contributions for future capitalizations. The effect of such adjustments in the financial statements as of and for the years ended December 31, 2011 and 2010 is detailed in note 33 of the audited financial statements for the year ended December 31, 2012.

(2) Short-term held-to maturity investments are certificates of deposit at 180 days as of the date of the acquisition of the security. Long-term held-to-maturity investments are due in 2017.

(3) Includes financial obligations and current portion of long-term debt.

(4) As of December 31, 2012, the balance of this item includes U.S.$200 million of bonds issued on February 9, 2012 with a fixed semi-annual interest rate of 6.75% and a maturity date of February 2022. The issuance and placement of such bonds was authorized through the Shareholders Assembly on February 6, 2012. We have bank loans for $42 million at an interest rate of 6.75% with Mesoamerican Financial Corp. and $70 million at an interest rate of 4.10% with Bancolombia. We pledged the certificates of deposits for (i) the Bancolombia loan to guarantee the issuance of a standby letter of credit to its subsidiary Banco Agricola, which in turn provided loans in the same amount to our subsidiaries in El Salvador; and (ii) the Mesoamerican Financial Corp. loan to guarantee loans made to our subsidiaries in Guatemala, Honduras and Nicaragua and Trinidad & Tobago. We refer to this transaction as the "lender of record" structure.

(5) Other than the Adjusted Total Debt/EBITDA Pro Forma, which gives pro forma effect to the acquisition of our Ecuador operations for the entire year 2012, all ratios were calculated consolidating such acquisition from May 2012 to December 2012. See footnote (14) below.

(6) Adjusted EBITDA represents net income plus (i) income tax, (ii) change in fair value of financial instruments, (iii) financials costs, net, (iv) share of loss of equity accounted investees, (v) other non-operating expenses (income), net, (vi) employee participation, (vii) depreciation, (viii) amortization of rights and exclusivity contracts, (ix) impairments and (x) non-recurring charges including non-cash items. Adjusted EBITDA is not a financial measure under IFRS. Adjusted EBITDA is included in this offering memorandum because we believe certain investors may consider this useful as an additional measure of our financial performance and ability to service our debt and fund capital expenditures. Adjusted EBITDA is not and should not be considered as substitute for net income, cash flow provided by operations or other measures of financial performance or liquidity under IFRS. Because Adjusted EBITDA is not an IFRS measure and not all companies calculate EBITDA in the same manner, our presentation of Adjusted EBITDA may not be comparable to other EBITDA, adjusted EBITDA or similarly titled measures reported by other companies. Reconciliation of Adjusted EBITDA is as follows:

	At and for the Year Ended December 31,		
	2012	2011	2010
	(in thousands of U.S. dollars)		
Net Profit for the year	39,215	11,591	14,598
Income tax	13,587	9,334	7,946
Financial cost, net	23,032	13,750	14,075
Plus: share of loss of equity- accounted investees	—	2,116	1,950
Other non-operating expenses (income), net	—	—	587
Plus: employee participation	—	—	—
Plus: depreciation	42,068	37,505	38,419
Plus: amortization of rights and exclusivity contracts	1,333	1,843	2,790
Plus: impairments	—	—	812
Plus: non-recurring charges	3,664	18,153	3,815
Adjusted EBITDA	122,898	94,292	84,992

(7) Total debt represents the sum of short-term and long-term debt.

(8) Adjusted total debt excludes U.S.$112 million of long-term debt, which is under a lender of record structure. Total debt is adjusted only for 2012.

(9) Net debt represents total debt less cash and cash equivalents and investment held in maturity (certificates of deposit at 180 days as of the date of the acquisition of the security). Net debt is not a financial measure under IFRS. Net debt is included in this offering memorandum because we believe certain investors may consider this useful as an additional measure of our financial performance and ability to service our debt and fund capital expenditures. Net debt is not and should not be considered as substitute for net income, cash flow provided by operations or other measures of financial performance or liquidity under IFRS. Because net debt is not an IFRS measure and not all companies calculate net debt in the same manner, our presentation of net debt may not be comparable to other similarly titled measures reported by other companies. Reconciliation of net debt is as follows:

	Year Ended December 31,		
	2012	2011	2010
	(in thousands of U.S. dollars)		
Long-term debt	424,312	157,309	187,788
Short-term debt	31,055	12,000	5,066
Total debt	455,368	169,309	192,854
Cash and cash equivalents and investments held to maturity	229,970	84,590	99,420
Net debt	225,397	84,718	93,434

(10) CAPEX means acquisitions of fixed assets.

(11) Working capital is current assets minus current liabilities.

(12) Free cash flow is the sum of (i) cash flow from operations, (ii) cash flow from investing activities, (iii) cash flow from financing activities and (iv) cash and cash equivalents at the beginning of the period.

(13) Adjusted EBITDA margin is the ratio of Adjusted EBITDA to net sales.

(14) This ratio was calculated pursuant to the terms set forth in the Consolidated Total Indebtedness to Consolidated EBITDA Ratio described in "Description of Notes—Limitation on Incurrence of Additional Indebtedness" in which Adjusted Total Debt is equal to Consolidated Total Indebtedness (as used in the Description of Notes) and the EBITDA Pro Forma is equal to Consolidated EBITDA (as used in the Description of Notes). For purposes of such calculation, we gave pro forma effect to the entire year 2012 with respect to our Ecuadorian operations. For purposes hereof and after giving such pro forma effect, (i) Adjusted Total Debt for the year ended December 31, 2012 was U.S.$343,367 thousand and (ii) EBITDA Pro Forma was U.S.$119,234 thousand plus U.S.$1,367 thousand, where U.S.$1,367 thousand represented our EBITDA for our Ecuadorian operations from January 1, 2012 to April 30, 2012.

(15) Interest coverage ratio is the ratio of Adjusted EBITDA to net finance cost.

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the notes, including the initial notes, see "Description of Notes" in this offering memorandum.

Issuer	The Central America Bottling Corporation (the "Company").
Guarantors	The new notes will be irrevocably and unconditionally guaranteed on a senior basis by fifteen of our subsidiaries: (i) Embotelladora Nacional, S.A., (ii) Comercializadora Modelo, S.A. de C.V., (iii) Comercializadora Sagitario, S.A., (iv) Embotelladora La Reyna, S.A., (v) Mariposa El Salvador, S.A. de C.V., (vi) Comercializadora Interamericana, S.A. de C.V., (vii) Pepsi Cola Trinidad Bottling Company Limited, (viii) Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A., (ix) Pepsi Cola Jamaica Bottling Company Limited, (x) Pepsi Cola Puerto Rico Distributing, LLC, (xi) LivSmart Américas, S.A. de C.V., (xii) The Tesalia Springs Company S.A., (xiii) Delisoda S.A, (xiv) CABCORP Ecuador Beverages Company, LLC, and (xv) The South American Beverages Company, LLC. Other existing and future subsidiaries of the issuer may, at our option, become guarantors of the notes. See "Description of Notes—Note Guarantees."
Notes	U.S.$100,000,000 aggregate principal amount of 6.750% Senior Guaranteed Notes due 2022. The new notes (the "new notes") offered hereby are a further issuance of the Company's 6.750% senior notes due 2022 (the "initial notes," and together with the new notes, the "notes") and have been consolidated with, and form a single series with, the initial notes. The new notes offered hereby have the same terms and conditions as the initial notes, except for issue price, issue date and the first interest payment date. Taking into account this offering, the aggregate principal amount of the Company's 6.750% senior notes due 2022 is U.S.$300,000,000. The new notes issued in the form of a Rule 144A global note have the same CUSIP, ISIN and Common Code numbers as the initial notes that are held in the form of a Rule 144A global note. The new notes sold in reliance on Regulation S under the Securities Act will initially be represented by a temporary global note, in fully registered form without interest coupons. Beneficial interests in such temporary Regulation S global note will be exchangeable for beneficial interests in a permanent global note after the expiration of the Distribution Compliance Period and the certification by the beneficial owners thereof of non-U.S. ownership required by Regulation S delivered to Euroclear and/or Clearstream. During the Distribution Compliance Period and until they are exchanged for beneficial interests in a permanent Regulation S global note, the new notes issued in the form of a temporary Regulation S global note will have temporary CUSIP, ISIN and Common Code numbers; after they have been exchanged for a permanent Regulation S global note, such new notes will have the same CUSIP, ISIN and Common Code numbers as the initial notes held in the form of a Regulation S global note.

	During the Distribution Compliance Period, beneficial interests in the temporary Regulation S global note may only be held through Euroclear and/or Clearstream as indirect participants in DTC. An owner of a beneficial interest in a temporary Regulation S global note will not be entitled to receive any payments of interest until it has exchanged that beneficial interest for a beneficial interest in a permanent Regulation S global note or a 144A global note as described under "Form of Notes, Clearing and Settlement."
Issue Price..	109.147%, plus accrued interest from February 9, 2013.
Maturity...	February 9, 2022.
Interest...	The new notes will bear interest at a rate of 6.750% per year. Interest will accrue from February 9, 2013.
Interest Payment Dates	Interest on the new notes will be payable semi-annually in arrears on February 9 and August 9 of each year, beginning on August 9, 2013.
Ranking	The new notes will rank equally with all of our existing and future senior unsecured indebtedness (other than obligations preferred by statute or by operation of law). At December 31, 2012, our total consolidated indebtedness was U.S.$343.6 million, and the Company and its Subsidiaries had no consolidated secured indebtedness. After giving pro forma effect to the issuance of the new notes and the use of the net proceeds of this offering, we will have approximately U.S.$443.3 million of financial debt and the Company and its Subsidiaries will have no consolidated secured indebtedness.
Optional Redemption	Prior to February 9, 2017, the Company may redeem the notes, at its option, in whole at any time or in part from time to time, on at least 30 days' but not more than 60 days' notice, at a redemption price (determined by the Company) equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest and additional amounts (if any) on the notes to be redeemed discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate (as defined in "Description of Notes—Optional Redemption—Optional Redemption") plus 50 basis points, in each case plus accrued and unpaid interest plus any Additional Amounts on the principal amount being redeemed to the redemption date. On and after February 9, 2017, the Company may redeem the notes, at its option, in whole at any time or in part from time to time, at the redemption prices set forth under "Description of Notes—Optional Redemption—Optional Redemption," together with any accrued and unpaid interest plus any additional amounts. See "Description of Notes—Optional Redemption—Optional Redemption."

Certain Covenants .... The indenture relating to the notes contains certain covenants, including:

- limit additional indebtedness;
- limit additional guarantees;
- limit certain payments;
- limit asset sales;
- limit the creation of certain liens;
- limit the consolidation, merger, sale or conveyance of the Company and certain of its subsidiaries;
- limit certain transactions with affiliates;
- provide certain reports to holders;
- give certain notices;
- limit designation of unrestricted subsidiaries;
- maintain admission to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market;
- limit layering; and
- limit conduct of business.

All of these limitations and restrictions are subject to a number of significant exceptions. See "Description of Notes—Certain Covenants."

In addition, during any period of time that (i) the notes have an Investment Grade Rating from any two Rating Agencies (each term as defined in "Description of Notes") and (ii) no Default or Event of Default (each term as defined in "Description of Notes") has occurred and is continuing, the Company and its Restricted Subsidiaries (as defined in "Description of Notes") will not be subject to certain of the covenants mentioned above. See "Description of Notes—Certain Covenants—Suspension of Covenants."

Change of Control Triggering Event ...... If we experience a Change of Control Triggering Event (as defined in "Description of Notes"), we must offer to repurchase the notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any. See "Description of Notes—Change of Control Triggering Event."

Events of Default .... For a discussion of certain events of default that will permit acceleration of the principal of the notes plus accrued interest, and any other amounts due with respect to the notes, see "Description of Notes—Events of Default."

Additional Amounts .... Any and all payments of principal, premium, if any, and interest in respect of the notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments, levies, imposts or charges whatsoever imposed, levied, collected, withheld or assessed by the British Virgin Islands, Guatemala, Nicaragua, El

Salvador, Honduras, Jamaica, Trinidad and Tobago, the United States (including Puerto Rico) as the case may be, or any other jurisdiction from or through which the Company or any Subsidiary Guarantor makes a payment, or in which any paying agent is located or, in each case, any political subdivision thereof or taxing authority thereof or therein. Subject to certain exceptions, in the event of any such withholding or deduction we will pay such additional amounts as may be necessary so that the net amount received by each holder after such withholding or deduction would not be less than the amount such holder would have received absent the withholding or deduction. See "Description of Notes—Additional Amounts."

Optional Redemption for Taxation Reasons.. We may redeem the notes, in whole, but not in part, at any time upon the occurrence of specified events relating to the tax laws of the British Virgin Islands, or any political subdivision thereof, at a redemption price equal to 100% of their outstanding principal amount plus accrued and unpaid interest to the date of redemption and any additional amounts. See "Description of Notes—Optional Redemption—Optional Redemption for Taxation Reasons."

Form of Notes, Clearing and Settlement; Minimum Denominations.... The notes will be issued in the form of one or more global notes without coupons, registered in the name of a nominee of DTC, as depositary, for the accounts of its participants, including Euroclear and Clearstream, Luxembourg. The notes will be issued in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof. See "Form of Notes, Clearing and Settlement."

Additional Notes .... Subject to the covenants in the indenture governing the notes, without the consent of the holders of notes, we may incur additional indebtedness. At our option, this additional indebtedness may consist of additional notes issued by us in one or more transactions, which have identical terms (except for the issue date, issue price and, if applicable, first interest payment date) as and forming a single series with all previously outstanding notes; provided, however, that such additional notes shall be issued with the same CUSIP only if, for U.S. federal income tax purposes, such additional notes are not issued with more than a *de minimis* amount of original issue discount or are otherwise treated as part of the same "issue." See "Description of Notes—Additional Notes."

Listing and Trading.................................. We have applied to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Transfer Restrictions................................ We have not registered the notes under the Securities Act. The notes are subject to restrictions on transfer and may only be offered in transactions exempt from or not subject to the registration requirements of the Securities Act. See "Transfer Restrictions."

Use of Proceeds	The net proceeds from the sale of the notes will be U.S.$109,671,750, after deduction of certain expenses and the Initial Purchaser's discount and commission and including accrued interest from February 9, 2013 to May 13, 2013. The Company will use the net proceeds from the offering of the notes for general corporate purposes, including potential acquisitions. See "Use of Proceeds."
Risk Factors	Investing in the notes involves certain risks. See "Risk Factors."
Governing Law	State of New York.
Trustee, Registrar and Principal Paying Agent	The Bank of New York Mellon.
Luxembourg Listing, Paying Agent and Transfer Agent	The Bank of New York Mellon (Luxembourg) S.A.
Securities Codes	The notes were assigned the following securities codes:

Rule 144A:
CUSIP: 15238X AA7
ISIN: US15238XAA72
Common Code: 074528139

Regulation S:
CUSIP: G20011 AA3
ISIN: USG20011AA39
Common Code: 074495419

Temporary CUSIP: G20011 AB1
Temporary ISIN: USG20011AB12
Temporary Common Code: 093128664

During the Distribution Compliance Period and until they are exchanged for a permanent Regulation S global note, the new notes issued in the form of a temporary Regulation S global note will have temporary CUSIP, ISIN and Common Code numbers; after they have been exchanged for a permanent Regulation S global note, such new notes will have the same CUSIP, ISIN and Common Code numbers as the initial notes held in the form of a Regulation S global note.

RISK FACTORS

Our business operations and financial condition are subject to various risks. Some of these risks are described below, and you should take these risks into account in evaluating us or any investment decision involving us. This section does not describe all risks applicable to us, our industry or our business, and is intended only as a summary of certain material risk factors.

Risks Relating to our Business

Because we depend upon PepsiCo to provide us with products and marketing support, changes in or the loss of our relationship with PepsiCo would have a serious negative impact on our business.

We are highly dependent on PepsiCo for carbonated soft drink concentrates and for marketing support. The sale of PepsiCo carbonated soft drink products comprised 71% of our consolidated net sales in 2011 and 66% of our consolidated net sales in 2012. We have several bottling agreements with PepsiCo for carbonated soft drink beverage products in respect to each country or territory in which we operate.

Pursuant to our bottler agreements with PepsiCo, PepsiCo has the right to designate our suppliers of certain packaging and other raw materials. We cannot assure you that PepsiCo's interests in respect to choosing the best suppliers in terms of quality and price for our products related to our chain of production will in all cases be fully aligned with our objective to generate profitable volume growth.

Under the terms of the agreements, PepsiCo may terminate our rights to produce, market and distribute carbonated soft drinks under the PepsiCo brands under certain circumstances, including the breach by us of terms or the termination of any of the bottling agreements (which would trigger a default under all other bottling agreements), upon a change of control of CABCORP, if we become insolvent or if we cease bottling operations, and may impose monetary penalties on us. Our agreements with PepsiCo do not have a termination date.

Also under the terms of the agreements, PepsiCo provides us with marketing, planning and strategic support and reimburses us for a portion of our marketing expenses relating to Pepsi products. Any concentrate price increases or decreases in marketing support from PepsiCo or the termination of the bottling agreements or the relationship would materially and adversely affect our business and financial results.

We depend on PepsiCo to protect its trademarks.

Brand recognition is critical in attracting consumers to our products. PepsiCo owns the trademarks of all of its products that we produce, distribute and sell. We rely on PepsiCo to protect its trademarks in our region. If PepsiCo fails to protect its proprietary rights against infringement or misappropriation, this could undermine the competitive position of the products of PepsiCo and could lead to a significant decrease in the volume of products of PepsiCo that we sell. Since trademarked beverages of PepsiCo represent a substantial amount of our total sales volume, this would materially and adversely affect our results of operations.

We may be unable to continue to compete successfully in one or more of our markets, and our net sales and profitability could be adversely affected by pricing pressures.

The competition in the carbonated soft drink, non-carbonated beverage, fruit juice and beer markets in which we operate is intense and driven partially by pricing pressures. We compete with other carbonated soft drink and non-carbonated beverage bottlers, including Coca-Cola, which is the market leader in our region, as well as with beer producers and distributors in Guatemala and the other countries in our region. If our facilities are not as cost-efficient as those of our competitors, or if our competitors are otherwise able to offer lower prices, our products may experience a decline in sales. Even in strong markets for us, price pressures may emerge as competitors attempt to gain a greater market share by lowering prices. Competition in the various countries in our region in which we sell products comes from companies of various sizes. Some of these companies are larger and have greater financial and other resources than we have, and thus can better withstand adverse economic or market conditions.

In the CSD category, we compete with the bottler of Coca Cola products as well as face competition from producers of non-premium brands or "B brands," which typically produce, market and sell carbonated soft drinks at prices below ours. In this category, our principal competitors are FEMSA, Coca Cola's local bottler, and Cervecería Centroamericana ("CCA"), producer of local "B-brands" in Guatemala, SAB Miller and Cascada in El Salvador, SAB Miller in Honduras, Wisynco in Jamaica and Arca in Ecuador. In the juices and nectars category, our principal competitors are CCA and Kerns in Guatemala, El Salvador and Nicaragua, CCA in Honduras and AJE in Ecuador. In the isotonic drink category, our principal competitors are CCA and FEMSA in Guatemala, SAB Miller in El Salvador and Honduras, FEMSA in Nicaragua and Profit in Ecuador. In the energy drink category, our main competitors are CCA and Red Bull in Guatemala, El Salvador and Nicaragua, Red Bull and Monster Energy in Honduras and Red Bull in Ecuador. In the bottled water category, our main competitors are FEMSA in Guatemala, SAB Miller and Alpina in El Salvador, Aguazul in Honduras, Fuente Pura in Nicaragua and Pure Water in Ecuador. In the tea beverage category our main competitors are CCA and Kerns in Guatemala, SAB Miller in El Salvador, CCA in Honduras and Arca and AJE in Ecuador. Although competitive conditions are different in each of our products' categories and countries, we compete principally on price, packaging, consumer sales promotions, customer service and product innovation. There can be no assurances that we will be able to avoid lower pricing as a result of competitive pressure. Lower pricing, changes made in response to competition and changes in consumer preferences may have an adverse effect on our financial performance.

Our ability to compete effectively will require continuous efforts in sales and marketing of our existing products, development of new products and cost control. Furthermore, we cannot predict the pricing or promotional actions of our competitors or their effect on our ability to market and sell our products. We cannot assure you that our sales volume or market share would not be adversely affected by negative consumer reaction to our higher prices as a result of any price reduction or promotional sales undertaken by our competitors, that we will not be forced to reduce our prices to meet our competition, or that we will otherwise be able to compete effectively.

Consumer demand for our beverage products is strongly influenced by matters of taste and image, and our beverage products could lose market share.

Consumer tastes are susceptible to change. The beverage industry in particular is often affected by changes in consumer tastes, national, regional and local economic conditions and discretionary spending priorities. For instance, increased focus on nutrition or concerns over obesity or the increase of dietary guidelines and health advocates encouraging consumers to reduce their consumption on certain types of beverages sweetened with sugar may lead to lower consumer demand for certain of our beverage products, or advertising campaigns launched by our competitors may sway consumer preferences towards a beverage with a different flavor or image. If we are unable to respond to changes in consumer preferences, our competitive position could be harmed, our products could lose market share or our sales or margins in individual markets could be undermined.

In addition, consumers are becoming increasingly more aware of and concerned about environmental issues. Although we maintain a significant part of our production in glass containers, which allows us to respond to different or new trends in the market, concerns over the environmental impact of plastic may reduce the consumption of our products sold in plastic bottles or result in additional taxes that would adversely affect consumer demand and therefore may have a material adverse effect on our business, results of operation, financial condition and ability to repay the notes.

Our business is affected by seasonality and extreme weather.

Our consolidated net sales fluctuate from quarter to quarter due to seasonal beverage consumption patterns. Sales are generally lower in the winter months (except for the month of December due to the holiday season) and are generally higher around Easter and in the summer months. In addition, unseasonably cool weather can reduce demand for certain beverages, particularly carbonated soft drinks.

Our region is prone to hurricanes. In addition, our operations and sales may be affected by other phenomena beyond our control such as earthquakes, flood, storms or volcanic eruptions. Although we have not suffered any losses or significant damage in property due to recent hurricanes, acts of God and other severe weather conditions, a severe hurricane season could cause our sales to drop, in addition to causing operational problems, and would negatively affect our business.

Our revenues and profits could decline if manufacturing or distribution disruptions significantly impede our ability to produce and sell our beverages.

Our manufacturing and distribution facilities could be disrupted for reasons beyond our control. These disruptions could include inadequate availability of materials or services, technology or machine system failures, workforce actions, fire, climatic events or environmental issues. Any significant manufacturing or distribution disruptions could adversely affect our ability to make and sell products, which could cause our sales to decline and our costs to increase.

Higher taxes on beverage sales or distribution could result in lower sales.

Guatemala maintains a per-liter tax on the sale of beverages that rates from Q.0.18 per litter for carbonated soft drinks and energy drinks, Q.0.12 for isotonic drinks, Q.0.10 for tea, juices and nectars, Q.0.08 for bottled water and 6% of suggested retail price for beer. Honduras maintains a per-liter tax on the sale of beverages of L.0.58 per liter, exclusive of bottled water and nectars, and L.4.12 for beer per liter. El Salvador maintains a tax on carbonated soft drinks and energy drinks of 10% of the retail price (exclusive of value added tax (VAT)). Nicaragua taxes the sale of beverages with a 9% of net price to the retailer in the case of non-alcoholic beverages, and 33% and 36% for bottled and canned beer, respectively. Jamaica maintains a tax on high caffeine/high energy beverages at an *ad valorem* rate of 15%. In Ecuador, there is a green fund levy for PET-produced bottles of U.S.$0.02 per bottle. In Trinidad & Tobago, there is also a green fund levy of 0.01% of gross sales and a business levy of 0.2% of gross sales. Although we pass on the full amount of this tax to consumers in the form of a price increase, higher prices of our products negatively affects our sales volume. Because carbonated soft drinks and beer are price-sensitive products, higher prices usually result in lower levels of consumption and lower sales. As a result of lower sales, our operating profits decrease, because some of our costs are fixed and do not vary significantly with the level of production. We cannot assure you that the governments of the countries where we operate will not increase current levels of taxation or impose additional taxes to the sale or distribution of beverages in such countries. Should either event occur, it could adversely affect our results of operations.

Our inability to obtain raw materials at reasonable prices or in constant supply could adversely affect our business.

Our production of beverages depends upon obtaining adequate supplies of raw materials. We estimate that 80% of our production costs are commodities, including beverage concentrate, the most important being sugar, resin, fuel used in transportation, and to a lesser extent, aluminum. Our results of operations could be adversely affected if we are unable to obtain adequate supplies of raw materials in a timely manner or if the costs of raw materials increase significantly. Up to 60% of our raw material requirements are imported, varying from country to country, including concentrate for the production of carbonated soft drinks, artificial sweetener, packaging materials and barley, hops and yeast cultures. Even though we use hedging to mitigate price variations in commodities, increases in the price of raw materials (including those that may occur if import duties change or increase, or import restrictions are tightened), or decreases in the availability of raw materials in any of the countries in which we sell our beverages, will increase our cost of sales and adversely affect net earnings to the extent that we are unable to pass along the full amount of these increases to consumers.

We currently have a long-term agreement with Transformasa, S.A., a sugar distribution company in Guatemala, for the purchase of sugar that assures the supply of sugar at competitive prices. Historically, prices pursuant to this agreement have been below market rates. There is no assurance that at the expiration of this agreement we will be able to renew such agreement on the same terms or renegotiate terms as beneficial as the current arrangement. We estimate that the cost of sugar represents approximately 20% of our total production costs.

Compliance with government regulations could require significant expenditures.

As the owner and operator of various properties and facilities in Guatemala, Southern Honduras, Nicaragua, El Salvador, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador, including facilities that process water for human consumption and for wastewater purification, we must comply with governmental health and environmental laws and regulations. For example, each country in which we produce beverages has its own regulations relating to purification of wastewater. Our failure, or the failure of our joint venture partners, to comply with clean water standards or any other national or local health or environmental law or regulation applicable to us or to our joint venture partners could result in fines, closures or other penalties being imposed on us or our subsidiaries, which could adversely affect our results of operations. Additional health or environmental laws passed in the future could require us to make significant expenditures.

In addition, some of our operations depend on licenses issued by government authorities or agencies and local government units for their operation. Suspension or revocation of these licenses could jeopardize our operations and would materially affect our business. In addition, the introduction or inconsistent application of, or changes in, laws and regulations may from time to time adversely affect our operations. We do not expect any significant changes to environmental regulations in the countries we operate.

Changes in regulation or the interpretation of regulations may adversely affect our business, financial condition and result of operations.

We are subject to regulation in each of the countries we operate, including, among others, relating to environmental, labor, health and tax, compliance with which may require us to incur costs and capital expenditures on an ongoing basis. Such regulations may require us to obtain and maintain authorizations, permits and licenses for, among other things, the construction of new facilities, the installation and operation of new equipment used in our operations. Such authorizations, permits and licenses may be subject to periodic renewal and challenge from third parties. In this regard regulatory agencies may take enforcement actions against us for any failure to comply with applicable laws and regulations. Such enforcement actions could include the imposition of fines, revocation of licenses, suspension of operations or imposition of criminal liability for non-compliance.

In addition, the adoption of new laws or regulations or a stricter interpretation or enforcement thereof may increase our operating costs or impose restrictions on our operations which, in turn, may adversely affect our business, results of operation, financial condition and ability to repay the notes. Further changes in current regulations may result in an increase in compliance costs, and could require us to make significant capital investments. These expenditures may not be recoverable and may consequently divert funds away from planned investments in a manner that could adversely affect our business, results of operation, financial condition and ability to repay the notes.

Actual or alleged contamination of our products could be expensive to remedy, cause delays in manufacturing and hurt our business.

Despite safety measures we have adopted, our products could become contaminated or become subject to allegations of contamination. We use a variety of ingredients in manufacturing our beverages, which increases the risk of contamination, either accidental or malicious. Any contamination could be expensive to remedy, cause delays in manufacturing and adversely affect our reputation and financial condition. If our beverages are found, or alleged, to have suffered contamination, whether or not while the beverages were under our control, our net sales, results of operations and financial condition may be adversely affected. In addition, reports or allegations of inadequate quality control with respect to other beverages produced by other manufacturers may negatively affect the sales of our products.

A dispute with one or more of our labor unions could have an adverse effect on our results of operations.

Unionized employees comprise 2% of our workers in Guatemala, 57% in Honduras, 13% in Nicaragua, 42% in Jamaica and 71% in Puerto Rico. Work slowdowns, stoppages, strikes or other labor-related developments affecting us could have an adverse effect on our business, implementation of potential headcount reductions, results of operation, financial condition and ability to repay the notes.

If we fail to retain key management and personnel we may be unable to implement our key objectives.

We believe that our future success depends, in large part, on our experienced management team. Losing the services of key members of our management team could make it difficult for us to manage our business, operate profitably and meet our objectives.

The Company manages market information from its own estimates.

Industry volume share with respect to juices and nectars is based on internal sales estimates taking as a basis industry data from Nielsen. There are currently no third-party estimates for the market of juices and nectars. We have included estimates based on our calculations in order to provide a more comprehensive view of the different markets for your convenience, however, these estimates may differ substantially with other estimates or studies from third-party sources or hard market data.

A slowdown in the global economy could adversely affect our operations.

The extent to which the economies of each of the countries we operate is affected by a slowdown in the global economy and the rate of recovery of the global economy for such slowdown could affect the economic situation in the region and have an adverse effect on the Company and its customers. The current global economic situation could lead to reduced economic activity among the region's major trading partners, increased volatility as to the prices and demand of commodities and decrease demand for exports which in turn may limit the growth of each economy and adversely affect the disposable income of our customers. This could have a material adverse effect on our business, results of operations and financial condition.

The Castillo family (through GEMCORP) and PepsiCo have substantial influence on the conduct of our business, which may result in us taking actions contrary to the interest of the holders of the notes.

The Castillo family (indirectly through GEMCORP) and PepsiCo have substantial influence on the conduct of our business. GEMCORP owns 82% of the Company and PepsiCo, through its wholly-owned subsidiary Pepsi-Cola Metropolitan Bottling Company, Inc. owns the remaining 18% of the shares of CABCORP. In accordance with the shareholders agreement of the Company, GEMCORP has the right to appoint four out of the nine members of our board, and PepsiCo has the right to appoint one of such members. Currently, our board of directors is comprised of seven members, of which three are appointed by GEMCORP, one by PepsiCo and three are independent. GEMCORP and PepsiCo together, have the power to determine the outcome of all actions requiring approval by our board of directors, and GEMCORP and PepsiCo together, have the power to determine the outcome of all actions requiring approval of our shareholders. The interests of the GEMCORP and PepsiCo may be different from the interests of creditors, including holders of the notes, which may result in us taking actions contrary to the interests of holders of the notes.

Any acquisitions we make may not be successful.

We regularly consider and evaluate opportunities to acquire bottling-related assets, companies and operations. We may choose to finance these acquisitions through our cash flow, borrowings, part of the proceeds of this offering or the issuance of additional securities. There can be no assurance that we will be able to successfully integrate any acquired assets, companies or operations. In addition, any additional debt we incur to finance an acquisition may materially and adversely affect our financial position and results of operations.

Risks Relating to Central America, the Caribbean and South America

You may not be able to effect service of process upon or enforce judgments against us in the United States.

CABCORP is organized under the laws of the British Virgin Islands, and our subsidiaries, some of which are guarantors of the notes, are organized under the laws of Guatemala, Honduras, El Salvador, Nicaragua, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador. All of our directors and executive officers and the experts named in this offering memorandum are residents of countries other than the United States. Substantially all of our assets and the assets of our directors and executive officers, as well as the assets of our subsidiaries and the directors and officers of our subsidiaries, are located outside the United States. As a result, it may not be possible, or it may be extremely difficult, for investors to effect service of process within the United States on us, on our directors or officers, or on our subsidiary guarantors or to enforce against us, our directors or officers, or on our subsidiary guarantors, judgments obtained in U.S. courts based upon civil liability provisions of the securities laws of the United States or other United States laws.

Political conditions in Central America, the Caribbean and South America have a direct impact on our business.

All our operations and customers are located in Central America, the Caribbean and South America (Ecuador). As a result, our business, financial condition and results of operations may be affected by the general political condition of each of the countries in which we operate.

Countries in Central America, the Caribbean and South America are considered emerging market or developing countries and, in general, operations of businesses in such countries may be subject to different stresses than operations of businesses in countries such as the United States. These include conditions influenced by political events such as wars, civil unrest and significant changes in national economic policies or laws, all of which may be more likely to occur in an emerging market or developing country.

Guatemala, which comprised approximately 34% of our total sales by volume in 2012, is affected by political, social, security and other problems and conditions, including, among others, trafficking in drugs, alien smuggling, organized crime, high crime rates, corruption, human rights concerns and a need to implement political, economic and social reforms. The Guatemalan government has exercised, and continues to exercise, significant influence over the Guatemalan economy. Guatemalan governmental actions concerning the economy and state-owned enterprises could have a significant effect on the Guatemalan private sector entities in general, and us in particular, and on market conditions, prices and returns on Guatemalan securities, including the notes.

Elections were held in September 2011 in Guatemala for the offices of President and Vice President as well as members of Congress by national list and districts, members to the Central American Parliament, and the Mayor and council for all the Municipalities. All positions were for four-year terms. Retired General Otto Pérez Molina of the Patriotic Party won the presidential election in a runoff in November 2011 against Manuel Baldizón of the LIDER party.

As a result of our acquisitions of Tesalia and Delisoda in Ecuador in 2012, our operations in Ecuador accounted for a significant amount of our revenues in 2012 and we expect them to remain significant in the near future. As with other countries in the region, Ecuador is subject to various political and economic risks. One such risk is the significant amount of control over the Ecuadorian economy exercised by the Ecuadorian government. In 2008, the government of President Rafael Correa stopped payments on the country's bonds held by international investors, resulting in a default of $3.2 billion in debt. The default affected the availability of foreign investment and economic conditions in that country. Although the Ecuadorian government has indicated a desire to return to the overseas credit markets, government policies could affect market conditions and have an effect on businesses in Ecuador, including our operations.

We cannot provide any assurance that future political, social or legal developments in Guatemala, Ecuador or in any of the other countries in which we operate, over which we have no control, will not have an unfavorable impact on our financial condition or results of operations or impair our ability to make payments under the notes.

Economic conditions in Central America, the Caribbean and South America could adversely affect our operations.

All our operations and customers are located in Central America, the Caribbean and Ecuador. The Central American, Caribbean and South American markets in which we operate are characterized by unpredictable economic and social conditions. Inflation and interest rates and the rate of currency devaluation may change frequently, depending on economic conditions and the policies of the applicable governments. The following chart shows the inflation rates and currency devaluation rates (against the U.S. dollar) for the years indicated in the countries in our region:

	2012		2011		2010	
	Inflation (Deflation)	Currency Devaluation (Revaluation)	Inflation (Deflation)	Currency Devaluation (Revaluation)	Inflation (Deflation)	Currency Devaluation (Revaluation)
Guatemala	3.45%	0.01%	6.2%	(0.3)%	6.0%	(0.6)%
Honduras	5.2%	2.9%	5.6%	0.1%	6.5%	0.0%
Nicaragua	6.6%	5.0%	8.0%	5.0%	12.6%	5.0%
El Salvador	0.8%	n/a(1)	5.1%	n/a(1)	3.0%	n/a(1)
Puerto Rico	1.3%	n/a(1)	2.9%	n/a(1)	2.0%	n/a(1)
Jamaica	6.7%	3.4%	6.0%	(1.48)%	11.7%	4.0%
Trinidad & Tobago	7.2%	0.14%	5.3%	0.8%	5.0%	0.3%
Ecuador	4.2%	n/a(1)	5.1%	n/a(1)	3.3%	n/a(1)

(1) Not applicable because El Salvador, Puerto Rico and Ecuador use the U.S. dollar as their official currency.
Source: The Central Banks of El Salvador, Honduras, Nicaragua, Ecuador and Trinidad & Tobago, and the Statistical Institutes of Guatemala, Jamaica and Puerto Rico.

Inflation can have an adverse impact on us in many ways. In particular, when wages rise more slowly than prices, inflation can erode consumer purchasing power and thereby adversely affect sales. In recent years, we have not been able to increase prices in local currency terms by amounts commensurate with the rate of inflation. In addition, net sales in local currency terms may decrease if, among other things, inflation diminishes consumer purchasing power. In addition, our sales volume may decline, and supply and material costs may rise more rapidly than prices. We cannot assure you that inflation in the countries in which we operate will not rise in the future. To the extent there are significant increases in inflation in any of these countries, our operating margins may be adversely affected and our results of operations may experience significant adverse consequences.

In addition, the devaluation of local currencies against the U.S. dollar can have an adverse impact on us. First, because our financial statements are presented in U.S. dollars, this devaluation has the effect of decreasing our revenues when translated into U.S. dollars. Our financial statements contain a cumulative U.S.$19.4 million currency translation adjustment as of December 31, 2012 that reflects the impact of currency devaluations in our region. In addition, as of December 31, 2012, approximately 52% of our revenues are in the local currencies of the countries in which we operate and, as of December 31, 2012, 74% of our debt was denominated in or indexed to U.S. dollars. As a result of the issuance of the new notes and the use of net proceeds to retire our local currency debt, approximately 79.6% of our debt will be denominated in U.S. dollars. The devaluation of the local currencies against the U.S. dollar could increase our financial expenses and operating costs and could adversely affect our ability to meet our foreign currency obligations. As a result, the devaluation of the local currencies may reduce our ability to satisfy our debt service obligations, including those in respect of the notes.

The governments in the countries in which we operate have historically exercised substantial influence over many aspects of their respective economies. The future change of governing parties may create significant uncertainty as to future economic, fiscal and tax policies. The political, economic and social conditions in the countries in which we operate can create a challenging environment for business, including our business.

The perception of higher risk in other countries, especially in emerging and developing economies, may adversely affect the economy of Central American, Caribbean and South American countries, our business and the market price of securities issued by Central American issuers, including the notes.

Emerging markets and developing countries like the economies of Central America, the Caribbean and South America are subject to greater risks than more developed markets, and financial turmoil in any emerging market could disrupt business in Central America, the Caribbean and South America and adversely affect the price of the notes. Moreover, financial turmoil in any important emerging market country may adversely affect prices in stock markets and prices for debt securities of issuers in other emerging market countries as investors move their money to more stable, developed markets. An increase in the perceived risks associated with investing in emerging markets could dampen capital flows to the countries in which we operate and adversely affect their economies in general, and the interest of investors in our notes, in particular. We cannot assure you that investors' interest in our notes will not be adversely affected by events in other emerging markets or the global economy in general.

Carbonated soft drink, bottled drinking water, sports drink, energy drink, juice, nectar and beer consumption is price sensitive, and any significant decline in the per capita income or disposable income in these countries would adversely affect the demand for our products and consequently adversely impact our financial performance.

Levels of consumption of carbonated soft drinks, bottled drinking water, sports drinks, energy drinks, juices, nectars and beer in the countries in which we operate tend to rise during periods of rising per capita income and fall during periods of declining per-capita income. Additionally, per capita consumption is inversely related to the sale price of our products, especially with respect to popular brands. There can be no assurance that percapita income or the level of consumption of carbonated soft drinks and beer will increase in the future.

In addition, carbonated soft drink, bottled drinking water, sports drink, energy drink, juice, nectar and beer consumption also increases or decreases in accordance with changes in disposable income. Currently, disposable income is low in the countries in which we operate relative to disposable income in more developed countries. Any further decrease in disposable income resulting from an increase in income taxes, the cost of living, or other factors would likely adversely affect demand for carbonated soft drinks, bottled drinking water, sports drinks, energy drinks, juices, nectars and beer and, as a result, would have a material adverse effect on our results of operations and financial condition.

Guatemalan, British Virgin Islands and U.S. corporate disclosure and accounting standards differ.

We are not a publicly reporting company in the British Virgin Islands, where we are incorporated, nor in Guatemala, where we have our headquarters. As a result, we generally do not disclose as much information as public companies do in Western Europe and the United States. In addition, our financial statements are prepared in accordance with IFRS, which differs in certain respects from U.S. GAAP.

A change in labor laws or regulations in any of our principal countries of operation could require us to incur significant additional capital expenditures, and our operating expenses will be increased.

If additional or more stringent labor or other laws or regulations are enacted or imposed in any of our principal countries of operation, we could be required to incur significant additional capital expenditures and our operating expenses will be increased. If we are not able to pass these additional costs on to our customers, given the price sensitivity of the carbonated soft drink and beer market, our sales may diminish, which could have a material adverse effect on our financial condition and results of operations.

Risks Relating to an Investment in the Notes

CABCORP is a holding company, and our obligations pursuant to the notes will therefore be fulfilled from income from our subsidiaries.

CABCORP is a holding company, with no significant assets other than the stock of our subsidiaries and our holdings of cash and marketable securities. Consequently, we rely on our subsidiaries for operating income. Our ability to pay operating expenses, any debt service obligations (including the notes) and dividends depends primarily on our receipt of sufficient funds from our wholly-owned and partially-owned subsidiaries in Guatemala, Nicaragua, Honduras, El Salvador, Puerto Rico, Jamaica, Trinidad & Tobago, and Ecuador. Our ability to receive funds from our subsidiary in Puerto Rico may be restricted by covenants in the debt instruments of such entity and laws and regulations restricting or taxing the remittance of dividends or transfer payments abroad. For example, under applicable law our subsidiaries are only permitted to declare dividends once per year, after the subsidiaries' financial statements have been approved by a majority of the shareholders. Once declared, dividends may be paid in future periods. The countries in which we operate currently do not restrict the remittance of dividends paid by our subsidiaries to us, although Nicaragua and Guatemala have imposed more restrictive exchange controls in the past, and more restrictive exchange control policies, which could adversely affect the ability of our subsidiaries to pay dividends to us, may be imposed in the future. At present, Guatemala does not impose withholding taxes on dividends paid by domestic subsidiaries to us, so long as our Guatemalan income taxes have been fully paid. Moreover, the payment of dividends by our subsidiaries is also contingent upon the earnings and cash flow of, and permitted borrowings by, such subsidiaries. In addition, payment of dividends by majority-owned subsidiaries necessitates *pro rata* dividends to minority shareholders. Except for the obligations of the guarantors under the indenture, the Participation Agreement and certain other intercompany loans, CABCORP's subsidiaries have no obligation to pay amounts to CABCORP in order to service the notes.

Not all of our subsidiaries will guarantee the notes, and any claim by us or any of our creditors, including the holders of the notes, against such non-guarantor subsidiaries will be structurally subordinated to all of the claims of creditors of those non-guarantor subsidiaries.

In the event that any of our non-guarantor subsidiaries becomes insolvent, liquidate, reorganize, dissolve or otherwise wind up, the assets of those subsidiaries will be used first to satisfy the claims of their creditors, including their trade creditors, banks and other lenders. Consequently, any claim by CABCORP or its creditors, including holders of the notes, against a non-guarantor subsidiary will be structurally subordinated to all of the claims of the creditors of such non-guarantor subsidiary.

Certain of our non-guarantor subsidiaries are not wholly-owned subsidiaries of CABCORP. As a result, business decisions made with respect to the operations of these non-guarantor subsidiaries must take into consideration the interests of third party shareholders, whose interests may conflict with yours.

Fraudulent conveyance laws and other limitations on the guarantees may adversely affect the validity and enforceability of the guarantees of the notes.

The subsidiary guarantors will guarantee the payment of the notes on an unsubordinated unsecured basis. The subsidiary guarantors are incorporated or organized under the laws of Guatemala, Honduras, Nicaragua, El Salvador, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, a court could subordinate or void any guarantee and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant subsidiary guarantor, if a court decides that the elements of fraudulent conveyance or fraud to creditors have been met according to the laws of such jurisdiction.

The measure of insolvency for purposes of fraudulent transfer laws varies depending on the law applied (*e.g.*, under U.S. bankruptcy law, "insolvent" refers to balance-sheet insolvency, *i.e.*, fewer assets than debts). Generally, however, a guarantor would be considered insolvent if it could not pay its debts as they become due or if its liabilities exceeded its assets. If a court decided any guarantee was a fraudulent conveyance and voided such guarantee, or held it unenforceable for any other reason, you would cease to have any claim in respect of the subsidiary guarantor providing such voided guarantee and would be a creditor solely of CABCORP and the remaining subsidiary guarantors.

You may not be able to resell the notes.

We have applied to list the notes on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF market of such exchange.

Although we have been advised by the Initial Purchaser that it currently intends to make a market in the notes following completion of this offering, the Initial Purchaser is not obligated to do so, and any such market-making activities may be discontinued at any time without notice. We cannot assure you that any active trading market will exist for the notes, nor can we assure you regarding the liquidity of any such market, your ability to sell the notes or the prices at which the notes could be sold. If a market for the notes exists, the notes could trade at prices that may be higher or lower than their initial offering prices depending on many factors, including prevailing interest rates, our results of operations, the markets for similar securities, and other factors beyond our control, including general economic and market conditions.

We cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the notes.

Transfer of the notes will be restricted, which may adversely affect the value of the notes.

The notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and we have not undertaken to effect any exchange offer for the notes in the future. You may not offer the notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws, or pursuant to an effective registration statement. The notes and the indenture will contain provisions that will restrict the notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S under the Securities Act, or pursuant to any other exemption under the Securities Act for so long as the notes remain outstanding.

We will require a significant amount of cash to service our debt. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our debt, including the notes, and to fund planned capital expenditures and research and development efforts, will depend on our ability to generate cash in the future. This is subject to general economic, financial, competitive, legislative, regulatory and other factors that may be beyond our control. Based on our current level of operations, we believe our cash flow from operations and available cash will be adequate to meet our future liquidity needs for the near future barring any unforeseen circumstances that are beyond our control. We cannot assure you, however, that our business will generate sufficient cash flow from operations to enable us to pay our debt, including the notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our debt, including the notes, on or before maturity.

The terms of the notes impose, or will impose, restrictions on us that may affect our ability to successfully operate our business.

The indenture governing the notes contains covenants that, among other things, limit our ability to incur additional indebtedness, make certain payments, undertake asset sales, create certain liens and undertake the consolidation, merger, sale or conveyance of CABCORP and certain of our subsidiaries.

These covenants could materially and adversely affect our ability to finance our future operations or capital needs and to engage in other business activities that may be in our best interest. All of these covenants may restrict our ability to expand or to pursue our business strategies. Our ability to comply with these covenants may be affected by events beyond our control, such as prevailing economic conditions and changes in regulations, and if such events occur, we cannot be sure that we will be able to comply. A breach of these covenants could result in a default under the indenture governing the notes.

The ability of investors to enforce civil liabilities under U.S. securities laws may be limited.

None of our directors or executive officers are residents of the United States. Substantially all or a significant portion of our assets and those of our directors and executive officers are located outside the United States. As a result, it may not be possible for investors in our securities to effect service of process within the United States upon such persons or to enforce in U.S. courts or outside the United States judgments obtained against such persons outside the United States.

We are a company organized and existing under the laws of the British Virgin Islands and there is no existing treaty between the United States and the British Virgin Islands for the reciprocal enforcement of foreign judgments. It is not clear whether a foreign court would accept jurisdiction and impose civil liability if proceedings were commenced in a foreign jurisdiction predicated solely upon US federal securities laws. See “Difficulties of Enforcing Civil Liabilities against non-U.S. persons.”

USE OF PROCEEDS

The net proceeds from the sale of the new notes will be approximately U.S.$109.7 million after deduction of certain expenses and the Initial Purchaser's discount and commission and including accrued interest from February 9, 2013 to May 13, 2013. The Company intends to use the proceeds from the sale of the new notes for general corporate purposes, including potential acquisitions.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and trading securities, debt and capitalization at December 31, 2012, on a historical basis, and as adjusted to reflect the issuance of the new notes and the application of the net proceeds we receive from this offering as described in "Use of Proceeds."

There have been no material changes in our capitalization since December 31, 2012. You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our interim audited Financial Statements and related notes, appearing elsewhere in this offering memorandum.

	As of December 31, 2012	
	Actual	**As Adjusted[(1)]**
	(in thousands of U.S. dollars)	
Cash and cash equivalents and trading securities	229,970	339,642
Short-term debt[(2)]		
Local currency-denominated short-term debt	9,975	9,975
U.S. dollar-denominated short-term debt	21,080	21,080
Total short-term debt	31,055	31,055
Long-term debt:[(3)]		
Local currency-denominated long-term debt	80,692	80,692
U.S. dollar-denominated long-term debt	31,620	31,620
Notes issued	200,000	300,000
Total long-term debt	312,312	412,312
Other Debt[(6)]	112,000	112,000
Preferred shares	3,547	3,547
Purchase obligations	—	—
Non-controlling interests	30,418	30,418
Equity attributable to shareholders of the Group[(4)].	229,565	229,565
Total capitalization[(5)]	718,898	818,898

(1) The net proceeds from the new notes offered pursuant to this offering memorandum are assumed to have been applied for general corporate purposes, including potential acquisitions.
(2) Excludes current portion of long-term debt.
(3) Includes current portion of long-term debt.
(4) Stockholders' equity includes U.S.$154,757 thousand of retained earnings. All declared dividends have been paid.
(5) Total of long-term debt, minority interest and stockholders' equity.
(6) U.S.$112 million consisting of bank loans of U.S.$42 million at an interest rate of 6.75% with Mesoamerican Financial Corp. and $70 million at an interest rate of 4.10% with Bancolombia. We pledged the certificates of deposits for (i) the Bancolombia loan to guarantee the issuance of a standby letter of credit to its subsidiary Banco Agricola, which in turn provided loans in the same amount to our subsidiaries in El Salvador; and (ii) the Mesoamerican Financial Corp. loan to guarantee loans made to our subsidiaries in Guatemala, Honduras and Nicaragua and Trinidad & Tobago. We refer to this transaction as the "lender of record" structure.

SELECTED FINANCIAL AND OPERATING DATA

The following table presents selected consolidated financial information of CABCORP and our consolidated subsidiaries for each of the periods indicated. This information should be read in conjunction with, and is qualified in its entirety by reference to, CABCORP's Annual Audited Consolidated Financial Statements as of and for the years ended December 31, 2012, 2011 and 2010 and notes thereto included elsewhere in this offering memorandum.

The selected financial and operating data for CABCORP as of and for each of the years ended December 31, 2012, 2011 and 2010 have been derived from our Annual Audited Consolidated Financial Statements. These Financial Statements have been prepared in accordance with IFRS, which differ in certain respects from U.S. GAAP. In the opinion of our management, the financial data set forth below include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of consolidated financial position and results of operations as of the dates and for the periods specified.

	At and for the Year Ended December 31,		
	2012	2011[(1)]	2010[(1)]
	(in thousands of U.S. dollars)		
Consolidated Statements of Income			
Net sales	1,092,595	881,424	782,234
Cost of sales	(706,754)	(590,158)	(508,134)
Gross profit	385,841	291,266	274,100
Other income	15,778	7,711	3,906
Selling expenses	(225,840)	(163,297)	(151,249)
General and administrative expenses	(66,752)	(61,994)	(52,277)
Depreciation and amortization	(29,358)	(29,099)	(31,407)
Other expenses	(3,836)	(7,796)	(3,917)
Operating profit	75,833	36,791	39,156
Finance income	19,168	4,990	8,967
Finance cost	(42,200)	(18,740)	(23,042)
Finance cost, net	(23,032)	(13,750)	(14,075)
Other non-operating (expenses) income	—	—	(587)
Share of (loss) of equity-accounted investees	—	(2,116)	(1,950)
Profit before income tax	52,802	20,925	22,544
Income tax			
Current	(15,185)	(10,758)	(6,593)
Deferred benefit (expense), net	1,598	1,424	(1,353)
Minority interest	—	—	—
	(13,587)	(9,334)	(7,946)
Net profit for the period	39,215	11,591	14,598
Consolidated Balance Sheets			
Assets			
Current			
Cash and cash equivalents	67,928	63,095	73,254
Held-to-maturity investments[(2)]	120,041	21,495	26,166
Accounts receivable, net	179,478	119,980	122,316
Inventories	119,058	82,591	78,187
Prepaid expenses	4,607	3,608	2,935
Available for sale non-financial assets	—	1,286	1,297
Total current assets	491,113	292,055	304,155
Non-current			
Held-to-maturity investments[(2)]	42,000	—	—
Investment in equity-accounted investees	1,750	1,750	2,116
Property, plant and equipment, net	331,062	226,194	221,122
Intangible assets	100,408	41,032	42,284
Deferred tax assets	5,735	5,319	3,582
Other assets	34,675	7,079	4,812

	At and for the Year Ended December 31,		
	2012	2011[1]	2010[1]
	(in thousands of U.S. dollars)		
Total non-current assets	515,630	281,373	273,916
Total assets	1,006,743	573,428	578,071
Liabilities			
Current			
Short-term bank loans[3]	31,055	12,000	5,066
Current portion of long-term loans	2,609	12,661	14,692
Accounts payable and accrued expenses	240,241	141,926	121,298
Income tax payable	2,764	1,412	2,655
Total current liabilities	276,669	167,998	143,710
Non-current			
Long-term bank loans, less current portion[4]	221,704	144,647	173,096
Bonds payable	200,000	—	—
Accounts payable	6,054	2,658	2,942
Provision for employee benefits	6,767	7,013	—
Provision for indemnities	19,460	18,634	20,434
Deferred tax liabilities	12,559	14,025	9,960
Total non-current liabilities	466,544	186,978	206,433
Total liabilities	743, 213	354,977	350,143
Preferred shares	3,547	5,067	9,111
Shareholders' equity			
Paid-in capital	30,488	30,488	30,488
Contributions for future capital increases	57,218	57,218	57,218
Legal reserve	6,541	7,090	4,481
Retained earnings	154,757	134,407	139,230
Cumulative translation adjustment	(19,438)	(23,298)	(24,970)
Total equity attributable to shareholders of the Group	229,565	205,904	206,447
Non-controlling interests	30,418	7,480	12,369
Total equity	259,984	213,384	218,816
	1,006,743	573,428	578,071

	At and for the Year Ended December 31,		
	2012	2011	2010
	(in thousands of U.S. dollars)		
Consolidated Statements of Cash Flows			
Net cash flow from operating activities	45,814	72,935	52,809
Net cash flow provided by (used in) financing activities	219,482	(42,699)	(31)
Net cash flow used in investing activities	(263,456)	(38,787)	(54,381)
Net increase (decrease) in cash and cash equivalents	1,839	(8,551)	(1,603)

	At and for the Year Ended December 31,		
	2012	2011	2010
	(in thousands of U.S. dollars, except for ratios)		
Other Financial Information[5]:			
Adjusted EBITDA[6]	122,898	94,291	84,992
Total debt[7]	455,367	169,309	192,854
Adjusted Total Debt[8]	343,367	169,309	192,854
Net debt[9]	225,397	84,719	93,434
CAPEX[10]	81,193	44,914	36,866
Working capital[11]	214,445	124,057	160,444
Cash flow from operating activities	45,814	72,935	52,809
Cash flow from investing activities	(263,456)	(38,787)	(54,381)
Cash flow from financing activities	219,482	(42,699)	(31)
Free cash flow[12]	67,928	63,095	73,254
Adjusted EBITDA margin[13]	11.25%	10.7%	10.87%
Adjusted Total debt/Adjusted EBITDA[6][7]	2.79	1.80	2.27
Adjusted Total Debt/EBITDA Pro Forma[14]	2.85	1.80	2.27
Net debt/Adjusted EBITDA[6][9]	1.83	0.90	1.10
Interest coverage ratio[15]	5.34	6.86	6.04

	Year Ended December 31,		
	2012	2011	2010
		(in millions)	
Other Data			
Unit cases sold	307.1	236.8	219

(1) Adjustments to the results of previous periods. CABCORP recorded adjustments against retained earnings related to the recording of the amortization of bottles and boxes in their Jamaican operations as of the year ended December 31, 2010 and for the purpose of reconciling contributions for future capitalizations. The effect of such adjustments in the financial statements as of and for the years ended December 31, 2011 and 2010 is detailed in note 33 of the audited financial statements for the year ended December 31, 2012.

(2) Short-term held-to maturity investments are certificates of deposit at 180 days as of the date of the acquisition of the security. Long-term held-to-maturity investments are due in 2017.

(3) Includes financial obligations and current portion of long-term debt.

(4) As of December 31, 2012, the balance of this item includes U.S.$200 million of bonds issued on February 9, 2012 with a fixed semi-annual interest rate of 6.75% and a maturity date of February 2022. The issuance and placement of such bonds was authorized through the Shareholders Assembly on February 6, 2012. We have bank loans for $42 million at an interest rate of 6.75% with Mesoamerican Financial Corp. and $70 million at an interest rate of 4.10% with Bancolombia. We pledged the certificates of deposits for (i) the Bancolombia loan to guarantee the issuance of a standby letter of credit to its subsidiary Banco Agricola, which in turn provided loans in the same amount to our subsidiaries in El Salvador; and (ii) the Mesoamerican Financial Corp. loan to guarantee loans made to our subsidiaries in Guatemala, Honduras and Nicaragua and Trinidad & Tobago. We refer to this transaction as the "lender of record" structure.

(5) Other than the Adjusted Total Debt/EBITDA Pro Forma, which gives pro forma effect to the acquisition of our Ecuador operations for the entire year 2012, all ratios were calculated consolidating such acquisition from May 2012 to December 2012. See footnote (14) below.

(6) Adjusted EBITDA represents net income plus (i) income tax, (ii) change in fair value of financial instruments, (iii) financials costs, net, (iv) share of loss of equity accounted investees, (v) other non-operating expenses (income), net, (vi) employee participation, (vii) depreciation, (viii) amortization of rights and exclusivity contracts, (ix) impairments and (x) non-recurring charges including non-cash items. Adjusted EBITDA is not a financial measure under IFRS. Adjusted EBITDA is included in this offering memorandum because we believe certain investors may consider this useful as an additional measure of our financial performance and ability to service our debt and fund capital expenditures. Adjusted EBITDA is not and should not be considered as substitute for net income, cash flow provided by operations or other measures of financial performance or liquidity under IFRS. Because Adjusted EBITDA is not an IFRS measure and not all companies calculate EBITDA in the same manner, our presentation of Adjusted EBITDA may not be comparable to other EBITDA, adjusted EBITDA or similarly titled measures reported by other companies. Reconciliation of Adjusted EBITDA is as follows:

	At and for the Year Ended December 31,		
	2012	2011	2010
	(in thousands of U.S. dollars)		
Net Profit for the year	39,215	11,591	14,598
Income tax	13,587	9,334	7,946
Financial cost, net	23,032	13,750	14,075
Plus: share of loss of equity- accounted investees	—	2,116	1,950
Other non-operating expenses (income), net	—	—	587
Plus: employee participation	—	—	—
Plus: depreciation	42,068	37,505	38,419
Plus: amortization of rights and exclusivity contracts	1,333	1,843	2,790
Plus: impairments	—	—	812
Plus: non-recurring charges	3,664	18,153	3,815
Adjusted EBITDA	122,898	94,292	84,992

(7) Total debt represents the sum of short-term and long-term debt.

(8) Adjusted total debt excludes U.S.$112 million of long-term debt, which is under a lender of record structure. Total debt is adjusted only for 2012.

(9) Net debt represents total debt less cash and cash equivalents and investment held in maturity (certificates of deposit at 180 days as of the date of the acquisition of the security). Net debt is not a financial measure under IFRS. Net debt is included in this offering memorandum because we believe certain investors may consider this useful as an additional measure of our financial performance and ability to service our debt and fund capital expenditures. Net debt is not and should not be considered as substitute for net income, cash flow provided by operations or other measures of financial performance or liquidity under IFRS. Because net debt is not an IFRS measure and not all companies calculate net debt in the same manner, our presentation of net debt may not be comparable to other similarly titled measures reported by other companies. Reconciliation of net debt is as follows:

	Year Ended December 31,		
	2012	2011	2010
	(in thousands of U.S. dollars)		
Long-term debt	424,312	157,309	187,788
Short-term debt	31,055	12,000	5,066
Total debt	455,368	169,309	192,854
Cash and cash equivalents and investments held to maturity	229,970	84,590	99,420
Net debt	225,397	84,718	93,434

(10) CAPEX means acquisitions of fixed assets.

(11) Working capital is current assets minus current liabilities.

(12) Free cash flow is the sum of (i) cash flow from operations, (ii) cash flow from investing activities, (iii) cash flow from financing activities and (iv) cash and cash equivalents at the beginning of the period.

(13) Adjusted EBITDA margin is the ratio of Adjusted EBITDA to net sales.

(14) This ratio was calculated pursuant to the terms set forth in the Consolidated Total Indebtedness to Consolidated EBITDA Ratio described in "Description of Notes—Limitation on Incurrence of Additional Indebtedness" in which Adjusted Total Debt is equal to Consolidated Total Indebtedness (as used in the Description of Notes) and the EBITDA Pro Forma is equal to Consolidated EBITDA (as used in the Description of Notes). For purposes of such calculation, we gave pro forma effect to the entire year 2012 with respect to our Ecuadorian operations. For purposes hereof and after giving such pro forma effect, (i) Adjusted Total Debt for the year ended December 31, 2012 was U.S.$343,367 thousand and (ii) EBITDA Pro Forma was U.S.$119,234 thousand plus U.S.$1,367 thousand, where U.S.$1,367 thousand represented our EBITDA for our Ecuadorian operations from January 1, 2012 to April 30, 2012.

(15) Interest coverage ratio is the ratio of Adjusted EBITDA to net finance cost.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with our consolidated financial statements, including the notes thereto, included in this offering memorandum beginning on page F-1. Our consolidated financial statements have been prepared in accordance with IFRS, which differ in certain significant respects from U.S. GAAP.

Overview

The majority of our business activity is the sale of carbonated soft drinks, juices and nectars, energy drinks, isotonic drinks, water, tea and beer, and we expect to see organic growth of our business based on the demographics of our region. Having established a very extensive distribution infrastructure, we have undertaken a strategy to be a comprehensive beverage supply solution for approximately 412,300 points of sale as of March 31, 2013.

Set forth below is a discussion of several of the most important influences on our financial condition and results of operations:

Results of our operations in Central America

We have continued to strengthen our market position in Guatemala, Honduras, Nicaragua and El Salvador. We have experienced organic growth from those operations due to our increasingly large distribution network and the implementation of various pricing strategies in 2012. Our EBITDA margin for those countries increased from 11% in 2011 to 13% in 2012.

Our Guatemalan operations achieved 15% growth in terms of volume in almost all of its product categories in 2012 due to new product launches and price pack innovation. CABCORP maintained its position as market leader in CSD with 40% of the market share in Guatemala in 2012. *Lipton Tea* recovered its market share from 53% as of January 2012 to 65% as of December 2012. Our greatest opportunity for growth in the Guatemalan market in 2013 lies in the energy drinks category, where our value market share is 52%, but our volume share could grow from its 2012 level of 34%.

The results of our operations in El Salvador reverted from a negative EBITDA in 2011 to a positive EBITDA of U.S.$4.3 million in 2012 due to our implementation of a 7% price increase accompanied by an 8% sales volume increase and lower operating expenses. We plan to continue the same pricing strategies in El Salvador in 2013.

Our operations in Honduras continue to recover its CSD market position, increasing from 28% as of January 2012 to 30% as of December 2012 and was able to achieve double digit growth in sales revenue due to a 7% increase in the prices charged to our customers. Our focus on innovation with respect to *AMP* resulted in our volume being doubled in the highly profitable energy category during 2012. The development of the *AMP* brand is expected to be one of our strategic initiatives in 2013.

Our operations in Nicaragua achieved double digit growth in terms of volume in 2012 and increased its CSD market share by 2% over the previous year, reaching 22% as of December 2012. Due to macroeconomic conditions, the industry price index in Nicaragua is the lowest in the Central American region. In 2013, one of our biggest initiatives in Nicaragua is expected to be the implementation of price pack adjustments aimed to increase our value per case.

Results of our operations in Puerto Rico, Jamaica and Trinidad & Tobago

As of December 2012, our volume share of the carbonated soft drink markets in the Caribbean markets in which we operate was 65% in Jamaica, 13% in Trinidad & Tobago and 26% in Puerto Rico. CABCORP has the right to distribute PepsiCo products in the Barbados territory, even though we do not have bottling operations as of the date of this offering memorandum.

We have faced challenges since we entered into the Puerto Rican market in 2009, including high costs of sales for our carbonated soft drinks that are distributed through supermarkets and low prices of our competitors. We have improved our market position by implementing a different pricing strategy, maintaining tight control over our expenses and acquiring the largest vending machine operator in Puerto Rico. While our revenues in Puerto Rico during 2012 were at similar levels to those in 2011, our EBITDA for 2012 was positive U.S.$5.4 million instead of negative U.S.$5.2 million, as was the case in 2011.

In Jamaica for 2012 our operations were adversely affected by Hurricane Sandy and the delayed launch of Ocean Spray that was scheduled to occur in April 2012, but was executed in the third quarter of 2012. In 2012, revenues from our operations in Jamaica increased by 12% and EBITDA increased by 9% compared to 2011.

The implementation of numerous sales and manufacturing initiatives in Trinidad & Tobago and a significant organizational restructuring, including the installation of a head regional director for the Caribbean, has contributed to the reversal of the negative trend previously affecting our operations in Trinidad & Tobago. Sales in Trinidad & Tobago increased by 19% in 2012 as compared to 2011 and EBITDA increased by 34% in 2012 as compared to 2011. In Trinidad & Tobago, we are focusing on reversing the negative EBITDA by 2013 and seeking to achieve positive results though portfolio innovation and the continuation of initiatives that commenced in 2012.

The EBITDA margin for our Caribbean operations in 2012 was 6%. Our Jamaican operations had the highest EBITDA margin of our Caribbean operations with 8%.

Our Puerto Rican operations will continue to execute and reinforce its pricing strategy, integrate new categories into its portfolio and consolidate the operations of the vending machine operator it acquired in 2012 in order to try to maintain a profitable operation in Puerto Rico.

Our Jamaican operations entered into a joint venture agreement with Red Stripe (Diageo) in January 2013. As a result of the joint venture agreement, a new company is expected to be formed to distribute both Red Stripe and PepsiCo products in the Jamaican domestic market with the objective of reducing distribution costs, increasing net sales, consolidating market share leadership and, most importantly, significantly controlling points of sale. The new company is expected to implement CABCORP's sales and distribution best practices, systems and procedures.

Other initiatives our Jamaican operations intend to implement are a multi-pack strategy and the reinforcement of the regional cooler platform.

Results of our operations in Ecuador

Our core business in Ecuador is carbonated water, where we are the market leader with a 95% market share. We also have 95% of the market share in the energy drinks category and 77% of the market share in the isotonic drinks category in the Ecuadorian market. Ongoing price pack initiatives seek to increase our market share of CSD, which is currently 11%.

From the acquisition date of our Ecuadorian operations to December 31, 2012, our volume and profit drivers in Ecuador are primarily all of our product categories other than CSDs. For the eight month period ended December 31, 2012, water, isotonic beverages and energy drinks represented approximately 55% of the total volume mix of our Ecuadorian operations. We expect these non-carbonated soft drink products to remain important profit drivers.

Since our acquisitions in Ecuador, the operation has carried out various projects to implement control systems and improve processes and efficiencies. Some of the projects include organizational restructuring, implementation of SAP (Systems, Applications and Products) software, warehouse management improvements, quality control programs, efficiency improvement plans (including automation of different processes related to freight management), variable compensation based on delivery routes, fixed assets and financial audits, centralization of treasury and accounting functions through our shared unit services, and other key performance indicators. The main objective with respect to Ecuador for 2013 is to consolidate our sales and delivery methods by implementing our best practices in the various procedures previously mentioned.

Cost of raw materials and concentrate

The cost of raw materials, including concentrate, comprises approximately 80% of our manufacturing costs. Most of our materials are obtained from local suppliers (except for the concentrate). The concentrate is mixed with sugar and carbonated water at our facilities. Although historically the prices of our principal raw materials had been stable, over the past two years they have increased. We use different methods to protect us against price fluctuations of sugar, aluminum, resin and other raw materials, including hedging of prices. Under the applicable bottling agreements, we purchase all of the concentrate for the PepsiCo products from PepsiCo at prices ranging from 15% to 30% of the net wholesale price of the beverage to retailers (adjusted for packaging costs of non-returnable packaging, excluding any taxes).

The cost of raw materials we are subject to remains in line with our expectations, as most of our materials are obtained from local suppliers, except for concentrate. All raw materials, including concentrate, are bought under long-term contracts with suppliers, which helps stabilize prices for relatively long periods of time. We also use hedging arrangements to protect us against price fluctuations of sugar, aluminum and other raw materials. Aluminum and fuel are our most important raw materials that we have implemented hedging arrangements with respect to price fluctuations. We have purchased 25% of our aluminum requirements for the next nine months and 25% of our fuel requirements for the next nine months.

Seasonality

Sales of beverages, especially carbonated soft drinks, in our principal markets are highly seasonal. Sales are typically higher between March and April due to Easter and December due to Christmas and New Year's. For example, in 2012, sales during the third week of March (immediately prior to Easter week) accounted for approximately 9.2% of our annual consolidated net sales and during December 2010 accounted for approximately 10% of our annual consolidated net sales. Both inventories (raw materials and finished products) and accounts receivable reach their highest levels during such periods and cash requirements are met through increases in credit terms with suppliers (mainly in concentrate purchases) and surplus cash from off-peak months.

As of December 31, 2012, accounts receivable increased U.S.$59.5 million to U.S.$179.5 million from U.S.$119.9 million in 2011 and inventory increased U.S.$36.5 million to U.S.$119.1 million in 2012 from U.S.$82.6 million in 2011 primarily due to the peak season in Ecuador, which begins in November and ends in April, extended credit terms in Central America and the build-up of inventory in our Guatemalan operations in preparation for the holiday season.

Launch of New Beverage Categories

The launch of new beverage categories is a key part of our business strategy. In order to maximize our competitive position, we have added a broad portfolio of beverage products, including carbonated soft drinks, bottled water, juice, nectars, sports drinks, energy drinks and beer, each of them in different types of packaging and price levels in order to reach different consumers. As we continue to add beverage categories across our region, we experience very limited or no additional distribution expenses. There are, however, potentially significant start-up and production costs for additional beverages that affect our margins.

We plan to continue launching new lines of product in our regions and increasing our market coverage. We believe that the companies with broad beverage portfolios, that are better able to serve retailers with products, coolers and frequency of visits will be better positioned in the market.

Ocean Spray, a premium juice with vitamin C, antioxidants and other nutrients, was recently launched in the fourth quarter of 2012. In addition, in 2012, as part of our beer segment, we added *Stella Artois* and *Beck's* to our portfolio of beer brands. Our Jamaican operations entered into a joint venture agreement with Red Stripe (Diageo) in January 2013. As a result of the joint venture agreement, a new company is expected to be formed to distribute both Red Stripe and PepsiCo products in the Jamaican domestic market. Other initiatives include the launch of *Mountain Dew*, *Tropicana* and *7UP Cherry* in some of our Central American markets. In Ecuador, we will continue our branding initiatives with the relaunch of *Gatorade* as we will be focused on highly profitable categories, such as energy drinks and water. Portfolio innovation for 2013 will include the launch of *Corona* beer in the El Salvador market.

Use of returnable and disposable packaging

Another important factor in our business is the mix of returnable and disposable bottles. Approximately 72% of our current mix consists in disposable bottles in our operations in Guatemala, Honduras, El Salvador and Nicaragua, which generally allows us to achieve additional market penetration. Disposable packaging generally increases the cost of goods sold since the full cost of the package is expensed at the time of sale. Although we maintain a high percentage of disposable packaging in our mix, over the last couple of years we have consistently increased the production of returnable bottles in these countries with the goal to achieve a 50-50 ratio. An increase in the number of returnable bottles allows us to achieve lower production costs and better penetration in certain markets that historically have involved higher costs of entry and allows for a lower retail price for consumers. Returnable packaging requires an initial investment in the inventory of glass or returnable plastic that is gradually depleted as the bottles break, become useless or are not returned by the consumers. This characteristic of the returnable bottles typically generate a lower cost of goods sold (compared to disposable bottles) since only a portion of its cost (breakage) is recognized as an expense. In addition, returnable bottles have less of an environmental impact and are advantageous against B brands in core markets. There are ongoing plans to increase the amount of returnable bottles in our mix. *Lipton* is expected to launch in a 12-ounce glass returnable bottle in El Salvador during 2013. The use of 1.25-liter glass returnable bottles is expected to be expanded in Guatemala and Honduras and the use of 1-liter glass returnable bottles is expected to be expanded in El Salvador. There are also plans to increase the use of returnable bottles in Nicaragua, as they provide a competitive advantage with respect to B brands. As of December 2012, our mix of glass returnable bottles in our operations in Guatemala, Honduras, El Salvador and Nicaragua was 28% of our product distribution.

Improving regional production and distribution efficiencies

With operations in Guatemala, Honduras, Nicaragua, El Salvador, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador, we can maximize production and distribution efficiencies across our region, unlike many of our competitors that have operations only in a single country. As an example of the expansion of our operations in recent years, we have increased our production capacity in Jamaica to include new lines of products which are exported to other countries where we operate. Through our bottler in Trinidad & Tobago, we supply our product to Barbados and other nearby islands. Through LivSmart we export to other countries, including Mexico and the United States (specifically in Texas and South Florida), including *Gatorade*. CABCORP's production capacity increased with the addition of two plants in Ecuador, located in Quito and Guayaquil, which added 15 production lines for glass and PET products. During 2012, the following production lines were installed in our manufacturing facilities:

- Jamaica: Full production line (blowing, filling and packaging) for CSDs and *Ocean Spray* flavored water (September 2012);
- LivSmart (El Salvador): Tetra packaging line (October 2012); and
- Guatemala (Suchitepéquez, Cuyotenango): Hot fill line for glass and PET line (June-July 2012).

For 2013, we plan to continue leveraging our regional infrastructure to enhance production and distribution efficiencies and to add five additional production lines in Puerto Rico, El Salvador and Ecuador.

Currency devaluations

As of December 31, 2012, approximately 51% of our revenues were in the local currencies of the countries in our region (excluding our operations in Ecuador, El Salvador, Puerto Rico, the export division of our operations in Jamaica and LivSmart). With the addition of our operations in Ecuador, approximately 49% of our revenues are in U.S. dollars. Had our Ecuadorian operations been consolidated as of January 1, 2013, such value would have been approximately 51%. Approximately 74% of our debt is denominated in or indexed to U.S. dollars, including

Ecuador and approximately 60% of our costs is denominated in or indexed to U.S. dollars. After giving effect to the issuance of the new notes and the use of the net proceeds to retire local currency-denominated debt, we estimate that approximately 79.6% our debt will be denominated in U.S. dollars. Local currency devaluations against the U.S. dollar could decrease our revenues in U.S. dollar terms and increase our financial expenses and costs of goods sold in local currency terms, although over the last five years this has not had a significant effect on the results of our operations. See "Risk Factors—Economic conditions in Central America, the Caribbean and South America could adversely affect our operations" and "Quantitative and qualitative disclosure about market risk." Any significant devaluation of the Guatemalan Quetzal, the Honduran Lempira, the Nicaraguan Cordoba, the Jamaican Dollar or the Trinidadian Dollar could adversely affect our results of operations. We believe that the currency risk is mitigated by several factors: the marketing reimbursements from PepsiCo, which accounts for approximately 5% of our revenues, are denominated in U.S. dollars; six out of 11 of our operations are in U.S. dollar-denominated countries, including Ecuador; and most of our cash reserves, primarily in the form of time deposits and deposits at sight, are held in U.S. dollars. We also believe that certain natural hedges are applicable to our business that protects us from fluctuations in currency exchange rates. For example, the price of concentrate is based upon 20% of the net wholesale price to the retailer as determined in local currency, and although it is paid in U.S. dollars, currency devaluation would imply a lower concentrate price in U.S. dollars. In addition, while the costs of some commodities such as resin, fuel, corn syrup and aluminum are paid in U.S. dollars, our exposure is lowered as we purchase sugar and glass from local suppliers in local currencies. We also have available non-committed lines of credit for a total of U.S.$23 million.

Effect of taxes

The jurisdictions in which we operate impose value added taxes on our products, which we in turn pass on to consumers. The level of taxation on our products can affect consumer demand and higher levels of corporate taxes may affect our net income.

We are subject to corporate taxes at different rates with respect to each of our subsidiaries. CABCORP is a company formed in the British Virgin Islands, and as such is not subject to income tax for its operations; however, each of our operative subsidiaries is subject to the tax regime applicable for each country. Income tax rates vary from country to country: corporate tax is 31% in Guatemala (due to change to 28% in 2014 and 25% in 2015), 30% in El Salvador, 23% in Ecuador, 39% in Puerto Rico and 30% in Honduras, Nicaragua, Jamaica (due to change to 25% in 2013) and Trinidad & Tobago.

Non-recurring charges[1] and impairments

For the eight months ended December 31, 2012 with respect to Ecuador and for the year ended 2012 with respect to Jamaica, the following non-recurring non-cash expenses were accounted: U.S.$0.4 million in fixed asset adjustments, U.S.$0.05 million in adjustments related to manufacturing, U.S.$1.7 million in additional provisions for labor indemnities, U.S.$0.02 million in unreconciled accounts payable, U.S.$0.6 million for employee profit participations, and U.S.$0.1 million in land and building taxes in Ecuador and U.S.$0.8 million in distribution fees of the Jamaican operations attributable to 2011 that were billed in 2012.

The two most important non-recurring charges for 2012 were (i) U.S.$1.7 million for labor provisions that corresponded to U.S.$0.9 million for labor restructuring and the remainder thereof for an actuarial analysis regarding the levels of labor provisions, and (ii) U.S.$0.8 million due to an extemporaneous distribution fee charged by Diageo to our Jamaican operation as a result of both parties terminating their existing contract and entering into a joint venture agreement pursuant to which our Jamaican operation would distribute *Red Stripe* beer in Jamaica.

For 2011, the following non-recurring non-cash expenses were accounted in Guatemala, Honduras, Nicaragua, El Salvador and Puerto Rico: U.S.$5.7 million in write-offs for accounts receivable, U.S.$2.8 million in write-offs for obsolete inventory, U.S.$3.4 million for actuarial provisions related to employee benefits, U.S.$1.4 million for other expenses, U.S.$2.75 million for write-offs for transitory liabilities in Puerto Rico related to inventory and packaging. As of December 31, 2011, write-offs for impaired fixed assets were made for U.S.$2.1 million.

[1] The non-recurring charges described herein may not meet the criteria for non-recurring charges classification under certain standards.

As of December 31, 2010, the following non-recurring non-cash expenses were accounted in Honduras and El Salvador: U.S.$3.5 million in write-offs for accounts receivable and U.S.$0.3 million for actuarial provisions related to employee benefits. As of December 31, 2010, write-offs for impaired fixed assets were made for U.S.$0.8 million.

Overview of our Principal Markets

The Central American, Caribbean and South American regions in which we operate have been affected by unpredictable political events, which have had an impact on economic and social conditions. Inflation and interest rates and the rate of currency devaluation may change frequently, depending on economic conditions and governmental policies. To the extent there are significant increases in inflation in any of these countries, our operating margins may be adversely affected and our results of operations may experience significant adverse consequences. The governments in the countries in which we operate have historically exercised substantial influence over many aspects of their respective economies. The political, economic and social conditions in the countries in which we operate can create a challenging environment for business, including for our operations. See "Risk Factors—Political conditions in Central America, the Caribbean and South America have a direct impact on our business," "Risk Factors—Economic conditions in Central America, the Caribbean and South America could adversely affect our operations" and "Description of the Company—Our Industry."

Critical Accounting Estimates

A summary of our significant accounting policies have been prepared in accordance with IFRS. The following are the accounting policies that we believe are most relevant to the presentation of our financial condition and results of operations and that require the subjective judgment of our management.

Our financial reporting under the indenture governing the notes and the calculation of our compliance with our covenants therein will continue to be made in accordance with IFRS.

Property, plant and equipment

The key judgment we must make with respect to property, plant, and equipment (including bottles and cases) includes the estimation of the useful lives of our various asset types and the appropriate capitalization or expensing of costs related to fixed assets.

Property, plant and equipment is initially recorded at cost and includes financial expenses and exchange rate differences on foreign currency liabilities incurred as a result of their acquisition until they are ready to be used. The estimate of useful lives for fixed assets impacts the level of annual depreciation expense recorded. We completely depreciate all fixed assets using a straight-line method.

Expenditures that substantially improve or increase the useful life of facilities or equipment are capitalized. Maintenance and repair costs are expensed as incurred. Our evaluation of whether an expenditure related to property, plant and equipment substantially improves or increases the useful life of an asset and is appropriately capitalized as an addition to the asset's cost basis or is expensed as normal maintenance and repair expense can significantly affect results of operations for a given period, as well as our financial position.

Glass and plastic bottles are depreciated over their estimated useful lives, which is four years for glass and two years for plastic.

Inventories and reserve for obsolescence

Inventories are recorded at historical cost or at their net realizable value — whichever is lower, which is determined using the average cost method for raw materials, other materials, finished goods and work-in-process.

Allowance for doubtful accounts

We provide an allowance for doubtful accounts based on a review of overdue receivables and historical information. We establish a reserve for 100% of any receivable greater than 120 days past due. A 100% provision is applied for those customers from whom collectability is in doubt. Management must make certain judgments and estimates in determining accounts that are considered to be in doubt.

Income taxes

Current income tax is the tax expected to be paid on taxable income for the year, using tax rates enacted on the date of the consolidated balance sheet, and other adjustments to tax payable in respect of previous years. Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Results of Operations

The following discussion regarding selected consolidated financial information of CABCORP and our subsidiaries for each of the periods indicated should be read in conjunction with, and is qualified in its entirety by reference to, the Company's Annual Audited Financial Statements as of and for the years ended December 31, 2012, 2011 and 2010 and notes thereto included elsewhere in this offering memorandum. See "Selected Financial and Operating Data."

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

The following table sets forth selected data for the periods indicated expressed in U.S. dollars as a percentage of our total net sales:

	Year Ended December 31,		
	2012	**2011**	**Change %**
	(in thousands of U.S. dollars)		
Consolidated Statements of Income			
Net sales	1,092,595	881,424	24%
Cost of sales	(706,754)	(590,158)	20%
Gross profit	385,841	291,266	32%
Other income	15,778	7,711	105%
Selling expenses	(225,840)	(163,297)	38%
General and administrative expenses	(66,752)	(61,994)	8%
Depreciation and amortization	(29,358)	(29,099)	1%
Other expenses	(3,836)	(7,796)	(51)%
Operating profit	75,833	36,791	106%
Finance income	19,168	4,990	284%
Finance cost	(42,200)	(18,740)	125%
Financial cost, net	(23,032)	(13,750)	68%
Other non-operational (expenses)	—	—	—
Share of (loss) profit of equity-accounted investees	—	(2,116)	(100)%
Profit before income tax	52,802	20,925	152%
Income tax			
Current	(15,185)	(10,758)	41%
Deferred (expense) benefit, net	1,598	1,424	12%
	(13,587)	(9,334)	46%
Net profit for the period	39,215	11,591	238%

Sales Volume

We measure total sales in terms of unit cases. The following table illustrates our historical sales for our main categories in unit cases for the periods presented:

	Year Ended December 31,		
	2012	2011	Percentage of Change
	(in millions unit cases)		
Carbonated soft drinks	200.9	178.5	13%
Juices and nectars	25.7	21.8	18%
Isotonics	11.6	7.7	50%
Energy drinks	4.9	2.4	101%
Water	35.4	8.1	337%
Tea	6.7	5.4	24%
Others[(1)]	22.0	12.8	72%
TOTAL[(2)]	**307.1**	**236.8**	**30%**

(1) Includes beer and flavored drinks.
(2) Numbers may not sum due to rounding.

Net sales

The breakdown by product category of our net sales for the years ended December 31, 2011, and December 31, 2012, is shown in the following table.

	Year Ended December 31,		
	2012	2011	
	Net sales*		Percentage of Change
	(in thousands of U.S.$)		
Carbonated soft drinks	589,877	547,223	7.8%
Juices and nectars	128,930	97,207	32.6%
Isotonics	89,013	54,360	63.7%
Energy Drinks	56,935	37,298	52.6%
Water	62,616	14,596	329.0%
Tea	41,386	38,090	8.7%
Others**	123,859	92,650	33.7%
Total	1,092,616	881,424	24.0%

* Based on Company records.
**Includes beer and flavored drinks.

Total net sales increased by 24% to U.S.$1,092.6 million in 2012 from U.S.$881.4 million in 2011. This increase includes 14% from our operations in Ecuador for the eight months ended December 31, 2012, 6% from an increase in sales in the Central American region, 2% from our LivSmart operations and 2% from our Caribbean operations.

In 2012, and taking into account our operations in Ecuador for the eight months ended December 31, 2012, our Ecuadorian operations accounted for 11% of our net sales and had the highest net sales of water and isotonics when compared to our other operations. CSDs represented 30% of CABCORP's net sales. Isotonic drinks represented 19% of CABCORP's net sales. Energy drinks represented 1.1% of CABCORP's net sales. Juices and nectars represented 0.9% of CABCORP's net sales. Tea represented 0.05% of CABCORP's net sales.

Cost of sales

Cost of sales increased 19.8% to U.S.$706.8 million in 2012 from U.S.$590.2 million in 2011, of which 10% of such increase was attributable to the incorporation of the Ecuadorian operations, 9.7% was attributable to volume growth and 1.4% was attributable to an increase in the price of raw materials for production.

Gross profit

The breakdown by product category of our gross profits and gross margins for the years ended December 31, 2011, and December 31, 2012, is shown in the following tables.

	Year Ended December 31, 2012	2011	Percentage of Change
	Gross Profit* (in thousands of U.S.$)		
Carbonated soft drinks	229,440	203,849	12.6%
Juices and nectars	49,375	36,695	34.6%
Isotonics	17,161	10,347	65.9%
Energy Drinks	23,168	11,540	100.8%
Water	34,539	8,605	301.4%
Tea	9,571	7,053	35.7%
Others**	22,587	13,177	71.4%
Total	385,841	291,266	32.5%

*Based on Company records.
**Includes beer and flavored drinks.

	Year Ended December 31, 2012	2011	Percentage of Change
	Gross Margin*		
Carbonated soft drinks	39%	37%	1.6%
Juices and nectars	38%	38%	0.5%
Isotonics	19%	19%	0.2%
Energy Drinks	41%	31%	9.8%
Water	55%	59%	(3.8)%
Tea	23%	23%	0.0%
Others**	18%	14%	4.0%
Total	35%	33%	2.3%

*Based on Company records.
**Includes beer and flavored drinks.

Gross profit was U.S.$385.8 million in 2012, compared to U.S.$291.2 million in 2011. Our gross profit margin increased to 35% in 2012 from 33% in 2011. The increase in the margins is a result of price increases and greater focus on some of the more profitable product categories.

Our operations in Ecuador have the highest gross profit margin with 42%, followed by Guatemala and Honduras, both with 33%.

Selling expenses

Selling expenses increased to U.S.$225.8 million in 2012 from U.S.$163.3 million in 2011, mainly due to the incorporation of the Ecuadorian operations (which represented U.S.$37.7 million of our selling expenses), an increase in marketing expenses in Guatemala related to the Guatemorfosis campaign and the relaunch of *Gatorade*, distribution expenses related to the acquisition of the Santizo Distributor operation and new lease agreements for new distribution centers that were entered into in 2012 to expand storage capacity. This increase in selling expenses is also a result of the implementation of an additional facility in Jamaica due to the incorporation of *Ocean Spray* and expenses related to the pilot test that was conducted for the purposes of integrating products provided by Red Stripe and Pepsi under the Company's systems.

General and administrative expenses

General and administrative expenses increased 7.7% to U.S.$66.8 million in 2012 from U.S.$61.9 million in 2011. This increase was primarily attributable to expenses related to our Ecuadorian operations, which was U.S.$3.8 million in administrative expenses for the eight months ended December 31, 2012.

Finance Income

Finance income increased 284% to U.S.$19.2 million in 2012 from U.S.$4.9 million in 2011, mainly due to an increase in our investments held to maturity and our lender of record structure for our operations in El Salvador, and Honduras and LivSmart. Approximately U.S.$9.1 million of the U.S.$19.2 million corresponds to gains attributable to exchange rate fluctuations.

Finance Expense

Finance expense increased 125% to U.S.$42.2 million in 2011 from U.S.$18.7 million in 2012 mainly as a result of coupon payments from the initial notes (which are higher than the average interest rates CABCORP was being charged by banks at the time of the issuance of such notes), the lender of record structure that was implemented for our operations in El Salvador and Honduras and LivSmart. For 2012, the average cost of debt, including the initial notes was 6.69%. The average cost of debt owed to banks and unrelated to the notes was 6.03% for 2012. Of the U.S.$42.2 million in finance expenses, U.S.$13.9 million is attributable to exchange rate fluctuations.

Income Taxes

The effective tax rate in 2012 decreased to 25.7% from 44.6% in 2011 due to the incorporation of our operations in Ecuador. Of the countries in which we operate, Ecuador has the lowest tax rate, which is 23%. El Salvador and Nicaragua have changed their taxing methods as the tax rate is determined based on gross sales, although such changes did not significantly impact the effective tax rate.

Net Income

Net income increased U.S.$27.4 million to U.S.$39.2 million in 2012 from U.S.$11.6 million in 2011. Of the U.S.$27.4 million increase, U.S.$4.2 million is attributable to the net profit of our Ecuadorian operations and U.S.$8.1 million is attributable to income from the sale of real estate. Additionally, depreciation and amortization did not significantly increase as many of our assets have already amortized.

Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010

The following table sets forth selected data for the periods indicated expressed in U.S. dollars as a percentage of our total net sales:

	Years Ended December 31,		
	2011	2010	Change %
	(in thousands of U.S. dollars)		
Consolidated Statements of Income			
Net sales	881,424	782,234	13%
Cost of sales	(590,158)	(508,134)	16%
Gross profit	291,266	274,100	6%
Other income	7,711	3,906	97%
Selling expenses	(163,297)	(151,249)	8%
General and administrative expenses	(61,994)	(52,277)	19%
Depreciation and amortization	(29,099)	(31,407)	(7)%
Other expenses	(7,796)	(3,917)	99%
Operating profit	39,791	39,156	2%
Finance income	4,990	8,967	(44)%
Finance cost	(18,740)	(23,042)	(19)%
Finance cost, net	(13,750)	(14,075)	(2)%
Other non-operational (expenses)	-	(587)	(100)%
Share of (loss) profit of equity-accounted investees	(2,116)	(1,950)	9%
Profit before income tax	20,925	22,544	(7)%
Income tax			
Current	(10,758)	(6,593)	63%
Deferred (expense) benefit, net	1,424	(1,353)	(205)%
	(9,334)	(7,946)	17%
Net profit for the period	11,591	14,598	(21)%

Sales Volume

We measure total sales in terms of unit cases. The following table illustrates our historical sales for our main categories in unit cases for the periods presented:

	Year Ended December 31,		
	2011	**2010**	**Percentage of Change**
	(in millions unit cases)		
Carbonated soft drinks	179	166	7.6%
Juices and nectars	21.8	20.7	5.4%
Isotonics	7.7	7.5	2.9%
Energy drinks	2.4	1.7	43%
Water	8.1	7.7	4.9%
Tea	5.4	4.1	33.5%
Others(1)	12.8	11.3	13.2%
TOTAL(2)	237	219	8.4%

(1) Includes beer and flavored drinks.
(2) Numbers may not sum due to rounding.

Net sales

The breakdown by product category of our net sales for the years ended December 31, 2011 and December 31, 2010, is shown in the following table.

	Year Ended December 31,		
	2011	2010	
	Net sales*		Percentage of Change
	(in thousands of U.S.$)		
Carbonated soft drinks	547,223	501,625	9.1%
Juices and nectars	97,207	101,835	(4.5)%
Isotonics	54,360	48,381	12.4%
Energy Drinks	37,298	29,525	26.3%
Water	14,596	16,936	(13.8)%
Tea	38,090	17,594	116.5%
Others**	92,650	66,388	29.7%
Total	881,424	782,234	12.7%

*Based on Company records.
**Includes beer and flavored drinks.

Total net sales increased by 12.7% to U.S.$881.4 million for 2011 from U.S.$782.2 million for 2010. This increase was due to an increase in sales volume driven by increased marketing efforts with respect to the Pepsi brand, a decrease in prices in certain regions due to the increased use of glass returnable bottles (which have a higher margin), an increase in sales in Jamaica due to the introduction of 500 ml PET bottles and an increase in sales of LivSmart products, specialty juices and nectars resulting from the introduction of these products in new states in Mexico. The increase in sales was partially offset by a decrease in net sales in Puerto Rico due to the impact of the economic slowdown in the United States on the Puerto Rican economy and the decrease in the young and young adult population as shown in the last U.S. census.

Cost of sales

Our cost of sales increased by 16% to U.S.$590.1 million for 2011 from U.S.$508.1 million for 2010. This increase was primarily due to an increase in the price of raw materials for production, specialty resin, sugar and fruit pulp and an increase in the volume of goods sold in countries where we operate, especially Guatemala, Jamaica and countries in which we sell our LivSmart products.

Gross profit

The breakdown by product category of our gross profits and gross margins for the years ended December 31, 2011 and December 31, 2010, is shown in the following tables.

	Year Ended December 31, 2011	Year Ended December 31, 2010	
	Gross Profit* (in thousands of U.S.$)		Percentage of Change
Carbonated soft drinks	203,849	187,221	8.9%
Juices and nectars	36,695	38,972	(5.8)%
Isotonics	10,347	13,261	(22.0)%
Energy Drinks	11,540	8,529	35.3%
Water	8,605	7,871	9.3%
Tea	7,053	5,898	19.6%
Others**	13,177	12,347	6.7%
Total	291,266	274,099	6.3%

*Based on Company records.
**Includes beer and flavored drinks.

	Year Ended December 31, 2011	Year Ended December 31, 2010	
	Gross Margin		Percentage of Change
Carbonated soft drinks	37.3%	37.3%	0.0%
Juices and nectars	37.7%	38.3%	(0.6)%
Isotonics	19.0%	27.4%	(8.4)%
Energy Drinks	30.9%	28.9%	2.0%
Water	59.0%	46.5%	12.5%
Tea	18.5%	33.5%	(15.0)%
Others*	14.2%	18.6%	(4.4)%
Total	33.0%	35.0%	(2.0)%

*Includes beer and flavored drinks.

Gross profit was U.S.$291.3 million in 2011, compared to U.S.$274.1 million in 2010. Our gross profit margin decreased to 33% in 2011 from 35% in 2010. This decrease is primarily due to a decrease in margins for juices and nectars as a result of the increased costs of pulp and PET.

Selling expenses

Selling expenses increased to U.S.$163.3 million for 2011 from U.S.$151.2 million for 2010. The increase in selling expenses is primarily attributable to an increase in marketing expenses in Guatemala (for *Lipton*), Honduras and Jamaica related to an increased number of campaigns and promotions to create more brand equity and to introduce the new returnable bottles format and an increase in transportation expenses resulting from higher gas prices.

General and administrative expenses

General and administrative expenses increased 19% to U.S.$61.9 million for 2011 from U.S.$52.3 million for 2010. This increase is primarily attributable to expenses related to expatriation costs for managers, officers and their families for relocating to Jamaica and Puerto Rico and a settlement payment of approximately U.S.$1.5 million to the internal revenue service of Guatemala. In addition, we increased our reserves related to severance payments by U.S.$2.2 million resulting from updated calculations in accordance with accounting rules in Guatemala, Honduras, Nicaragua and Puerto Rico.

Finance Income

Finance income decreased 44% to U.S.$4.9 million in 2011 from U.S.$8.9 million in 2010, principally as a result of losses due to exchange rates as a result of revaluations of local currencies with respect to the U.S. dollar, especially in the last quarter of 2010.

Finance Expense

Finance expense decreased 19% to U.S.$18.74 million for 2011 from U.S.$23.0 million in 2010, mainly as a result of a decrease in the cost of financing based on market conditions. A renegotiation of existing debt resulted in a decrease in the average effective interest rate to 6.54% for 2011 from 8.9% for 2010.

Income taxes

The effective tax rate in 2011 increased to 44.6% from 35.0% in 2010 as a result of an $800,000 tax payment for purposes of settlement of our litigation against the internal revenue service of Guatemala.

Liquidity and Capital Resources

Our principal sources of liquidity have historically been:

- cash generated by operations; and
- cash from borrowings and financings obtained from financial institutions.

Our principal cash requirements or uses (other than in connection with its operating activities) have historically been:

- servicing our indebtedness;
- capital expenditures for property, plant and equipment;
- acquisition of, or investments in, companies engaged in the beverage business; and
- payments of dividends and stock repurchases.

The table below reflects our consolidated cash and cash equivalents for the periods indicated and the net cash provided by (or used in) operating, investing, and financing activities during such periods.

	At and for the Year Ended December 31		
	2012	2011	2010
	(in thousands of U.S. dollars)		
Consolidated Statements of Cash Flows			
Net cash from operating activities	45,814	72,935	52,809
Net cash flow from (used in) financing activities	219,482	(42,699)	(31)
Net cash flow from (used in) investing activities	(263,456)	(38,787)	(54,381)
Net increase (decrease) in cash and cash equivalents	1,839	(8,551)	(1,603)

As of December 31, 2012, we had U.S.$117.9 million of cash and cash equivalents and U.S.$343.6 million of total indebtedness (net of the lender of record structure). The Company's cash and cash equivalents as of December 31, 2011 was U.S.$84.5 million, a 39% increase with respect to December 31, 2012, primarily as a result of high levels of operating cash flow and the issuance of the initial notes. Our policy is to maintain 70% of all our cash reserves in U.S. dollars, either in cash and cash equivalents or held to maturity investments, primarily in the form of time deposits and deposits at sight. For further information on our lender of record structure, see "Selected Financial and Operating Data."

Net cash flows from operating activities decreased U.S.$27.1 million to cash flows used in operations of U.S.$45.8 million in the year ended December 31, 2012 compared to cash flows provided by operations of U.S.$72.9 million with respect to the year ended December 31, 2011, primarily as a result of inventory build-up in preparation for the peak season in Ecuador and higher borrowing costs due to indebtedness associated with our operations in Ecuador.

Net cash flows used in financing activities increased U.S.$262.1 million to cash flows provided from financing activities of U.S.$219.5 million in the year ended December 31, 2012 compared to a cash flow used in financing activities of negative U.S.$42.7 million with respect to the year ended December 31, 2011, primarily as a result of the issuance of the initial notes.

Net cash flow used in investing activities increased U.S.$224.6 million to U.S.$263.5 million for the year ended December 31, 2012 from U.S.$38.7 million for the year ended December 31, 2011. This difference in cash flow in 2012 is primarily attributable to investments held to maturity, including those with lender of record structures, and the level of capital expenditures during the period.

The statement of cash flows for the year ended December 31, 2012 reflects, as part of cash flows from investing activities, an increase in held-to-maturity investments to U.S.$140.5 million of which U.S.$112 million is associated to the lender of record transaction, of which the counterpart is in cash flows from financing activities as an increase of U.S.$112 million out of the total of U.S.$201.7 million. Please refer to footnote (4) in "Selected Financial and Operating Data" for a detailed explanation regarding the lender of record transaction.

Consolidated debt

As of December 31, 2012, CABCORP's outstanding debt was U.S.$343.4 million. Of the total outstanding debt, U.S.$31.1 million was short-term debt and U.S.$312.3 million was long-term debt (including lender of record structure). We had preferred stock of U.S.$3.5 million with a 6% dividend yield in Guatemalan local currency.

As of December 31, 2011, CABCORP's outstanding debt was U.S.$169.3 million. Of the total outstanding debt, U.S.$12.0 million was short-term debt and U.S.$157.3 million was long-term debt (including the current portion of long-term debt).

The following table describes the Company's U.S. dollar and local currency debt structure by country as of December 31, 2012:

	U.S.$	% of Total
	(in thousands)	
Denominated in Local Currency		
Guatemala……………………….	87,990	25.6%
El Salvador………………………	–	–
Honduras…………………………	2,677	0.8%
Nicaragua…………………………	–	–
Puerto Rico……………………….	–	–
Jamaica…………………………..	–	–
Trinidad & Tobago………………	–	–
Ecuador………………	–	–
Total Local Currency Denominated……………………..	90,667	26.4%
Dollar Denominated		
CabCorp[(1)]………………………..	210,000	61%
Guatemala………………………..	3,000	0.9%
El Salvador……………………….	2,000	0.6%
Honduras…………………………	529	0.2%
Nicaragua………………………...	–	–
Puerto Rico……………………….	–	–
Jamaica…………………………..	–	–
Trinidad & Tobago………………	–	–
Ecuador………………	36,044	10.5%
LivSmart………………	1,127	0.3%
Total Dollar Denominated………	252,700	73.6%
TOTAL[(2)]………………………….	343,367	**100%**

(1) Includes issuance of 6.750% Senior Guaranteed Notes due 2022.
(2) Numbers may not sum due to rounding.

The following table describes the Company's long-term and short-term debt structure as of December 31, 2012:

Contractual obligations	Payments due by period (in thousands of U.S.$)				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Outstanding Debt Obligations.................	343,367	31,055	40,679	68,375	203,258
Total...	343,367	31,055	40,679	68,375	203,258

Long-term debt

The Company's long-term debt as of December 31, 2012 consisted of local currency and U.S. dollar-denominated loans from financial institutions and the issuance of the initial notes. As of December 31, 2012, the Company's long-term debt, including the current portion of long-term debt and debt being rolled over to long-term, was U.S.$312.3 million, of which U.S.$80.7 million was denominated in local currency and U.S.$231.6 million was denominated in U.S. dollars.

In February 2012, we issued the initial notes with an aggregate principal amount of $200 million. The initial notes bear interest at a rate of 6.750% per annum and mature on February 9, 2022. The new notes to be offered in connection with this offering memorandum shall be consolidated to form a single series with the initial notes.

In January 2013, Tesalia, as borrower, entered into a U.S.$60,000,000 bank loan with Citibank, N.A. as lender. Each of (i) CabCorp, (ii) Comercializadora Interamericana, S.A. de C.V., (iii) Comercializadora Modelo, S.A. de C.V., (iv) Comercializadora Sagitario, S.A., (v) Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A., (vi)

Embotelladora Nacional, S.A., (vii) Embotelladora La Reyna, S.A., (viii) LivSmart Américas, S.A. de C.V., (ix) Mariposa El Salvador, S.A. de C.V., (x) Pepsi-Cola Jamaica Bottling Company Limited, (xi) Pepsi-Cola Puerto Rico Distributing, LLC, and (xii) Pepsi-Cola Trinidad Bottling Company Limited are unconditionally guaranteeing the performance of all obligations of Tesalia under the bank loan.

Certain of our bank loans and the indenture entered into in connection with the issuance of the initial notes contain financial and operating covenants. These covenants address changes in control and limitations on the incurrence of additional indebtedness. Compliance with these covenants has not been a significant restraint on our ability to obtain financing. As of the date of this offering memorandum, the Company has not breached any financial covenants in connection with its financing agreements.

Short-term debt

As of December 31, 2012, the Company's short-term debt was U.S.$31.1 million, excluding the current portion of long-term debt. The Company's short-term debt consists of working capital financing. Approximately U.S.$21. million of short-term debt is denominated in U.S. dollars and has an annual interest rate of approximately 6.75%.

As of December 31, 2012, the weighted average rate paid on all of the Company's debt, including the initial notes, is 6.69%.

Capital expenditures

During years 2012, 2011 and 2010, CABCORP continued to invest in fixed assets primarily for purposes of modernizing its production facilities, improving its distribution infrastructure, increasing the number of coolers and increasing the number of, or replacing, glass containers.

The Company had capital expenditures of U.S.$81.2 million for 2012, for expenses relating to the installation of production lines for its operations in Jamaica and Honduras and LivSmart, the introduction of returnable glass bottles in accordance with the returnable packaging strategy and the purchase of new cooling equipment for point of sales. These three major categories of capital expenditures had a direct impact on production and sales capacity.

For the year ended December 31, 2011, the Company had capital expenditures of U.S.$44.9 million. For the year ended December 31, 2010, the Company had U.S.$36.8 million of capital expenditures.

The Company has a U.S.$80.1 million capital expenditures budget for 2013. We believe that our cash from operations and current financing initiatives will be sufficient to satisfy our needs for working capital, capital expenditures and debt service obligations through at least 2013.

Dividend policy

Our dividend policy is set by the annual vote of our shareholders. At each ordinary general meeting of shareholders we declare dividends for the previous fiscal year and such dividends are paid over the subsequent calendar year. Based on the 2011 consolidated net income of CABCORP, our shareholders declared dividends payable in 2012 of U.S.$12.8 million of U.S.$ 14.2 million of net income (balances previously reported). Based on the 2010 consolidated net income of CABCORP, our shareholders declared dividends payable in 2011 of U.S.$17.1 million of U.S.$ 17.3 million of net income (balances previously reported). See "Description of Notes—Limitation on Restricted Payments."

Quantitative and Qualitative Disclosures about Market Risk

Market risk generally represents the risk that losses may occur in the values of financial instruments as a result of movements in interest rates, foreign currency exchange rates or commodity prices. We are exposed to changes in financial market conditions in the normal course of our business due to the translation of our foreign subsidiaries' financial statements (as well as our own financial statements) into U.S. dollars.

Interest rate risk

Our primary interest rate exposures relate to our Guatemalan Quetzal-denominated long-term floating rate bank liabilities, and other U.S. dollar-denominated long-term variable and fixed rate bank liabilities. Because a portion of our outstanding debt bears interest at variable rates, we are sensitive to changes in interest rates. We constantly monitor our exposure to interest rate fluctuations. We believe that this risk is largely mitigated by the fixed coupon for the initial notes that were issued in February 2012 and our constant monitoring of the interest rates being offered by various banks in order to maintain the average interest rate that is set for the year.

Foreign currency risk

U.S. dollar-linked liabilities. We are exposed to fluctuations in foreign exchange rate movements. As of December 31, 2012, approximately 52% of our revenues were in the local currencies of the countries in our region. Approximately 74% of our debt is denominated in or indexed to U.S. dollars.

Effects of currency devaluation. Devaluation of local currencies results in translation losses in our financial statements. In addition, devaluation creates foreign exchange gains and losses which, pursuant to IFRS, are included in our results of operations. In connection with this offering, we intend to implement policies designed to manage the financial market risks that we believe will protect our net assets from any significant devaluations.

We believe that certain natural hedges are applicable to our business that protects us from fluctuations in currency exchange rates. For example, the price of concentrate is based upon the 20% of the net wholesale price to the retailer determined in local currency, although it is paid in U.S. dollars. In addition, while the costs of some commodities such as resin, fuel, corn syrup and aluminum are paid in U.S. dollars, our exposure is lowered by buying sugar and glass from local producers. To mitigate instances where expenses for currency devaluations could have an adverse effect in our results of operations, we have available non-committed lines of credit for a total of U.S.$23.0 million.

Certain historical information on end of period exchange rates is presented below for the local currencies of the countries in our region with respect to U.S. dollars.

	2012	**2011**	**2010**	**2009**	**2008**
Guatemalan Q.......................	7.83	7.79	8.06	8.16	7.56
Honduran L.	18.90	18.90	18.90	18.90	18.90
El Salvador U.S.$ (1)	8.75	8.75	8.75	8.75	8.75
Nicaraguan C.	23.55	22.42	21.36	20.34	19.37
Puerto Rico U.S.$ (1)..............	N/A	N/A	N/A	N /A	N/A
Jamaican JAM$....................	88.75	85.89	87.20	87.89	72.76
Trinidadian TT$...................	6.43	6.41	6.38	6.32	6.29
Ecuadorian U.S.$ (1)..............	N/A	N/A	N/A	N/A	N/A

(1) El Salvador adopted the U.S. dollar as its official currency in January 2001. The U.S. dollar is the official currency of Puerto Rico. Ecuador adopted the U.S. dollar as its official currency in September 2000.

Source: Central Banks of El Salvador, Honduras, Nicaragua, Ecuador and Trinidad & Tobago, and the Statistical Institutes of Guatemala, Jamaica and Puerto Rico.

DESCRIPTION OF THE COMPANY

History

CABCORP is a holding company with direct and indirect subsidiaries in Guatemala, Honduras, El Salvador, Nicaragua, Puerto Rico, Jamaica, Ecuador, Trinidad & Tobago, Panama and Mexico, employing over 8,500 people.

Our Company history begins in 1885 when Enrique Castillo Córdova started a carbonated soft drink company in Guatemala City. The business grew, and in 1942 the company signed an exclusive bottling agreement for Guatemala with PepsiCo. PepsiCo products have held the leading industry volume share for carbonated soft drink products in Guatemala for many years, and we were recognized for the first time in 1990 as the Latin American Bottler of the Year by PepsiCo, and subsequently in 1993, 2000 and 2002. PepsiCo has repeatedly recognized our manufacturing commitment to quality by honoring us with several International Quality Awards. In 1998, PepsiCo named us their "anchor bottler" for Central America, making us one of PepsiCo's worldwide strategic partners.

We initiated a major restructuring in the early 1990's to expand geographically and to change from a family-managed company to a company operated by professionals. We acquired significant interests in the Pepsi bottling company in the Honduran capital city of Tegucigalpa (1997), the Nicaraguan Pepsi bottler (1998), a second Pepsi franchise in the western region of Guatemala (2000) and expanded our operations to El Salvador (2001).

In July 2002, we acquired a 50% interest in LivSmart (formerly named Bon Appetit, S.A. de C.V.), a Salvadorian beverage company that produces juices and nectars. LivSmart exports its juices, under the brand name *Petit*, to Central America, Mexico, the Dominican Republic and the United States. In 2003, we began purchasing and distributing LivSmart's *California* brand juice in El Salvador and Nicaragua. We launched *California* in 2006 in Guatemala and Honduras. In 2009, we completed the acquisition of an additional 45% of the equity interest in Bon Appetit, and changed the name to LivSmart. Together with *Petit* and *California*, we currently sell *Jugazzo* (value juice line), *Cosecha Pura* (natural orange juice), *Gyro* (fruit smoothies), *California* (juice beverage), *Ice Cool* (juice beverage) and *Naturalisimo* (premium juice) in our region.

In August 2002, we signed our joint venture with AmBev (the largest beer producer in South America and a PepsiCo distributor in Brazil) for production of beer in our region. On September 18, 2003 the joint venture launched the *Brahva* brand beer in Guatemala City, and in 2004 we began exporting *Brahva* beer to other Central American countries using our distribution and sales infrastructure. In 2011, we launched the *Budweiser* brand in Guatemala. As part of our competitive strategy, we added two major brands in 2012, *Stella Artois* and *Beck's*, which will allow us to compete in the premium segment of the Guatemalan beer market.

In May 2009, we expanded our business by acquiring bottling, manufacturing and distribution businesses in Jamaica, Trinidad & Tobago, Barbados and Puerto Rico through a subscription and share exchange agreement with PepsiAmericas, Inc. Under this agreement, CABCORP also obtained the rights to certain trademark registrations for the Ting, Caribbean Juices and Kool Kat brands. In exchange for these assets, CABCORP issued additional shares, amounting to 18% of the voting rights in CABCORP, to Pepsi Americas, which was later merged into PepsiCola Metropolitan Bottling, Inc.

In April 2012, we acquired a controlling interest in each of the Tesalia Springs Company S.A. ("Tesalia") and Delisoda S.A. ("Delisoda"), bottlers and distributors of PepsiCo products in Ecuador. Through this acquisition of Tesalia and Delisoda (together, the "Grupo Tesalia"), the Company entered into and became the exclusive PepsiCo bottler in the Ecuadorian market. The Company is in the process of merging Tesalia and Delisoda, which it expects to be completed during the third quarter of 2013.

Overview

We produce, distribute and market beverages, including carbonated soft drinks, bottled drinking water, sports drinks, energy drinks, juices, nectars and beer in our operating region comprising Guatemala, Southern Honduras, Nicaragua, El Salvador, Ecuador, Puerto Rico, Jamaica, Trinidad & Tobago and Barbados. We are the "anchor bottler" for PepsiCo in Central America and we are the exclusive PepsiCo bottler in Guatemala, Nicaragua, El Salvador, Southern Honduras (including the capital Tegucigalpa), Jamaica, Ecuador, Puerto Rico, Barbados and Trinidad & Tobago.

PepsiCo beverage products, include *Pepsi*, *7-Up*, *Diet Pepsi*, *Diet 7-Up*, *Mirinda*, *AMP*, *SoBe Adrenaline Rush, Rojita, H2Oh!, Be-Light, Mountain Dew, A&W*, *Lipton*, *Tropicana*, *Ocean Spray* and *Gatorade*. We have the exclusive right to sell and distribute PepsiCo beverage products in our Central American region. Approximately 65% of our unit case sales for the year ended December 31, 2012 corresponded to carbonated soft drinks, which comprises our PepsiCo brands and our other proprietary brands (*Salutaris, Squirt, Rica, Grapette*, *Gallito*, *Mas* and *Quintuples*). The remainder of our unit case sales for that period consists in the sale of proprietary juices and nectars (covered by our *LivSmart* brands) which represented approximately 8%, isotonics (*Gatorade* and *Propel*) which represented approximately 4%, energy drinks (*Sobe Adrenaline Rush*, *AMP* and *220V*) which represented approximately 2%, bottled water (*Aqua*, *Güitig*, *Tesalia*, *Essences* and *Aquabella*) which represented approximately 12%, tea (*Lipton Tea*) which represented approximately 2% and beer (*Brahva*, *Budweiser*, *Stella Artois* and *Beck's*) and other flavored drinks (*Squiz* and *Tesalia Ice*) which represented approximately 7%. We are either the number one or number two bottler, based on industry volume share in the countries in which we operate. We believe that our broad beverage portfolio enables us to satisfy a wide variety of consumer preferences across many dining and beverage consumption occasions and demographic profiles.

Our largest subsidiary is Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A (which uses the commercial name "Embotelladora Mariposa"), based in Guatemala. As of December 31, 2012, we had a 42% industry volume share of the Guatemalan carbonated soft drink market, according to Nielsen. Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A., together with our other Guatemalan subsidiaries, represents 42% of the Company's EBITDA for the year ended December 31, 2012. We own two plants in Guatemala (Cuyotenango and La Mariposa), together with a production capacity of 162 million unit cases of our 497 million of raw cases of total capacity. Guatemala also represents one of the biggest countries in which we operate and is the center of our management and our logistics operations for the rest of the subsidiaries of the Company.

Our Salvadorian subsidiary LivSmart, which is dedicated to health and wellness products, produces juices and nectars, a growing industry in our region. LivSmart represented 17.3% of the Company's EBITDA for the year ended December 31, 2012. Our LivSmart line of products includes our brands *California* (juice beverage), *Petit* (juices and nectars), *Cosecha Pura* (natural orange juice), *Gyro* (fruit smoothies), *Fruti Pop* (juice beverages), *C-Trust* (juice beverage), *Berry Simple* (premium juices), *Naturalisimo* (premium juices), and *Glad* (dairy). We have sales and distribution presence for our LivSmart line of products in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Puerto Rico, Haiti, Dominican Republic, Mexico and United States (mainly south Florida and Texas). As of December 31, 2012, we had a 11% industry volume share of nectars in Guatemala, 49% in El Salvador, 24% in Honduras, 29% in Nicaragua, 3% in Costa Rica, and 6% in Panama. As of December 31, 2012, we had a 22% industry volume share of juices in Guatemala, 3% in El Salvador, 6% in Honduras, and 11% in Nicaragua. We have successfully entered the nectar market in the United States with a 34% of industry volume share in South Florida, which we believe to be the result of our campaign to attract consumers of Latin-American origin to purchase our juice and nectar products from our health and wellness portfolio. In 2009, we entered the Mexican market with our nectar products, reaching a 15% industry volume share for nectars in the Mexican states of Chiapas, Oaxaca, Veracruz, Tabasco, Colima, Jalisco, Guanajuato, Michoacán, Puebla and Nayarit.

In May 2009, we entered the Caribbean market through the acquisition of 100% of the equity interests in certain subsidiaries of PepsiAmericas, Inc. in exchange for shares representing 18% of CABCORP's capital stock. As a result of the transaction, CABCORP acquired PepsiCo's local bottlers in Puerto Rico, Jamaica, Trinidad & Tobago and Barbados. In addition, CABCORP acquired certain carbonated soft drink trademark registrations. As of December 31, 2012, our industry volume share of the carbonated soft drink markets in the jurisdictions listed above was 65% in Jamaica, 13% in Trinidad & Tobago and 26% in Puerto Rico. CABCORP has the right to distribute PepsiCo products for the Barbados territory, even though we do not currently have bottling operations, we service the territory through our bottler in Trinidad & Tobago.

In April 2012, we acquired a controlling interest in Grupo Tesalia, a bottler and distributor of PepsiCo products in Ecuador. Through this acquisition, the Company entered into and became the exclusive PepsiCo bottler in the Ecuadorian market. The Company is in the process of merging Tesalia and Delisoda, which it expects to be completed during 2013. In Ecuador, our current volume share is 12% in the soft drink market and we have implemented price-pack initiatives to strengthen our position.

Our Ecuadorian operations have a strong market position in the energy drink and isotonic drink categories, where they had a 93% and 76% industry volume share, respectively for the year ended December 31, 2012. Bottled water is another important product category in the Ecuadorian market as it represents 14% of the non-alcoholic beverage industry (as compared to CSDs, sport drinks, energy drinks, tea, juice drinks and nectars) and it represents 50% of our sales volume in Ecuador for the year ended December 31, 2012. For the year ended December 31, 2012, our Ecuadorian operations had a 26% industry volume share for water and 95% industry volume share for carbonated water. Our Ecuadorian operations also had a 11% industry volume share for juices and nectars and approximately 4% industry volume share for tea. In Ecuador, we will continue our branding initiatives with the relaunch of *Gatorade* as we will be focused on highly profitable categories, such as energy drinks and water.

We produce, market and distribute beer in Central America through the joint venture AmBev Centroamérica formed in August 2002 with AmBev. As of the date of this offering memorandum, AmBev and its parent company AB-InBev are currently the largest beer producer in the world. CABCORP began distributing beer on behalf of AmBev Centroamérica under the *Brahva* brand name in 2003 in Guatemala and to other Central American countries in 2004. In addition, in 2011 we commenced distributing *Budweiser* in Guatemala. We have continued to expand our portfolio with the distribution of *Stella Artois* and *Beck's*, which began in March 2012 and May 2012, respectively. We believe that our joint-venture with AmBev has been a major source of best practices in the areas of operational support, management support, strategic relations and other value-adding know-how in the production and distribution process.

For the year ended December 31, 2012, consolidated net sales from our carbonated soft drink operations were U.S.$589.9 million, representing approximately 54% of our consolidated net sales. The remainder of our consolidated net sales for the year ended December 31, 2012 totaled U.S.$502.7 million, or 45% of our consolidated net sales.

For the year ended December 31, 2011, consolidated net sales from our carbonated soft drink operations were U.S.$547.2 million, representing 62% of our consolidated net sales. The remainder of our consolidated net sales in 2011 totaled U.S.$334.2 million, or 38% of our consolidated net sales.

We have more than a 70-year relationship with PepsiCo. In 1998 PepsiCo named CABCORP as the "anchor bottler" for the Central American region. As an "anchor bottler" we have the right of first refusal to purchase any interest in any PepsiCo affiliated company or bottler in the region that is offered for sale. Our appointment with PepsiCo as exclusive bottler in the countries in which we operate has no termination date. We are the number one bottler in the Central American region in which we operate based on unit cases sold. PepsiCo products accounted for approximately 66% of our consolidated net sales in 2012 and 71% in 2011. This change in our product mix was due, in part, to the high percentage of our total sales in Ecuador attributed to our non-PepsiCo brands, as compared to the relative percentages that such non-PepsiCo brand sales represent in other countries in which we operate. Our *Tesalia* and *Aquabella* brands of bottled water and our *Güitig* brand of carbonated water contributed more than 24 million 8-ounce cases to our sales volume, increasing the representation of those product categories in our portfolio by 12%. Our *220 V* brand of energy drink contributed 1.2 million additional unit cases to our sales volume, increasing the representation of energy drinks in our product mix to 2% in 2012 as compared to 1% in 2011.

Approximately 90% of our products are distributed and sold through our direct distribution network. These distribution systems, in aggregate, service approximately 412,300 points of sale in our region as of March 31, 2013 and represent a competitive advantage for us because we can launch new products at a low marginal cost due to our existing infrastructure. We had over 1,940 sales routes as of March 31, 2013, 1,275 delivery trucks, over 144,000 coolers at customer locations and over 8,699 total employees as of March 31, 2013.

We have made significant investments in manufacturing and information systems technology throughout our region. We believe this technology, with multiple servers and over 1,739 handheld computers and the synergies created by our shared services unit, has provided important efficiencies and improved our ability to serve our customers at a lower cost.

Our principal executive offices are located in Guatemala City (Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303) and our telephone number is (502) 2501-8050. We were incorporated on December 28, 1994 in the British Virgin Islands. Our registered office is the Offices of Overseas Management Company Trust (B.V.I.) Ltd., OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. Our Company has perpetual duration under British Virgin Islands law.

Competitive Strengths

Our core goal is to continue to build on our leadership position in the Guatemalan carbonated soft drink and the Jamaican carbonated soft drink market, to strengthen our solid second position in El Salvador, Honduras, Puerto Rico and Nicaragua, and our solid third position in Trinidad & Tobago and Ecuador (estimates with respect to the market position in the Guatemalan carbonated soft drink market were obtained by the Company's and PepsiCo's estimates; with respect to the other countries, in accordance to Nielsen's reports). In addition, we believe that we can grow successfully and efficiently by leveraging our state-of-the-art manufacturing facilities, our extensive distribution network and by adding other beverages to our existing portfolio of beverages. The combination of these factors provides us with a unique opportunity to generate additional revenues using an already efficient infrastructure. We have several competitive strengths that will enable us to achieve this goal, including:

Leading position in core markets

We are a leading producer in the carbonated soft drink market in our region. Our brands have high recognition among our consumers, and our innovative marketing campaigns have helped us to improve the strength of our carbonated soft drink and beer brands. We are a complete beverage company with a product portfolio that covers carbonated soft drinks, sport drinks, bottled water, juices, nectars, energy drinks and beer. We are the leader in the juice and nectar market in El Salvador, Nicaragua, Dominican Republic and South Florida. We believe this makes us attractive to our retailers whose ability to satisfy the needs of their consumers is enhanced by the breadth of the beverages we offer.

Well established and diversified portfolio of leading brands

We offer a broad portfolio with leading brands of carbonated soft drinks including the PepsiCo portfolio: *Pepsi, Pepsi Light, Seven-Up, Diet Seven-Up, H2Oh!, Be-Light, Rojita, Mountain Dew, A&W* and *Mirinda*. Our proprietary brands *Rica*, *Grapette*, *Ting*, *Mas*, *Quintuples* and *Gallito* complement our portfolio in carbonated beverage soft drinks.

We distribute and sell the leading brand in the sport drinks category: *Gatorade*. We began importing and distributing already-packaged *SoBe Adrenaline Rush* and *AMP* beverages from PepsiCo in the United States in 2003 and we began production of these products in Guatemala in 2006. *220 V* was added to our energy drinks portfolio with the acquisition of our Ecuadorian operations. In the tea category, we distribute *Lipton*, a leading brand in our markets, and *Brisk*, which was launched in 2012.

In the nectars and juices segments we have increased our portfolio of products by manufacturing, distributing and selling our LivSmart brands *California* (juices, nectars and juice beverage), *Petit* (juices and nectars), *Cosecha Pura* (juice beverage), *Gyro* (juice beverage), *Fruti Pop* (juice beverage), *C-Trust* (juice beverage), *Berry Simple* (premium juices), *Naturalisimo* (premium juices), and *Glad* (dairy). *Deli* was added to our nectars portfolio with the acquisition of our Ecuadorian operations. The PepsiCo brands in the juices segment include *Ocean Spray*, which was launched in some of our markets in 2012, and *Tropicana*, which is a leading brand in some of our Caribbean markets.

In the water and flavored drink segments, we produce and distribute *Aqua*, *Güitig*, *Salutaris*, *Squiz*, *Tesalia*, *Tesalia Ice* and *Be-Light*.

Finally, the *Brahva* beer brand has proven to be successful since our entry into the beer market in 2003. In addition, we commenced distributing *Budweiser* in Guatemala in 2011. In 2012, as part of our beer segment, we added *Stella Artois* and *Beck's* to our portfolio of beer brands.

We believe that this full beverage portfolio enables us to satisfy a wide variety of consumer preferences across various consumption occasions, demographic profiles and regions. We plan to continue adding new brands and flavors to our already extensive portfolio and targeting different demographics, which should allow us to increase our market share and profits.

Strong alliance with PepsiCo and AmBev

Our strategic allies, PepsiCo and AmBev, are leading, world-class corporations and we look forward to the continued development of our business through these key relationships.

We have more than a 70-year relationship with PepsiCo. Throughout these decades we have been able to build a mutually beneficial business relationship cooperatively adapting to the changes in the marketplace. PepsiCo executives work together with CABCORP executives to plan and implement the sales and marketing programs that are later executed in the market. Manufacturing experts from PepsiCo also advise us on technological improvements. We are frequently visited by international PepsiCo personnel with whom we exchange ideas on marketing and other initiatives to further grow our business.

Our joint venture with AmBev (AmBev Centroamérica) was founded with a shared vision for the development of the beer business in our region. AmBev is working closely with AmBev Centroamérica to implement the business plan. Our executives work together with AmBev to develop the sales strategies for *Brahva*, *Budweiser*, *Stella Artois* and *Beck's*, combining AmBev's international knowledge of beer production and marketing with our knowledge of conducting business in Central America.

Attractive growth potential in our markets

We believe that favorable economic, demographic and industry dynamics will drive growth in the beverage sector in the Central American and Caribbean region, specifically in the carbonated soft drinks market. While currently the levels of consumption per capita are lower when compared to other developing countries, we believe that this will eventually translate into higher consumption levels, and higher growth prospects, over the next five years. The Central American and Caribbean region is one of the fastest growing carbonated soft drink markets in Latin America. We expect that the recent growing demand in health and wellness products will be a key sales driver in respect to the juice and nectar LivSmart products, isotonic and energy drinks and water products we distribute and sell.

Superior manufacturing capabilities and extensive distribution network

We currently own and operate ten manufacturing facilities with a total capacity of 497 million unit cases, in Guatemala, El Salvador, Honduras, Nicaragua, Puerto Rico. Jamaica, Trinidad & Tobago and Ecuador. Our weighted average utilization ratio of these facilities is 61%, and all of our plants have excess capacity. We have invested over U.S.$45 million in capacity upgrades and equipment investments in our plants during the last two years. For 2013, we have budgeted U.S.$32 million in capacity upgrades and equipment investments. Our LivSmart plant in El Salvador received the ISO 9001:2008 (quality management system) certification in December 2010, and it is due to be renewed in 2013. We are currently in the process of renewing this certification for our La Mariposa and Cuyotenango plants in Guatemala.

Our extensive distribution network allows us to visit approximately 412,300 points of sale as of March 31, 2013, across our region, on average, approximately three or four times per week. This network is further strengthened by strategically located distribution centers and a network of mini-warehouses servicing high-density urban areas. These factors allow us to deliver multiple brands and types of beverages to retailers covering a broad geographic area, thereby deepening our market penetration, and give us the potential to achieve significant cost savings and higher margins through economies of scale. In addition, our proprietary technology permits us to compile data on sales trends, consumption patterns and the demand levels at each point of sale, which allows us to better meet our customers' needs. In 2012, we received the "International Bottler of the Year" award from PepsiCo.

Proven management experience

Our Company's senior executive officers average a tenure in excess of 15 years with us. Our Company is recognized as an attractive career development environment for young talent. This reputation is an important factor in allowing us to meet our needs to expand our business with talented and energetic employees. Moreover, our executives routinely travel regionally and to other markets around the world to conduct market research and identify and evaluate new trends that are developing in an increasingly globalized market.

Business Strategy

Our overall strategy is to grow profitably by leveraging our existing infrastructure, alliances and resources. Our fundamental strategic direction is to add new, desirable higher margin beverage products to our efficient production facilities and our extensive distribution network, and thus become the leading regional integrated multi-beverage company in Central America, South America and the Caribbean. Geographic expansion also provides an important component of our strategy. The key elements of our business strategy are set forth below:

Develop our people and culture

We value our people as our main asset. We provide an extensive training program for our employees which we have used to strengthen the human capital within our Company. Many of our senior executives began their careers in CABCORP as part of our trainee program. We foster a culture of ownership through training and through monthly meetings in which every level of our team has an opportunity to provide ideas to such employees' managers and other colleagues. In addition, we follow a merit-based system for promotion and compensation.

Foster organic growth in our region

Our Company has grown, and continues to grow, through the execution of various key business strategies. We seek to continue to achieve profitable growth in carbonated soft drinks, juices and nectars, and other beverages. We work diligently to improve the execution of our points of sale, strengthen our brands, develop new and innovative packaging and develop new products. We also focus on building strong relationships with our existing clients which leads to a higher customer retention rate, as well as acquiring for new clients with which to establish such relationships.

In addition, we plan to continue our expansion and penetration in the beverage industry portfolio by acquiring new brands or bottlers in the region, which would enable us to increase the footprint of our Company.

Capitalize on our extensive distribution network through efficient processes

We are continuously streamlining our distribution channels to continue reducing our per-unit costs. We have a dynamic distribution system through various programs including Fleet-Loader and Road Net Software that allows us to serve our extensive distribution network throughout our region, which serves approximately 412,300 points of sale as of March 31, 2013. In addition, these programs enable us to identify consumption trends and evaluate our product distribution to build revenues and profitable operations throughout our region.

We have developed communication channels with employees at all tiers of our organization. Moreover, we have a best practices process which provides a comprehensive framework for our sales and distribution activities including a meeting in the morning, preparation before communicating with a potential or existing client, the processing of a client's order through a handheld device, and the liquidation at the end of the day. Using this system, we are able to visit a large number of clients per day and process their pre-orders through our handheld devices. During the night, the trucks are loaded in order to deliver and settle client accounts on the following day.

Constant focus to reduce costs

We reduce our costs through the use of zero based budgeting. We begin by budgeting our fixed costs and then budgeting for other items. Our goal is to maintain a maximum efficiency when addressing our fixed costs. Through our processes, we are able to maintain a consistent level of fixed costs, while maximizing our revenues through sales. We have also established strategic alliances with our suppliers to reduce the overall costs of our supply chain.

We strive to improve our efficiency, particularly with respect to distribution, by making investments in technology in manufacturing, sales processes and distribution. Through our shared service unit, we continue to invest resources that help us build synergies in all our operations.

Conservative use of capital

We continuously maintain an efficient use of capital in order to have such capital available for future growth and investment in the Company. We employ the Economic Value Added ("EVA") growth system to optimize our capital structure with growth within acceptable risk parameters. We outsource certain business functions in certain instances in which savings are possible. It is our policy to maintain high levels of cash for operational, investment and expansion of our activities, and over the last 5 years we have maintained levels of cash-on-hand between U.S.$60 million to U.S.$100 million.

Continue to leverage the benefits of our alliances with PepsiCo and AmBev

The expertise and resources available to us from PepsiCo and AmBev provide us with an important tool to establish and maintain best practices in many areas of our business. We plan to continue to work closely with PepsiCo and AmBev to improve manufacturing, sales and marketing programs, and to provide us with ready access to latest trends and technological improvements for our business.

Opportunistically and selectively expand our geographic presence

Our management possesses a long track record of successfully operating the business in several countries through different political and economic environments. In August 2002, we established the joint venture AmBev Centroamérica with AmBev, in which we have a 50% interest. We own 50% or more interest in local beverage companies in: the southern region of Honduras (including the capital city Tegucigalpa) (1997); Nicaragua (1998); Guatemala (2000); El Salvador (2001); Puerto Rico (2009); Jamaica (2009); Trinidad & Tobago (2009); Panama (2009); Mexico (2010); and Ecuador (2012). We have successfully integrated these operations with our own. Since 2009 we own 95% of LivSmart. We continue to increase our presence in the region by pursuing strategic acquisitions and ventures in the region, including potential expansion into South America. As a PepsiCo "anchor bottler" for the Central American region, we have the right of first refusal to acquire any interest of a PepsiCo bottler in the region.

We believe that we are well positioned to increase our sales in Central America, South America and the Caribbean, both in the countries in which we currently operate as well as elsewhere in the region. We continuously evaluate local markets within our region to expand distribution of our products.

Community service programs

Our vision as a company is to be the premier beverage operator in the Americas and to contribute to a better world by fostering social responsibility and the protecting of natural resources and promoting recycling. We provide support to organizations such as *Guatefuturo,* a private, non-profit foundation, inspired by educational, cultural, training and professional development objectives through which resources are channeled to offer opportunities for Guatemalan professionals who wish to pursue postgraduate training abroad, enriching themselves academically and personally in order to subsequently return to work for the development of the country, through donations and volunteerism.

We are co-sponsors of "Operation Smile" in Guatemala, Honduras, El Salvador and Nicaragua. "Operation Smile" is an international children's medical charity that heals children's smiles by providing free reconstructive surgery and related medical care for children born with facial deformities, including cleft lip and cleft palate.

We also participate in "Fundación Ayúdame a Vivir" (AYUVI), which collects and provides resources necessary for the operation, maintenance and growth of the National Pediatric Oncology Unit (UNOP) as a center of excellence in pediatric cancer treatment in Guatemala.

Our Products and Brands

We produce and distribute carbonated soft drinks, bottled drinking water, sport drinks, juices and nectars, energy drinks and beer.

For the year ended December 31, 2012, approximately 54% of our consolidated net sales consisted of carbonated soft drink sales and approximately 46% consisted of sales of other beverage products.

The following chart summarizes our product portfolio:

CABCORP PRODUCT PORTFOLIO

Market Segment	**CSD**	**Juices & Nectars**	**Isotonic**	**Energy**	**Water**	**Tea**
						
Brands	• Pepsi Cola • Seven Up • Mirinda • Salutaris [2] • Rica [2] • Grapette [2]	• Petit • California • Campestre • Jugazzo • Cosecha Pura • Naturalisimo	• Gatorade	• SOBE Adrenaline Rush • AMP Energy	• H20h! • Aqua • Be-Light	• Lipton
% of Revenues[1] (2012)	54%	12%	8%	5%	6%	4%
% of Gross Profit[1] (2012)	60%	13%	4%	6%	9%	2%
Gross Profit Margin (2012)	39%	38%	19%	41%	55%	23%
Key Countries of Operation	• Guatemala • Honduras • El Salvador • Nicaragua • Puerto Rico • Jamaica • Trinidad & Tobago • Barbados[3] • Ecuador	• Guatemala • Honduras • El Salvador • Nicaragua • Jamaica • Trinidad & Tobago • Puerto Rico • Dom. Republic • Panama • Mexico • U.S. • Ecuador	• Guatemala • Honduras • El Salvador • Nicaragua • Jamaica • Ecuador	• Guatemala • Honduras • El Salvador • Nicaragua • Puerto Rico • Ecuador	• Guatemala • Honduras • El Salvador • Nicaragua • Puerto Rico • Ecuador	• Guatemala • Honduras • El Salvador • Nicaragua • Puerto Rico

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Source: Company information.
(1) Breakdown does not include beer and other beverages.
(2) CABCORP brands.
(3) Distributes from Trinidad & Tobago through a wholesaler.

Our products are principally sold in Guatemala, Southern Honduras, Nicaragua, El Salvador, Jamaica, Trinidad & Tobago, Puerto Rico, the Dominican Republic, Barbados, Panama, Mexico, Ecuador, the United States, Canada and the United Kingdom. We have a leading share of the carbonated soft drink market in our region, according to Nielsen and Emevenca.

Sales by Product Type

Our consolidated revenue breakdown by country during 2012 are listed below:

	CSD	Juices & Nectars	Isotonic	Energy	Water	Tea	Other	(US$ mm)
Guatemala	21.6%	1.5%	2.0%	2.4%	0.6%	1.3%	8.2%	412 37.7%
El Salvador	4.7%	0.9%	1.1%	0.4%	0.2%	0.5%	1.2%	99 9.1%
Honduras	6.5%	1.0%	0.4%	0.9%	--	0.5%	0.1%	103 9.4%
Nicaragua	3.9%	0.5%	0.6%	0.2%	0.1%	0.1%	0.2%	62 5.7%
Puerto Rico	8.0%	1.2%	0.1%	0.2%	1.2%	0.3%	0.4%	124 11.4%
Jamaica	4.9%	1.4%	0.2%	--	0.1%	--	1.0%	85 7.6%
Trinidad & Tobago	1.0%	0.1%	--	--	--	--	--	12 1.1%
LiveSmart(1)	--	4.0%	1.6%	--	--	1.0%	0.1%	77 7.1%
Ecuador	3.3%	0.9%	2.1%	1.1%	3.5%	--	--	119 10.9%
Total (US$ mm)	590 54%	129 12%	89 8%	57 5%	63 6%	41 4%	124 11%	1,093

Source: Company information.
(1) Revenue breakdown by country and segment is based on CABCORP'S internal estimates.
(2) LivSmart's exports refer to revenues from products sold outside CABCORP's territories.

Carbonated soft drinks

Carbonated soft drinks are our core business and the largest contributor to our consolidated net sales. For the year ended December 31, 2012, carbonated soft drinks sales accounted for 54% of our consolidated net sales, totaling approximately U.S.$590 million and sales volumes of approximately 201 million unit cases. We currently operate 10 plants and 49 bottling production lines of various glass and plastic bottles, not including the plants and production lines owned by our joint venture AmBev Centroamérica. Our carbonated soft drink plants have an aggregate annual installed production capacity of approximately 361 million unit cases (other categories can be produced on these lines). Our carbonated soft drink plants are located in Guatemala, Honduras, Nicaragua, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador.

We recently increased our carbonated soft drink production and distribution capacity by acquiring a significant interest in the PepsiCo bottling companies in Puerto Rico, Jamaica and Trinidad & Tobago in 2009.

Our production capacity increased with the addition of two plants in Ecuador, located in Quito and Guayaquil, which added 15 production lines for glass and PET products.

During 2012, the following production lines were installed in our manufacturing facilities:

- Jamaica: Full production line (blowing, filling and packaging) for CSDs and *Ocean Spray* flavored water (September 2012);
- LivSmart (El Salvador): Tetra packaging line (October 2012); and
- Guatemala (Suchitepéquez, Cuyotenango): Hot fill line for glass and PET line (June-July 2012).

Bottled water

Our entry in the bottled water business started in 1998 exclusively in Guatemala. Our *H2Oh!*, *Aqua* and *Be-Light* brands are principally distributed in single serve 600ml PET bottles. Since 1998, a combination of distribution, pricing and marketing initiatives have significantly increased our sales of bottled water. We currently sell water in Guatemala, Honduras, El Salvador, Nicaragua, Puerto Rico and Ecuador. Our acquisitions in Ecuador have led to a significant increase in our bottled water sales. Sales of bottled water were 35.4 million unit cases in 2012 compared with 4.7 million unit cases in 2006.

Sport drinks

The *Gatorade* brand is the category leader throughout our region, with market share ranging from 47% in El Salvador to 97% in Honduras during 2012, according to Nielsen. CABCORP has exclusive rights for the manufacture and sale of *Gatorade* in Central America, Jamaica and Ecuador.

Energy drinks

We began importing pre-bottled *SoBe Adrenaline Rush* from PepsiCo in the United States and distributing it throughout our region in 2003. In 2011 we added *AMP* to our energy drinks line and we currently sell them in Guatemala, Honduras, El Salvador, Nicaragua and Puerto Rico. Sales of energy drinks were 4.9 million unit cases in 2012 compared with 0.3 million unit cases in 2006. In 2006, we began producing *SoBe Adrenaline Rush* in Guatemala for sale within our region. In Ecuador, the *220 V* brand has been a key volume and profit driver for our Ecuadorian operations.

Juices and nectars

In July 2002, we acquired a 50% interest in LivSmart, a beverage company in El Salvador, to expand into the juice and nectar business, of which we acquired 95% of interest in 2009. Shortly after, we started the production and distribution of *Petit* brand juices in Central America, the Caribbean and the United States. We have expanded our LivSmart brand products throughout the region by adding the brands *Campestre*, *Jugazzo*, *Cosecha Pura*, *Gyro*, *Ice Cool* and *Naturalisimo*. Our principal competitors in the juice and nectar market are Alimentos Maravilla, Kerns and Del Monte. Sales of juices and nectars represented 12% of our revenues in 2012. We also export juices and nectars to countries outside of our operating region. According to Nielsen, these products account for 34% of juices and nectars in South Florida and 15% of juices and nectars in certain Mexican states during 2012. According to Nielsen, these products account for 38% of juices and nectars in the Dominican Republic sold during 2012, according to our Dominican distributor, Jugos Tropicos. *Deli* accounted for 11% of market share in juices and nectars in Ecuador for 2012.

Beer

Our beer brands are *Budweiser*, *Stella Artois*, *Beck's* and *Brahva*, a light pilsner beer designed specifically for distribution in our region. Sales of *Brahva* began on September 18, 2003. Sales of *Brahva* beer in 2012 were U.S.$79.0 million. Due to price-pack initiatives executed in 2012, our market share with respect to beer increased over 35% during December 2012. We expect to increase our market share by over 45% in 2013 with the launch of *Corona* beer in Guatemala and the implementation of our other initiatives.

Tea

In 2007 we commenced the production and distribution of *Lipton* brand products in Guatemala, Honduras and El Salvador and in 2009 in Nicaragua. Sales of *Lipton* tea represented 4% of our revenues in 2012, an 8.7% increase as compared to 2011.

Sales and Distribution

Points of Sale

We sell directly to traditional small stores (including “mom & pop” stores, small grocery stores, kiosks and road side stands), bars, restaurants, schools, offices and supermarkets. As of March 31, 2013 our sales are distributed among the following types of outlets: small stores approximately 83%; restaurants (fast food and full service restaurants) approximately 8%; supermarkets 7%; schools and offices approximately 3% and the remaining categories approximately 4%. Most of our products are sold for off-premises consumption.

Our customers often prefer to sell beverages cold for both off-premises and on-premises consumption. Throughout our region, we place Pepsi-branded beverage coolers and drink dispensers in our retail outlets. We currently have approximately 144,000 coolers located on premises at our points of sale.

Terms of Sale

Most of our sales are on a cash basis. Direct sales to selected customers, such as major supermarkets, fast-food restaurants, convenience stores, some of our third-party distributors and other major customers may be made on credit, with terms of up to 60 days. The terms and other credit conditions often depend on competitive factors and the strategic importance of the buyer. CABCORP regularly performs an analysis of its trade accounts receivable and makes reserves for possible non-collectable accounts. As of December 31, 2012, December 31, 2011 and December 31, 2010, we had an allowance for delinquent trade accounts receivable of 7.3%, 9.0% and 7.8%, respectively, of the total trade accounts receivable balance.

Export Sales

Total exports outside the countries in which we operate represented less than 10% of our total consolidated net sales in 2012. We regularly export products from one country to another within our Central American region and our Caribbean region consisting mainly in sales of goods among subsidiaries made on an arm’s length basis. Through LivSmart, we export to countries outside of our Central American region including Panama, Costa Rica, Honduras and the Dominican Republic. These exports are only accounted as a sale at when they are sold to a final consumer for purposes of calculating our gross profits.

Distribution

Our distribution centers are strategically located throughout our region. Our distribution centers range from warehousing facilities and reloading centers to mini-warehouses for high density urban areas. At March 31, 2013, we had over 76 total distribution centers/warehouses (23 in Guatemala, seven in Honduras, 13 in Nicaragua, eight in El Salvador, three in Puerto Rico, two in Jamaica, 18 in Ecuador and two in Trinidad & Tobago). We use approximately 1,275 trucks to cover the 1,940 sales routes as of March 31, 2013 to an aggregate of approximately 412,300 points of sale as of March 31, 2013. On average, we visit each point of sale approximately three or four times per week. In addition, in urban locations, we use hand trucks and electric carts to distribute our products.

Our extensive product delivery and return operation servicing each of the approximately 412,300 points of sale as of March 31, 2013 are a competitive advantage for CABCORP. By actively managing our distribution system we seek to maximize timely deliveries when retailers have capacity and funds to purchase our beverage products.

An effective and extensive distribution network is critical in our region where a significant portion of carbonated soft drink products are sold in returnable bottles. We regularly collect empty bottles from retailers and return them to our bottling plants. We have located our distribution and production facilities based on factors including population density, road availability and communication facilities. In urban locations and in widely dispersed rural areas we use multiple, smaller distribution locations to supplement larger regional distribution facilities.

The following chart illustrates our estimates on distribution infrastructure as of December 31, 2012:*

Honduras	
Points of Sale	34,937
Volume (UC mm)	25
Warehouses	7
Trucks	136
Coolers	21,800

Guatemala	
Points of Sale	141,764
Volume (UC mm)	79
Warehouses	23
Trucks	460
Coolers	64,600

Puerto Rico	
Points of Sale	7,728
Volume (UC mm)	40
Warehouses	3
Trucks	35
Coolers	5,000

Jamaica	
Points of Sale	15,000
Volume (UC mm)	16
Warehouses	2
Trucks	36
Coolers	3,000

EL Salvador	
Points of Sale	57,746
Volume (UC mm)	18
Warehouses	8
Trucks	96
Coolers	18,450

Trinidad & Tobago	
Points of Sale	5,096
Volume (UC mm)	10
Warehouses	2
Trucks	23
Coolers	2,360

Ecuador	
Points of Sale	105,000
Volume (UC mm)	73
Warehouses	19
Trucks	376
Coolers	13,396

Nicaragua	
Points of Sale	45,039
Volume (UC mm)	15
Warehouses	13
Trucks	113
Coolers	15,900

Source: CABCORP. All numbers are approximate based on the Company's estimates.
UC = unit cases. A unit case equals 5.678 liters or 24 servings of 8 ounces.
*The volume for LivSmart in 2012 was 35.3 million UC (including CABCORP and third parties).

Our truck fleet is consists of a combination of wholly-owned and outsourced trucks and we have logistic operators in Guatemala, El Salvador and Nicaragua. We implemented this model in February 2012 in Guatemala, followed by El Salvador and then Nicaragua. In 2013, we plan to expand this model in Guatemala, El Salvador and Nicaragua and to implement it in Honduras. All the preventive and corrective maintenance on our trucks is done under a service contract by the local manufacturer-dealer. Our trucks are regularly maintained, thereby minimizing the down time and maximizing the expected life of the vehicles.

We use two principal delivery methods depending on local conditions — the traditional sales method in which the sale is done on the spot with the retailer and, in El Salvador and Honduras, the "pre-sell" method where a seller takes the order and a truck delivers the products at a later date.

Distribution costs are an important variable to our operations. We continue to investigate and develop better and more efficient ways to facilitate and improve the distribution process to our clients, and most importantly, the final consumer. Our goal is to reach a better cost profile without affecting quality.

The table below reflects our current delivery costs per case on the different countries we operate:

	Primary Import Freight[(1)]	Administration and Storage[(1)]	Delivery[(1)]	Total[(1)]
Guatemala................	0.08	0.14	0.17	0.38
El Salvador	0.12	0.14	0.14	0.40
Honduras..................	0.11	0.20	0.25	0.56
Nicaragua.................	0.14	0.31	0.13	0.58
Jamaica	0.11	0.22	0.10	0.42
Puerto Rico	0.09	0.14	0.15	0.38
Ecuador....................	0.09	0.14	0.14	0.37

Source: CABCORP.
(1) In U.S. dollars / unit

Marketing

The Pepsi brand product marketing plan is jointly developed between PepsiCo and us and is aligned with our agreed-upon annual operating plan. We use the global marketing concepts that PepsiCo uses world-wide but also develop our own concepts to tailor our marketing to local needs. This global and local marketing combination has proven to be very effective in the past and we believe that it will continue to be effective in the future.

We share marketing expenditures for the promotion of PepsiCo brands with our partner PepsiCo. The annual marketing expenditure plan is jointly developed between CABCORP and PepsiCo, based on the expected sales of PepsiCo brands and the resulting purchases of concentrate by CABCORP from PepsiCo. PepsiCo reimburses CABCORP, on a monthly basis, for 50% of the marketing expenditures of the PepsiCo brands.

We use product displays, branded coolers, advertising and point of sale materials as well as promotions, which are designed to maximize sales and market demand and increase our brand awareness. We carefully evaluate market data to develop the most effective product mix and marketing strategies.

From time to time we have also developed "in and out" products under the PepsiCo umbrella to take advantage of market opportunities. *Pepsi Kick* and *Gatorade Rain* are both examples of these "in and out" products. These products are introduced for a short time and are heavily marketed in order to boost brand awareness and market share of existing PepsiCo products and brands.

In our beer joint venture (AmBev Centroamérica), our main marketing strategy has evolved from a campaign about the Company to a campaign about the brand. *Brahva* was an official sponsor of the 2010 FIFA World Cup in the countries in Central America where *Brahva* is distributed. In 2011, we launched the marketing and sale of *Budweiser* in Guatemala and we also launched a marketing platform with "La República del Cuate," in an effort to generate cultural awareness and customer loyalty to the *Brahva* brand.

We advertise and promote our products through television and other media, including billboards, and through sponsorship of recreational events. In addition, we engage in various point of sale promotions, such as end-aisle displays in stores and special contests aimed at enhancing consumer preference for our brands. In certain key outlets, we provide our point of sale establishments with branded material and furniture featuring our products' logos and distinctive color schemes. Where competitively appropriate, we use promotional banners and posters advertising the pricing of our products at that establishment. These programs allow us to gain visual dominance at particular points of sale, strengthening our brand and encouraging customers to purchase our products.

We regularly conduct market surveys to monitor the image of our products and the effectiveness of our marketing activities. Within the past few years we have initiated several marketing plans, which were designed to assist us in shaping our marketing strategies for each environment in which we compete.

We have a toll-free number which enables us to listen to consumers' comments about our products as well as take orders for delivery to our customers. Communication with consumers is a major priority for us and through that feedback we are able to better serve our customers' needs.

Competition

The following chart illustrates our segment position and percentage of market participation per volume share (with respect to product categories in excess of 5%):

As of December 31, 2012 CABCORP Regional Industry Volume Share

	CSD	Juices & Nectars	Isotonic	Energy	Water	Tea
Guatemala	1 41%	2 33%	1 77%	2 34%	2 25%	1 65%
El Salvador	2 25%	1 52%	1 47%	1 58%	3 20%	1 31%
Honduras	2 30%	2 30%	1 97%	1 51%	2 23%	1 79%
Nicaragua	2 22%	1 40%	1 69%	2 17%	3 15%	2 30%
Puerto Rico	2 21%	2 25%		1 60%	2 35%	
Jamaica	1 59%	1 34%	1 82%			
Trinidad & Tobago	2 13%					
Ecuador	3 12%	3 11%	1 76%	1 93%	1	

Sources: Nielsen, Emevenca, Scan data (Walmart database estimates), Company estimates, CCR and LivSmart Reports.

Carbonated soft drinks

Carbonated soft drink manufacturers compete for market share through brand preference, distribution, product availability, pricing, product packaging, consumer promotions and service provided to retail outlets, including providing merchandising equipment, coolers, maintaining bottle inventories and frequently visiting retail outlets. In recent years, price discounting has been frequently used as a means of increasing market share.

As of December 31, 2012, the Coca-Cola bottlers had a market share of approximately 52% in our region as a whole, while we had a 29% market share. The remaining 19% came from other local bottlers.

The following table provides the estimated industry volume share of each major carbonated soft drink producer in Guatemala, Southern Honduras, Nicaragua, El Salvador, Ecuador, Puerto Rico, Jamaica and Trinidad, Tobago and Ecuador year-to-date as of December 31, 2012:

	CABCORP(1)	Coca-Cola Bottlers	Other
Guatemala	41%	35%	24%
Honduras(2)	30%	64%	6%
Nicaragua	22%	58%	20%
El Salvador	25%	52%	23%
Puerto Rico	25%	75%	0%
Jamaica	59%	30%	11%
Trinidad & Tobago	13%	53%	34%
Ecuador	12%	68%	20%

Source: Nielsen and Emevenca.

(1) CABCORP is the exclusive Pepsi bottler in Guatemala, Southern Honduras, Nicaragua, El Salvador, Jamaica, Ecuador, Puerto Rico and Trinidad & Tobago.

(2) Only the Southern region, including Tegucigalpa.

Juices and nectars

As of December 31, 2012, according to our internal estimates based on Nielsen data, CABCORP had an industry volume share of 33% in the juices and nectars market in Guatemala. Our main competitors are CCA with a 42% industry volume share and Kerns with a 22% industry share for the same period. In El Salvador, as of December 31, 2012, CABCORP had an industry volume share of 52%, while our main competitors CCA and Kerns, had an industry volume share of 22% and 16%, respectively. In Honduras, as of December 31, 2012, CABCORP had an industry volume share of 30%, while our main competitor CCA had an industry share of 65%. In Nicaragua, as of December 31, 2012, CABCORP had a market volume share of 41%, while our main competitors Kerns and CCA, have a market volume share of 19% and 24%, respectively. In Ecuador, as of December 31, 2012, CABCORP had an industry volume share of 11%, while our main competitors, AJE Group and Sunny, had a market volume share of 65% and 15%, respectively.

Isotonic

As of December 31, 2012, according to CCR, CABCORP had an industry volume share of 77% in the isotonic products market in Guatemala. Our main competitors are CCA with a 13% industry volume share and FEMSA with a 7% industry volume share. In El Salvador, as of December 31, 2012 CABCORP had an industry volume share of 47%, while our main competitor SAB Miller had an industry volume share of 49%. In Honduras, as of December 31, 2012 CABCORP had an industry volume share of 97%, while our main competitor SAB Miller had an industry volume share of 2%. In Nicaragua, as of December 31, 2012 CABCORP had an industry volume share of 69%, while our main competitor SAB Miller had an industry volume share of 28%. In Ecuador, as of December 2012, CABCORP had an industry volume share of 76% while our main competitor, Profit, had an industry volume share of 13%.

Energy

As of December 31, 2012, according to Nielsen, CABCORP had an industry volume share of 34% in the energy drinks market in Guatemala. Our main competitors are CCA with a 62% industry volume share and Red Bull with a 2% industry volume share during the same period. In El Salvador, as of December 31, 2012 CABCORP had an industry volume share of 58%, while our main competitors CCA and Red Bull had an industry volume share of 22% and 13%, respectively. In Honduras, as of December 31, 2012 CABCORP had an industry volume share of 51%, while our main competitors CCA and Red Bull have an industry volume share of 46% and 1%, respectively. In Nicaragua, as of December 31, 2012 CABCORP had an industry volume share of 17%, while our main competitors CCA and FEMSA, had an industry volume share of 77% and 2%, respectively. In Ecuador, as of December 31, 2012, CABCORP had an industry volume share of 93%, while our main competitor Red Bull had an industry volume share of 3%.

Water

As of December 31, 2012, according to internal estimates, CABCORP had an industry volume share of 25% in the bottled water market in Guatemala. Our main competitor is Agua Pura Salvavidas with a 62% industry volume share for the same period. In El Salvador, as of December 31, 2012 CABCORP had an industry volume share of 20%, while our main competitor SAB Miller had an industry volume share of 40%. In Honduras, as of December 31, 2012 CABCORP had an industry volume share of 23%, while our main competitor Aguazul had an industry volume share of 70%. In Nicaragua, as of December 31, 2012 CABCORP had an industry volume share of 15%, while our main competitor Fuente Pura had an industry volume share of 55%. In Ecuador, as of December 31, 2012, CABCORP had an industry volume share of 26%, while our main competitor Pure Water had an industry volume share of 22%. In Ecuador, as of December 31, 2012, CABCORP had an industry volume share of 95% in the carbonated water segment.

Tea

As of December 31, 2012, CABCORP had an industry volume share of 65% in the tea market in Guatemala. Our main competitors are CCA with a 18% industry volume share and Florida with a 16% industry volume share for the same period. In El Salvador, as of December 31, 2012 CABCORP had an industry volume share of 31%, while our main competitor Florida had an industry volume share of 41%. In Honduras, as of December 31, 2012 CABCORP had an industry volume share of 79%, while our main competitor SAB Miller had an industry volume share of 13%. In Ecuador, as of December 31, 2012, CABCORP had an industry volume share of 4% while our main competitor ARCA had an industry volume share of 75%.

Beer

The Central American beer market has historically been dominated by local monopolies that tend to sell their local brands in one country. These local beer producers compete aggressively and take actions to protect their market share. Our *Brahva* brand was launched in Guatemala in mid-September 2003 and *Budweiser* was launched in Guatemala in 2011. *Stella Artois* and *Beck's* were also added to our portfolio in 2012.

Joint Ventures and Strategic Alliances

PepsiCo

Our relationship with PepsiCo extends for over 70 years. We currently have exclusive bottling appointments without a termination date in Guatemala, El Salvador, the Southern region of Honduras (including Tegucigalpa, the capital), Nicaragua, Puerto Rico, Ecuador, Jamaica and Trinidad & Tobago. In 1998, we were named a PepsiCo "anchor bottler" for the territory of Central America, from Belize to Panama. PepsiCo has access to an extensive distribution network to sell its products in Central America. If rights to produce PepsiCo products in any countries of the Central American region are sold or transferred through a sale of the interests of the bottler in any country of the Central American region, we have the right of first refusal to purchase such interests.

The bottling agreements also provide for shared marketing expenditures for promotion of PepsiCo brands. These marketing expenditures include not only radio, television and other media advertising but also sponsorships, promotions, research and coolers. The annual marketing expenditure plan is jointly developed between us and PepsiCo, based on the expected sales of PepsiCo brands and the resulting purchases of concentrate by us from PepsiCo. PepsiCo then reimburses us, on a monthly basis, for 50% of our marketing expenditures on the PepsiCo brands through a cooperative agreement among the parties.

PepsiCo products, including *Pepsi*, *7-Up*, *Diet Pepsi*, *Diet 7-Up*, *Mirinda*, *AMP*, *SoBe Adrenaline Rush, Rojita, H2Oh!, Be-Light, Mountain Dew, A&W* and *Gatorade*. We have the exclusive right to sell and distribute PepsiCo beverage products in its Central American region, which comprised approximately 65% of our unit case sales for the year ended December 31, 2012.

Under the terms of the applicable bottling agreements, PepsiCo may terminate our rights to produce, market and distribute carbonated soft drinks under PepsiCo brands under certain circumstances, including a breach by us or any of our wholesale distributors, a cross-default caused by the termination or breach of any of our bottling agreements, a change of control of CABCORP, insolvency or if we cease bottling operations. PepsiCo may impose monetary penalties on us in certain of these events. The bottling agreements also require us to purchase all concentrate for our PepsiCo brand products from PepsiCo.

Under the terms of the shareholders agreement executed with PepsiCo., starting on April 1, 2012 and continuing for 30 days thereafter, and then on each April 1 thereafter for a period of 30 days (collectively, the “Call Periods”), GEMCORP shall have the option to purchase, and PepsiCo shall be required to sell to GEMCORP, upon the exercise of such call option, all of the shares in CABCORP owned by PepsiCo at a price based upon CABCORP’s valuation equal to seven times CABCORP’s EBITDA over the immediately preceding calendar year, plus CABCORP’s consolidated cash and cash equivalents and minus CABCORP’s consolidated interest bearing debt. Notwithstanding the foregoing, in the event that either (i) PepsiCo makes a capital contribution of U.S.$20 million or greater in an exercise of its preemptive rights, or (ii) CABCORP’s board of directors approves a transaction that results in PepsiCo making a capital contribution to increase its percentage ownership in CABCORP (each, a “Material Equity Contribution”), then the Call Periods will be reset each time PepsiCo makes such contribution so that the next Call Period would commence on the three-year anniversary of the date of such Material Equity Contribution and continue for 30 days thereafter, and the following Call Periods would be on each on year anniversary date of the Material Equity Contribution thereafter for a period of 30 days.

Commencing upon the expiration of each Call Period and continuing for 30 days thereafter (collectively, the “Put Periods”), PepsiCo shall have an option to sell, and GEMCORP shall be required to purchase from PepsiCo upon the exercise of such option by PepsiCo, all of the shares owned by PepsiCo at a price at a price based upon CABCORP’s valuation equal to seven times CABCORP’s EBITDA over the immediately preceding calendar year, plus CABCORP’s consolidated cash and cash equivalents and minus CABCORP’s consolidated interest bearing debt. GEMCORP shall pay PepsiCo an amount equal to the price described above within twelve months after its receipt of the notice of the put option.

In addition, the shareholders agreement contains a restriction for the transfer of CABCORP’s shares to any third party who is not an affiliate of PepsiCo and GEMCORP, a right of first refusal for the benefit of GEMCORP in the event PepsiCo receives an offer to purchase all of its shares in CABCORP, tag-along rights for the benefit of PepsiCo in the event GEMCORP intends to transfer CABCORP’s shares to a third party and drag-along rights for the benefit of GEMCORP to require PepsiCo to transfer its shares in CABCORP in the event GEMCORP transfers its shares in CABCORP to a third party.

AmBev

In August of 2002, we signed a joint venture agreement with a subsidiary of AmBev, the leading beer producer in Latin America. The joint venture established a company called AmBev Centroamérica, which produces and distributes the *Brahva* and *Extra* brand beers to Guatemala, El Salvador and Nicaragua and distributes *Budweiser* in Guatemala. We contributed land and facilities already owned by us to the joint venture, together with a cash contribution of U.S.$7.0 million, and AmBev contributed production machinery from a recently shut down Brazilian plant, together with a cash contribution of U.S.$7.0 million. We own 50% minus one share, and a wholly-owned subsidiary of AmBev owns 50% plus one share, of AmBev Centroamérica. Contractually, however, we retain equality of control in management and operations. AmBev Centroamérica produces *Brahva* and *Extra* brand beers. We purchase the beer at wholesale from AmBev Centroamérica, and then distribute and sell it, recognizing 100% of the sale in our financial statements. The cost of the beer (wholesale) charged by AmBev Centroamérica is reflected in our costs of goods sold. We charge AmBev a distribution fee and return the balance of the margin to them. CABCORP does not consolidate the joint venture in its financial statements.

Either party may terminate the joint venture on the occurrence of limited, specified events, including a change of control of CABCORP or AmBev, uncured material breach of the agreement, bankruptcy of CABCORP or AmBev, and the failure to achieve certain targets set by the Board of Directors of AmBev Centroamérica.

Our joint venture with Ambev is considered the most successful Latin American greenfield joint venture for AmBev. We consider this arrangement a major source of best practices for our operations, especially in areas such as go-to-market strategy and practices and performance management systems. From this relationship we have implemented in our daily operations principles of goal implementation, performance based compensation, standardization of process and operations, point of sale execution (with emphasis in strong relationship with the client, refrigeration, exhibition, amounts of products for sale, cleanliness, accessibility, point of preference and price), technology implementation and continuous improvement process.

Red Stripe

Our Jamaican operations entered into a joint venture agreement with Red Stripe (Diageo) in January 2013. As a result of the joint venture agreement, a new company is expected to be formed to distribute both Red Stripe and PepsiCo products in the Jamaican domestic market with the objective of reducing distribution costs, increasing net sales, consolidating market share leadership and most importantly, significantly controlling points of sale. The new company is expected to implement CABCORP's sales and distribution best practices, systems and procedures.

Our Industry

Key characteristics of the beverage market in our region include:

Demographics

The Central American and Caribbean countries in which we sell products have rapidly growing populations. A large percentage of the population in the countries in which we operate is under 14 years old. This demographic is an advantage over countries with lower population growth and an aging population. We believe these demographic factors are favorable for our growth in these markets.

The following table summarizes demographic and economic factors in our region:

	Population under 14 years old (%)	Growth rate of population under 14 years old between 2011 and 2012 (%)	GDP per capita 2012 (U.S.$)	Inflation Rate 2012 (%) (consumer prices)
Guatemala	41	1.95	5,200	4.0
Honduras	36	2.0	4,600	5.1
Nicaragua	34	1.4	3,300	6.6
El Salvador	31	0.6	7,700	2.4
Puerto Rico	21	0.4	16,300	1.2
Jamaica	28	0.3	9,100	6.8
Trinidad & Tobago	21	0.4	20,400	8.7
Ecuador	30	1.4	8,800	5.3

Source: CIA World Factbook, World Bank and United Nations Department of Economics and Social Affairs

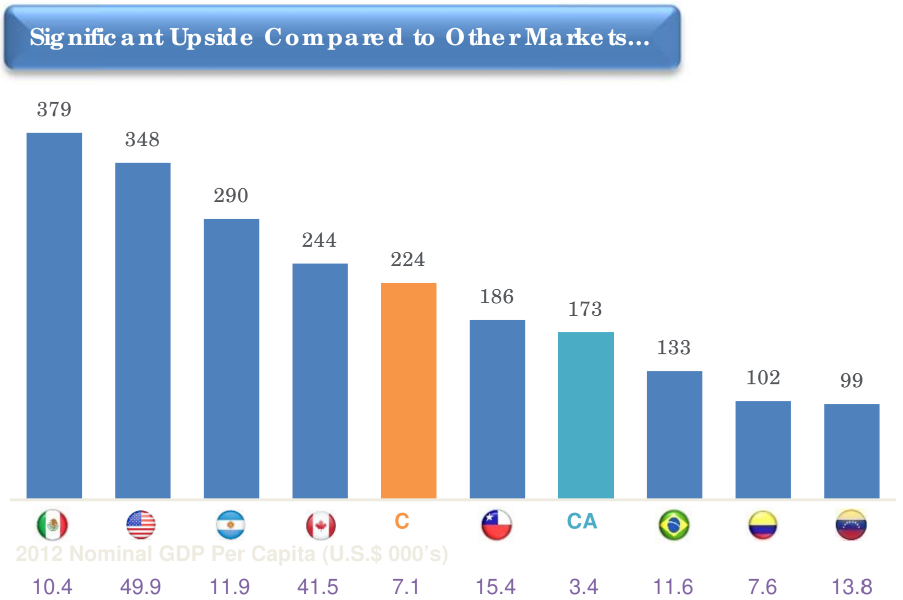
Growth in beverage consumption

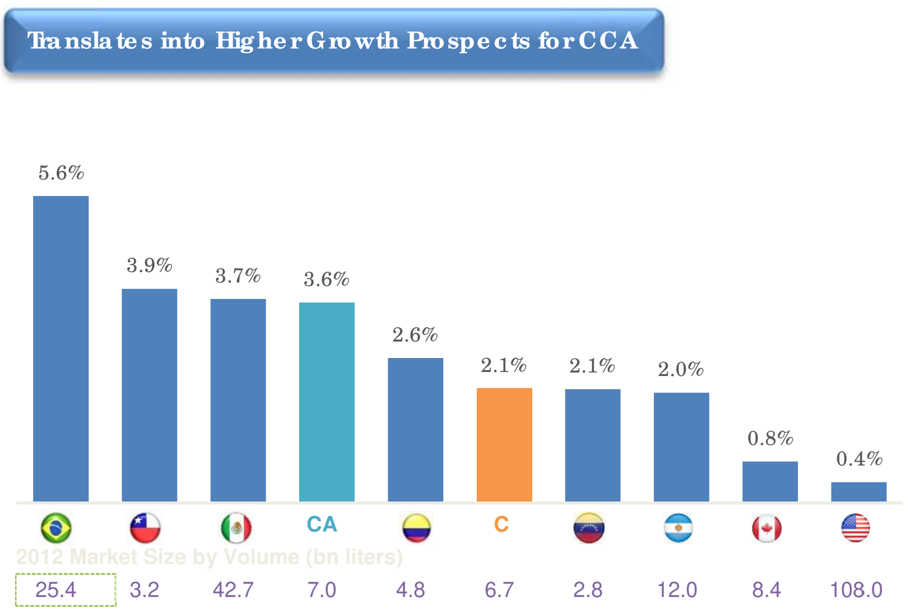
According to Nielsen, the carbonated soft drink industry in Central America comprises over 90% of the total beverage industry in our region as compared to the tea, sports drinks and energy drinks segments. In addition, the carbonated soft drink industry in our region has grown at a 5% compounded annual growth rate from 2010 to 2012 (through December), according to data derived from Nielsen.

Per capita consumption of carbonated soft drinks is relatively low and therefore it continues to present an opportunity for future expansion. The highest per-capita consumption in Central America occurs in El Salvador, at 509 eight-ounce servings per year, and the lowest in Nicaragua, at 232 eight-ounce servings per year. The highest per-capita consumption in the Caribbean occurs in Puerto Rico, at 743 eight-ounce servings per year, and the lowest in Jamaica, at 358 eight-ounce servings per year.

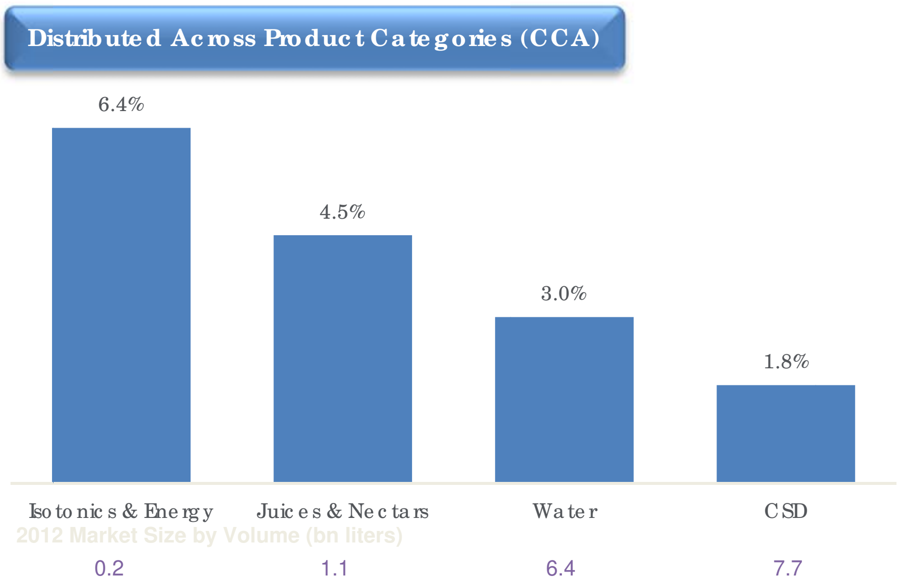
We believe that carbonated soft drinks and other bottled beverages will continue to be an important element in the daily diet of residents of Central America and the Caribbean due to consumer preferences and weather conditions, while we expect that our bottled water, juices and nectars, energy drinks and sport drinks products –all markets largely untapped in our region, will experience a consistent growth over the next few years.

ATTRACTIVE GROWTH POTENTIAL IN OUR MARKETS





The following table sets forth the growth distribution across product categories for Central America and the Caribbean:



High barriers to entry in our market

The need to build an effective distribution system capable of handling the delivery and collection of returnable bottles to thousands of points of sale represents a significant barrier to entry into our markets, for example, the Company has approximately 412,300 points of sale as of March 31, 2013. Additionally, the costs of constructing production facilities as well as investing in the necessary inventory of returnable bottles, crates and pallets, constitute additional barriers to entry. Because most of the points of sale in our region are small merchants with limited space, large, multi-product companies like us have a significant marketing advantage when we can provide, for example, the only cooler in a merchant's store and fill it entirely with our products. We expect these barriers to entry in our market to moderate future competition, continue to strengthen our position against new entrants and to help our overall margins.

Pricing

Wholesale and retail prices of carbonated soft drinks, beer and non-carbonated beverages are not regulated by the governments in our region. However, sales volumes of carbonated soft drinks, non-carbonated beverages and beer are heavily influenced by pricing and competition. Key factors used in determining retail prices for beverages include the degree of competition in the market, brand preference, taxes on beverages, national and local price promotions offered by companies, the type of beverage, whether the beverage container is returnable or non-returnable, cost structure and cost of goods sold trends. Revenue management continues to be one of the key drivers for the company to achieve its profitability targets.

Taxation

Beverage producers in our region operate in an environment where their products are taxed, which results in higher beverage prices to consumers. Applicable taxes include the value added tax (VAT), which is a tax on the price of a product ultimately paid by the consumer, as well as specific beverage distribution taxes. Value added tax is 12% in Honduras, 12% in Guatemala, 13% in El Salvador, 15% in Nicaragua, 17% in Jamaica , 15% in Trinidad & Tobago, 12% in Ecuador and sales tax is 7% in Puerto Rico. Distribution-specific taxes on carbonated soft drinks range from 10% of the net retail price in El Salvador to approximately 9% of our average retail price for carbonated soft drinks in Nicaragua and 10% of the retail price in Ecuador. In Honduras and Guatemala, distribution specific taxes are collected on a per-liter basis (averaging Q 0.12 per Liter in Guatemala and L. 0.58 per Liter in Honduras), comprising approximately 3% and 4% of our average retail price in Guatemala and Honduras, respectively. In Ecuador, there is a green fund levy for PET-produced bottles of U.S.$0.02 per bottle. In Trinidad & Tobago, there is also a green fund levy of 0.01% of gross sales and a business levy of 0.2% of gross sales.

Production

Carbonated soft drinks are produced by mixing water, flavored concentrate and sweetener. Water is processed to eliminate mineral salts and filtered to eliminate impurities. Purified water is combined with processed sugar or, in the case of diet carbonated soft drinks, with artificial sweeteners and concentrate. Carbon dioxide gas is injected into the mixture to produce carbonation. Immediately following carbonation, the mixture is bottled.

We own and operate ten bottling plants, with two in Guatemala, one in Honduras, one in Nicaragua, one in El Salvador, one in Puerto Rico, one in Jamaica, one in Trinidad and Tobago and two in Ecuador, for a total of 49 bottling lines. In addition, AmBev Centroamérica, our joint venture with AmBev, owns a beer bottling plant in Guatemala. Our operations in Trinidad & Tobago has one PET production line and is operated by a co-packer (Blue Waters Products Limited) and our glass products are outsourced to another co-packer that is not owned by Pepsi-Cola Trinidad.

Our LivSmart plant co-packs for CABCORP and third parties. It is the only plant in the Central American region with the right to produce *Gatorade*.

The following chart describes the production capacity of each of our plants as of March 31, 2013:

CAPACITY UTILIZATION

Country	Plant	Capacity (UC mm)(1)	Utilization
Guatemala	La Mariposa	127	68%
Guatemala	Cuyotenango	35	60%
El Salvador	Livsmart	61	47%
Honduras	La Reyna	26	87%
Nicaragua	La Nacional	34	74%
Puerto Rico	Puerto Rico	67	40%
Jamaica	Jamaica	22	62%
Trinidad &Tobago	Trinidad	21	16%
Ecuador	Guayaquil	55	55%
Ecuador	Machachi	49	82%

(1) UC = unit cases. A unit case equals 5.678 liters or 24 servings of 8 ounces.

The following chart summarizes our manufacturing facilities and utilization across our region for March 31, 2013, and the respective utilization ratio based on millions of unit cases per year (we believe that the utilization ratio of these plants is at excess capacity):

Presentation	Mariposa Guatemala	Cuyotenango Guatemala	Honduras	Jamaica	Nicaragua	Puerto Rico	El Salvador	Machachí Ecuador	Guayaquil Ecuador	Trinidad & Tobago	Total
Bag in Box	32.9%	0.0%	1.3%	10.8%	0.7%	37.4%	0.0%	0.4%	11.4%	5.0%	100%
Gallon	0.0%	0.0%	0.0%	0.0%	0.0%	67.3%	0.0%	32.7%	0.0%	0.0%	100%
Can	53.7%	0.0%	0.0%	0.0%	0.0%	21.8%	24.6%	0.0%	0.0%	0.0%	100%
Plastic	31.2%	1.2%	8.5%	8.5%	7.5%	8.7%	9.2%	17.6%	7.8%	0.0%	100%
Returnable Plastic	39.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.8%	0.0%	21.8%	100%
Carton Package	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	95.7%	4.3%	0.0%	0.0%	100%
Glass	35.4%	32.3%	9.5%	0.2%	14.5%	0.0%	0.0%	0.0%	8.1%	0.0%	100%
Non-Returnable Glass	0.5%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	97.6%	0.0%	100%

Source: CABCORP. Numbers may not sum due to rounding.

We continue to invest in technology and in our plants in order to increase efficiencies. In 2011, we finished the construction of a new 12 oz. can processing line for our La Mariposa plant in Guatemala, which increased our production to 1.1 million raw cases per month. Similar investments are in place for our Cuyotenango plant, which when completed, will increase our production of 350 thousand raw cases per month. This plant received the ISO 9001:2008 certification in 2011. We have also acquired new BlowMold machines for our operations in Puerto Rico and Jamaica, each of them projected to increase our blowing capacity by 18,000 bph and 36,000 bph, respectively.

Raw Materials

The principal raw materials involved in the manufacture of our carbonated soft drink products include concentrate, sugar, sweetener, water and carbon dioxide gas. Most of these materials are obtained from local suppliers (except for the concentrate). The concentrate is mixed with sugar and carbonated water at our facilities. The concentrate for PepsiCo carbonated soft drink products is purchased from PepsiCo.

We estimate that 80%, including beverage concentrate, of our production costs are commodities the most important being sugar, resin, fuel used in transportation, and to a lesser extent, aluminum. We currently have a long-term agreement with Transformasa, S.A., a sugar distribution company in Guatemala, for the purchase of sugar that assures the supply of sugar at competitive prices. Historically, prices available pursuant to this agreement have been below the market rate. There is no assurance that at the expiration of this agreement with the local producers we will be able to renew such agreement in the same terms or renegotiate terms as beneficial as the current arrangement. The Company estimates that the cost of sugar represents approximately 20% of the production costs.

The principal raw materials for AmBev Centroamérica's beer production include barley, hops, a yeast mixture, water and carbon dioxide gas. Most of these materials are imported from Brazil and purchased from AmBev.

We believe that most of our supply agreements for raw materials contain standard commercial terms. Moreover, we believe that we have negotiated terms and prices for key raw materials that represent significant cost savings with guarantees for delivery. We are substantially dependent on PepsiCo, AmBev Centroamérica, and our suppliers of sugar for delivery of these supplies, but in the past five years, we have not experienced any material difficulties in obtaining adequate supplies of raw materials at satisfactory prices.

Packaging

Packaging costs comprise the cost of returnable glass bottles, returnable plastic bottles and non-returnable plastic bottles (PET), aluminum cans, labels, closures, crown caps and paper. The higher cost of glass bottles relative to plastic bottles or aluminum cans is offset by their longer useful life. Non-refundable packages generally increase the cost of goods sold since the full costs of the package is expensed at the time of sale. Returnable packages require an initial investment in the inventory of glass or returnable plastic which is gradually depleted as the bottles break or become useless. This characteristic of the returnable presentations typically generate a lower cost of goods sold (compared to non-returnable bottles) since only a portion of its cost (breakage) is recognized as an expense at the time of sales.

The Company follows a packaging strategy to optimize the convenience of the returnable presentations for the consumer with a pricing architecture to minimize any negative effect on its marginal contribution.

Our principal PET suppliers are Plastiglas (Panama and El Salvador) and Cristaltech (Ecuador). Our principal can suppliers are ECA (Envases de Centroamerica) (Guatemala) and REXAM (USA). We generally purchase all of the glass bottles used in packaging our beverage products from Vical (Guatemala) and Vicasa (Panama). We obtain the labels for our beer and carbonated soft drink products principally from Labels S.A. de C.V. (El Salvador). Closures and crown caps are principally purchased from Alucaps Centroamerica (Guatemala) and Alucaps Mexicana (Mexico).

The PET blowing process in our plants in Guatemala City and Nicaragua is vertically integrated. LivSmart and our operations in Honduras and Ecuador have PET blowing facilities provided by the bottle manufacturers. PET is the material used to make non-returnable plastic bottles for carbonated soft drinks. On-premises PET blowing allows for substantial savings in transportation and storage costs.

Shared Services Center

In order to improve efficiencies in the marketing, distribution and sales of our products, we have formed the division SECCA Servicios and SECCA Consulting.

SECCA Servicios provides centralized corporate services in connection with their business strategy. It provides services in the areas of IT Support, IT infrastructure, accounting, master data management, dynamic routing, real-time monitoring of delivery routes, business intelligence, operative treasury, payroll management, customer service, telemarketing, budget control, legal support and corporate clients to clients operating in Guatemala, El Salvador, Honduras, Nicaragua, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador. This division processed about 72,000 service tickets, managed approximately 499,000 calls and programmed dynamic routes for more than 600 delivery trucks for 2012.

SECCA Consulting provides business solutions for the improvement of operations and information structuring through technology integrated with SAP. Its main services are the implementation and support of SAP and the development of software. It operates in Guatemala, El Salvador, Honduras, Nicaragua, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador. This division supports the sales process involving the purchase of product by a client, the warehousing of product, production planning, finance, fund management and the management of compensation formulas for employees.

SECCA Servicios' and SECCA Consulting's clients are entities related to CABCORP.

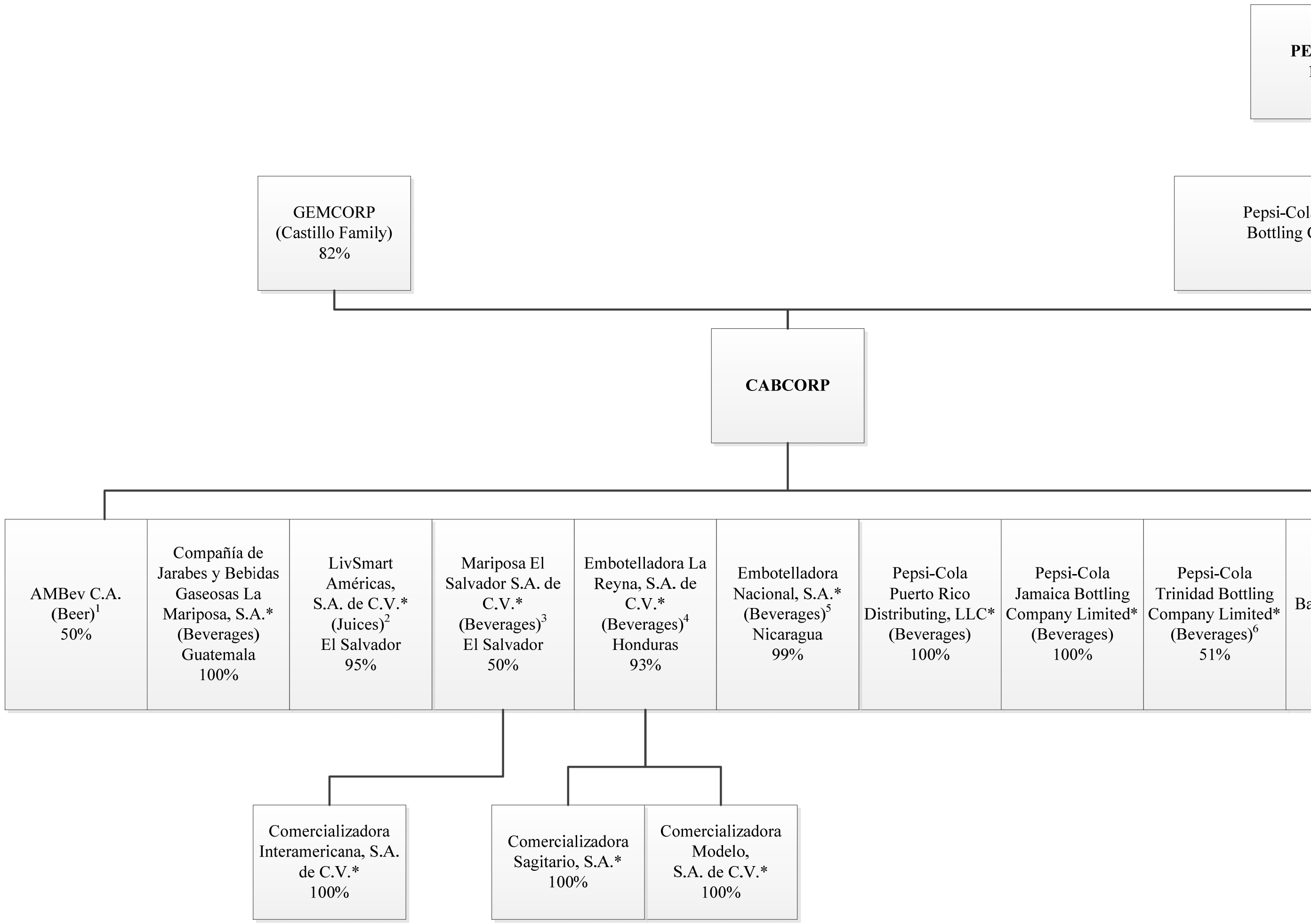
Information Technology

We have made a significant investment in information system technology throughout our region. We believe this technology, with multiple servers and over 1,739 handheld computers, has provided important efficiencies to our ability to serve our customers and improve performance. Our distribution of handheld computers to our employees has allowed better capture of sales, inventory and production data on a real-time basis.

We use SAP as our Enterprise Resource Planning (ERP) system. We use the system to control our inventories, plan our production and provide administration of our commercial database. We have incorporated many modules for SAP, such as fund management for our budget, business warehouse, payroll, direct store delivery and financial consolidation.

Corporate Structure

The following chart illustrates the ownership structure of the voting stock of our principal subsidiaries and affiliates by country as of March 31, 2013. For a list of all of our subsidiaries see note 1 to our Audited Financial Statements for the one year period ended December 31, 2012.



* All the guarantors, other than The South American Beverages Company, LLC and CABCORP Ecuador Beverages, LLC, consolidate their results with the issuer, and together, they represent 100% of the issuer's income and EBITDA. Other non-guarantor subsidiaries do not have income-generating activities and therefore do not contribute to the net income of the group. These other non-guarantor subsidiaries provide services and back-up functions to guarantor subsidiaries. The entities listed herein are those relevant to the proposed offering and the corporate structure set forth herein may be subject to corporate reorganization.

(1) The remaining 50% is owned by Monthiers, S.A.
(2) The remaining 5% is owned by Carlos Sluman.
(3) The remaining 50% is owned by Colinvest and Bottling Holding.
(4) The remaining 7% is owned by Interamericana de Seguros, S.A.
(5) The remaining 1% is owned by several individuals.
(6) The remaining 49% is owned by Blue Waters Products Limited.
(7) The remaining 49% is owned by Southern Beverages Group LLC and South American Bottling Company SBC LLC, two entities controlled by the Estrada Family.
(8) The Company is in the process of merging Delisoda S.A. and The Tesalia Springs Company S.A., which it expects to be completed during 2013.

Authorized Capital of CABCORP

CABCORP's authorized and issued capital is U.S.$35,500,000, and is divided into two classes of stock: Class A and Class B. Class A stock consists of 350,000 shares, par value U.S.$100 each. Class B stock consists of 5,000 shares, par value U.S.$100 each. Class B stock is non-voting stock, but is entitled to a dividend in the amount of 5% per year which is cumulative and payable only on (1) the sale of all the assets of the Company, (2) the liquidation or dissolution of the Company, or (3) the sale or transfer of more than 50% of the outstanding voting shares of the Company to any entity or individual who, at the time of such transfer, is not then a shareholder or subsidiary of the Company. A total of 304,878 shares of Class A stock have been issued, all of which are fully paid-up, and 5,000 shares of Class B stock have been issued, all of which are fully paid-up.

Our current shareholders are Grupo Empresarial Mariposa Corp. with 82% of the common stock and Pepsi-Cola Metropolitan Bottling Company, Inc. with 18% of the common stock. Grupo Empresarial Mariposa Corp. is a company formed in the British Virgin Islands and is controlled by the Castillo family. Pepsi-Cola Metropolitan Bottling Company, Inc. is a company formed in Delaware and is controlled by PepsiCo Inc.

The only debt securities of the Company outstanding are the initial notes.

Employees

As of March 31, 2013, we employed approximately 8,699 people throughout our region. Set forth below are the number of employees by country and category:

	Administration (human resources, finance, logistics)	**Sales, Marketing, and Operations**	**Manufacturing**	**Total**
Guatemala	365	2,432	512	3,309
Honduras	44	852	118	1,014
Nicaragua	36	534	175	745
El Salvador	30	705	0	735
Puerto Rico	26	438	95	559
Jamaica	24	101	117	242
Trinidad & Tobago	7	90	0	97
LivSmart	30	20	353	403
Ecudaor	101	1,052	442	1,595
Total	663	6,224	1,812	8,699

Source: CABCORP.

Unionized employees comprise 2% of our workers in Guatemala, 57% in Honduras and 13% in Nicaragua. There are no unionized employees in El Salvador or in Ecuador.

In Guatemala, on December 9, 2011 we executed a "Pacto Colectivo" (bargaining agreement) with the employees at Embotelladora La Mariposa in Guatemala City with SITRAEMSA which will be effective for the next three years, and was approved on January 11, 2012 by local labor authorities. Our "pacto" with the representative of the workers in the food and beverages industry in Honduras (STIBYS), and applicable to our La Reyna manufacturing facility, expired on December 31, 2010, and is currently in the bargaining process. We also entered into a "pacto" with the employees at Embotelladora Nacional in Managua on December 30, 2011. This "pacto" is between Embotelladora Nacional and the representatives of two labor groups, "Sindicato de Trabajadores de la ENSA" or "SITENSA," and Sindicato Democrático de Trabajadores de la ENSA, or "SIDETRENSA." The "pactos" define the basic working conditions and benefits as well as the responsibilities of our workers in different positions within the Company. These "pactos" set forth the rules by which our labor relations are administered and contain the mechanisms to resolve differences among the parties should they arise. Once negotiated, the "pactos" are ratified by the applicable Ministry of Labor before becoming effective.

In the Caribbean region, 71% of our workers in Puerto Rico and 42% of our workers in Jamaica are unionized. There are no unionized employees in Trinidad & Tobago. In Puerto Rico, we have three collective bargaining agreements in place: with the Union Solidarity Movement, set to expire in February 2015, with the Merchandisers – Teamsters' Union, set to expire in June 2013 and with the Plastic Employees – Teamsters' Union, set to expire in February 2015. In Jamaica there is one collective bargaining agreement in place with the UTASP, set to expire in March 2013. We expect that the Journal Employees Union will present their list of demands in Jamaica in February 2012.

Our compensation policy includes a base salary, paid in accordance with the level of responsibility and level of the employee. For the Company's executives, a variable bonus based on certain goals and performance is paid as short-term incentive and other long-term incentives are in place. We believe this structure helps our objective for our employees to think and act like owners of the Company by increasing their earnings as the Company's earnings increase.

Regulation

General

There are no significant regulations, other than compliance with standards imposed by food and health regulatory agencies, applicable to the production and marketing of carbonated soft drinks, non-carbonated beverages or beer in Guatemala, El Salvador, Honduras, Nicaragua, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador. In addition, there are no licensing requirements for retailers to sell our products, except in Nicaragua where retailers need authorization to sell alcoholic beverages (including beer). Our subsidiaries are in compliance with the consumer protection law of each of the countries in which we operate, including regulations regarding the marketing and sales of beer.

Environmental matters

We are subject to federal, state and local laws and regulations in Guatemala, El Salvador, Honduras, Nicaragua, Puerto Rico, Jamaica, Trinidad & Tobago and Ecuador relating to pollution, the protection of the environment, the management and disposal of hazardous materials and the cleanup of contaminated sites. In particular, these laws regulate, among other things, air and effluent emissions and require hazardous waste disposal sites to conform with environmental standards. Administrative, criminal and civil penalties, including cleanup costs, may be imposed for noncompliance with or liabilities under environmental laws.

Most of our industrial waste, which is predominantly non-hazardous in nature, is either recycled or sold to third parties. We are not required by local regulations to treat any of our production wastewater, as it does not include organic material, except at the AmBev Centroamérica plant. The AmBev Centroamérica plant has an effluent treatment system that has been inspected and approved by Guatemalan authorities.

Our current operations are in substantial compliance with applicable environmental laws and regulations.

Intellectual Property

Trademarks

As of the date of this offering memorandum, we have over 450 trademarks registered in different jurisdictions. We have registered our main trademarks or initiated trademark registration processes in Guatemala, Panama, Costa Rica, Mexico, Honduras, El Salvador, Jamaica, the United States and the European Union in order to ensure protection of the names and logos should we ever consider expanding our operations into those countries. In addition, we have applied for in excess of 150 additional trademarks.

We also use third-party trademarks such as *Pepsi, Seven Up, Mirinda* and *Gatorade* under specific license agreements. All of these trademarks are protected in all material respects in Guatemala, El Salvador, Honduras, Nicaragua, Puerto Rico, Jamaica and Trinidad & Tobago.

Our most important trademarks, including names and logos, are the following: *Aqua, Squiz, Petit, California, Salutaris*, *Rica*, *Gallito*, *Mas*, *Quintuples*, *Tesalia*, *Essence*, *Güitig* and *220 V*. There are no unregistered trademarks in Guatemala that are material to our business. In Guatemala, trademark registration has a term of validity of 10 years, renewable for additional 10-year periods. The application for renewal of a trademark must be submitted to the Guatemalan *Registro de la Propriedad Industrial* in the last year of validity of the trademark registration, or within six months after the trademark expiration date upon payment of an additional fee. Guatemala only refuses a renewal in the event that any third party argues that the trademark has lapsed due to lack of use during the prior five years, and such fact is deemed by the Guatemalan *Registro de la Propriedad Industrial* to have been proven. We expect to apply for renewal of registration of all of our material trademarks, so as to avoid their expiration. We do not expect any of our material trademarks to lapse in the near future.

We believe that our significant trademarks are protected in all material respects in the markets in which we currently operate.

Properties

Our properties consist primarily of bottling, distribution and office facilities in Guatemala, Southern Honduras, Nicaragua, El Salvador, Puerto Rico, Jamaica and Trinidad & Tobago. We currently have ten beverage plants, not including plants owned by AmBev Centroamérica. Our aggregate production capacity is 361 million unit cases per year. A list of the major office facilities, plants and warehouses owned or leased by us or by our subsidiaries is set forth below.

Type of Facility	Area (sq. meters)	Owner
Guatemala:		
Land Property	11,745.69	Cia de Jarabes y Bebidas La Mariposa
Land Property	736,230.38	Grupo Inmobilario Americano
Land Property	629.78	Industrias del Atlántico, S.A.
Land Property	558	Urbanización Sevilla, S.A.
Warehouse	41,130.75	Cia de Jarabes y Bebidas La Mariposa
Warehouse	34,741.00	Cia de Jarabes y Bebidas La Mariposa
Land Property	2,622.69	Cia de Jarabes y Bebidas La Mariposa
Warehouse and distribution center	462,167.83	Grupo Inmobilario Americano
Plant	129,963.78	Cia de Jarabes y Bebidas La Mariposa
Land Property	24,782.00	Cia de Jarabes y Bebidas La Mariposa
Land Property	93.691.19	Grupo Inmobilario Americano
Warehouse and distribution center	2,781.00	Cia de Jarabes y Bebidas La Mariposa
Warehouse and distribution center	2,700.00	Grupo Inmobilario Americano
Corporate Office	608.92	Cia de Jarabes y Bebidas La Mariposa
Corporate Office	562.3	Cia de Jarabes y Bebidas La Mariposa
Corporate Office	253.05	Cia de Jarabes y Bebidas La Mariposa
18 Parking Facilities	11.8/ea.	Cia de Jarabes y Bebidas La Mariposa
Warehouse	21.25	Cia de Jarabes y Bebidas La Mariposa
Warehouse	50.77	Cia de Jarabes y Bebidas La Mariposa
Land Property	3,064,305.00	Agroindustrial Guanaré
Administrative Buildings and Warehouses	25.5	Cia de Jarabes y Bebidas La Mariposa

Type of Facility	Area (sq. meters)	Owner
Administrative Buildings and Warehouses	40.3	Cia de Jarabes y Bebidas La Mariposa
Warehouse	1,687.92	Cia de Jarabes y Bebidas La Mariposa
Plant and administrative offices	36,554.92	Cia de Jarabes y Bebidas La Mariposa
Administrative offices and parking facility	12,142.00	Registros Electrónicos, S.A.
Land Property	4,611.22	Cia de Jarabes y Bebidas La Mariposa
Land Property	647.63	Cia de Jarabes y Bebidas La Mariposa
Land Property	648.68	Cia de Jarabes y Bebidas La Mariposa
Land Property	555.39	Cia de Jarabes y Bebidas La Mariposa
Land Property	161	Cia de Jarabes y Bebidas La Mariposa
Land Property	72	Cia de Jarabes y Bebidas La Mariposa
House	160	Asoc. Solidarista de Trabajadores de EmboSur
Warehouse	14350.45	Rentactivos, S.A.
Warehouse	16200.48	Rentactivos, S.A.
Warehouse	13189	Global Sites, S.A.
Warehouse	13760.87	Global Sites, S.A.
Warehouse	34099.09	Global Sites, S.A.
Warehouse	15788.5	Star projects, S.A
Warehouse	5315.11	Santa Prisca, S.A
Warehouse	2343.59	Santa prisca, S.A.
Warehouse	2236	Oralia Anavela Alvarado Armas de Castillo
Warehouse	32,65.70	Juan Artemio de León Maldonado
Warehouse	3609.54	Maximiliano de Jesús Salazar Nova
Warehouse	16240.81	Carlos Oswaldo Galdamez Calderón
Office Space	1,179.385	Mármol, s.a.
Nicaragua:		
Distribution Center	4,814.87	Embotelladora Nacional, S.A.
Distribution Center	3,525.06	Embotelladora Nacional, S.A.
Distribution Center	3,771.82	Embotelladora Nacional, S.A.
Land Property	31,100.00	Embotelladora Nacional, S.A.
Land Property	7,900.00	Embotelladora Nacional, S.A.
Distribution Center	13,824.47	Embotelladora Nacional, S.A.
Plant, Offices, Distribution Center	167,688.00	Embotelladora Nacional, S.A.
Distribution Center	2,865.78	Hortencia Ubelina Torres Rodriguez
Distribution Center	4,638.00	Eugenia del Rosario Centeno Garcia
Distribution Center	2,189.00	Gloria Susana Morales Alvarez
Distribution Center	6,284.00	Amelia del Socorro Maison Porta

Type of Facility	Area (sq. meters)	Owner
Distribution Center	3,159.50	Diego Ramón Montecinos Sierra
Distribution Center	2,652.26	Jacqueline Silva
Distribution Center	213.00	Gloria Susana Morales Alvarez
Distribution Center	6,116.54	Haidee Soza Rios
El Salvador:		
Distribution Center	8,246.73	Mariposa El Salvador, S.A. de C.V.
Distribution Center	10,363.27	Mariposa El Salvador, S.A. de C.V.
Distribution Center	4,145.57	Mariposa El Salvador, S.A. de C.V.
Distribution Center	12,148.70	Mariposa El Salvador, S.A. de C.V.
Warehouse	400.00	Helen Rocio
Land Property	26,809.74	Embotelladora Centroamericana, S.A.
Honduras:		
Distribution Center	3,315.00	Embotelladora La Reyna, S.A.
Distribution Center	2,481.36	Embotelladora La Reyna, S.A.
Central Distribution Center	21,025.87	Embotelladora La Reyna, S.A.
Distribution Center (not used)	6,237.33	Embotelladora La Reyna, S.A.
Distribution Center	29,549.31	Embotelladora La Reyna, S.A.
Distribution Center	2511.87	Guillermo Enrique Peña David
Distribution Center	7268.36	Olguita Bendaña Valenzuela
Distribution Center	3749.3	Mirta Maritza Díaz Pastor
Distribution Center	36,841.00	Parques e Invesiones SA de CV
Puerto Rico:		
Plant and Offices	81,134.00	Pepsi Cola PR Distributing, LLC
Warehouse and distribution center	10,219.00	Pepsi Cola PR Distributing, LLC
Distribution Center		Pepsi Cola PR Distributing, LLC
Distribution Center		Pepsi Cola PR Distributing, LLC
Trinidad & Tobago:		
Plant and Offices	88,533.16	Pepsi-Cola Trinidad Bottling
Distribution Center & Office	6,246.76	Nazir Mohameed & Lucille Mohammed
Jamaica:		
Land Property, Warehouses and Offices	479,352.21	Pepsi Cola Bottling
Distribution Center	9,915.49	Desnoes & Geddes Limited Trading As Red Stripe
Distribution Center	19,563.61	Desnoes & Geddes Limited Trading As Red Stripe
Distribution Center	8,959.31	Desnoes & Geddes Limited Trading As Red Stripe
Distribution Center	6,128.02	Desnoes & Geddes Limited Trading As Red Stripe

Type of Facility	Area (sq. meters)	Owner
Ecuador:		
Plant and offices	65,000.00	The Tesalia Springs Company, S.A
Plant and offices	30,000.00	Delisoda, S.A.
Distribution Center	6,500.00	The Tesalia Springs Company, S.A
Distribution Center	1,700.00	The Tesalia Springs Company, S.A
Distribution Center	1,300.00	The Tesalia Springs Company, S.A
Distribution Center	1,200	Segundo Jonas Salas Farinango
Distribution Center	6,300	Jorge Abedrabbo larach
Distribution Center	1,700	Maria Rosa Chileg Quillupangi
Distribution Center	1,070	Manuel Rodrigo Teran Sierra
Distribution Center	1,276	Sindicato de Trabajadores del Gobierno de Pastaza
Distribution Center	3,016	Tatiana del Rocio Santillan Reynoso
Distribution Center	1,600	Industrias Lacteas Tony S.A.
Distribution Center	2,118	Mega Santa Maria
Distribution Center	3,000	Walter Siberiano Jacome Castro
Distribution Center	3,700	Maria Luisa Suarez Lopez
Distribution Center	2,520	Fausto Eugenio Coronel Mosquera
Distribution Center	3,800	Industrias Gaseosas el Oro (INGAORO)
Distribution Center	1,800	Mario Hernan Campana Iniguez
Distribution Center	10,754	Hong Pei
Distribution Center	1,224	Jorge Flores

Source: CABCORP

Insurance

We insure our plants and equipment against damage or loss and business interruption. We carry insurance with MAPFRE Global (70%), which is reinsured with Chartis Guatemala (20%), Hannover RE (6%) and RSA (4%).

We also carry product liability insurance with ACE (100%).

We believe that the type and amount of insurance we carry conforms with market practices for similar beverage companies and provides prudent levels of coverage for risks associated with our operations.

Future Investments

The Company has a total budget of approximately U.S.$80 million for future investments in 2013 of which 36% is expected to be spent on machinery and the remaining is expected be spent on information and distribution capabilities.

Legal Proceedings

There are currently no legal proceedings to which CABCORP or any of the guarantors is a party, or to which any of the properties of CABCORP or any of the guarantors is subject which, either individually or in the aggregate, may have a material adverse effect on our results of operations, liquidity or financial condition. There are no legal proceedings that have had a significant effect on CABCORP's or the guarantors' financial position in the recent past.

We are continually subject to audits by the tax authorities of the countries in which we operate, and we are currently subject to claims by the tax authorities for adjustments in taxes as of January 2013 of U.S.$1.2 million in Guatemala. We believe we have meritorious defenses to these claims and do not believe the resolution of these claims will have a material adverse effect on our financial condition. We have not made any reserves in our financial statements with respect to these pending proceedings.

Recently, an administrative proceeding with respect to LivSmart was initiated by the *Dirección General de Aduanas* (Customs Office) of El Salvador involving Gatorade concentrate components from 2008, 2009 and 2011. The *Dirección General de Aduanas* is inquiring into the classification of the Gatorade concentrate components and the application of the *derecho arancelario de importación* (customs fee) applied to the import of Gatorade syrup. In the event the *Dirección General de Aduanas* finds that the wrong classification and fee was declared, it could impose fines and the obligation to pay fees past due retroactively. We have estimated that such contingency could may amount up to U.S.$16 million. We believe that we have meritorious defenses to these claims and do not believe the resolution of these claims will have a material adverse effect on our financial condition.

MANAGEMENT

We have a professional management team in place that has led to strong the professionalization of this family owned business since 1980. The following table sets forth information concerning our executive officers and directors.

Name	Age	Position
Carlos Enrique Mata	54	Chief Executive Officer, President of the Board of Directors
Luis Miguel Castillo	39	Executive Vice President, Director
Estuardo Mazariegos	38	Vice President Finance
Luis Fernando Valenzuela	45	Vice President Production
Guillermo Gaviria	64	Vice President Sales
Rolando Chávez	43	Operations Director
Nathalie Hasbun	38	Marketing Director
Carlos Sluman	45	Vice President – LivSmart
Lena Martín González	37	Director of Human Resources
José Sanabria	41	Country Head – Puerto Rico
Aníbal Mujica	43	Country Head – Ecuador
Gustavo Godoy	47	Vice President Information Systems
Rodrigo Alvarez	38	Strategy Director
Erick González	36	Internal Auditor
Oscar Arroyo	49	Legal Counsel
Alvaro Castillo	60	Member of the Board of Directors
Luis Montoya	54	Member of the Board of Directors
Edmund Scott Smart	53	Member of the Board of Directors
Ignacio Pérez	60	Member of the Board of Directors
Erik Seirsen White	46	Member of the Board of Directors

Carlos Enrique Mata joined CABCORP in 1978. During his tenure with CABCORP, Mr. Mata has held several management positions, including positions in the sales and marketing departments. In 2002, he was promoted to Chief Executive Officer and President of the board of directors. Mr. Mata completed business studies at Francisco Marroquin University in Guatemala City. He is currently the President of the Guatemalan Guild of Media Advertisers and is a member of CEAL, the Latin American Congress of CEOs. In addition, Mr. Mata is a former member of the board of directors of the Guatemalan Chamber of Industry. Mr. Mata's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Luis Miguel Castillo joined CABCORP in 1995. He has been responsible for new product development. In 2002, Mr. Castillo assumed the position of Vice President. He has served on the board of directors since 2001. He holds a bachelors degree in business from Boston University. Mr. Castillo is also a member of the board of directors of the Guatemalan Chamber of Industry and a Director for the United Way's Guatemala chapter. Mr. Castillo was recognized as the second most admired business person in Central America by *Extrategia y Negocios* magazine in 2009 and was named a "Young Global Leader" by the World Economic Forum in 2010. Mr. Castillo's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Estuardo Mazariegos joined CABCORP in 1998 and has been the CFO of CABCORP since 2010. His prior experience with the Company includes Commercial Director, Market Development Manager and Pricing Manager. Mr. Mazariegos holds a bachelors degree in business administration from Francisco Marroquin University and a masters degree in business administration with a major in finance and economy from INCAE. Mr. Mazariego's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Guillermo Gaviria joined CABCORP in 2002. He acted as the General Manager of Honduras until 2006 when he was promoted to Vice President of Sales for Central America and Jamaica. In 2005, Mr. Gaviria was inducted as a Ring of Honour member by PepsiCo International. He holds a bachelors degree in industrial economy from the University of Medellin, Colombia and a masters degree in financial management from the School of Business Administration EAFIT, Colombia. Mr. Gaviria's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Rolando Chávez joined CABCORP in 2006 as the Head of Manufacturing Projects, Manager of Manufacturing in Embotelladora La Reyna and Director of Operations and Services for Central America. He is currently the Director of Operations and Services in Central America and Jamaica. Mr. Chavez earned a bachelor of science in mechanical engineering from USAC Guatemala and a masters in industrial administration from Rafael Landívar University. Mr. Chavez's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Nathalie Hasbun joined CABCORP in 1999. She has been the Regional Marketing Director for CABCORP from 2008 to the present. Prior to that she was the Marketing Manager for Embotelladora La Reyna. Ms. Hasbun has received both a bachelors and a masters degree from Louisiana State University in Mass Communication, concentrating in Advertising and Marketing, respectively. Ms. Hasbun's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Carlos Sluman joined CABCORP in 2006. Prior to joining CABCORP he was the Vice-President of Global Marketing at AmBev. He joined the CABCORP as the Vice President of Marketing and New Business. In 2009 he became CEO of LivSmart. He has successfully launched more than ten different products in our Central American and Caribbean regions. Mr. Sluman holds a bachelors degree in administration from the University of Buenos Aires. He also holds a masters in business administration. Mr. Sluman's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Lena Martín joined CABCORP in 2011. She is the Director of Human Resources. Her responsibilities include the development of CABCORP's training program. Prior to joining CABCORP she was a Manager at AmBev. Ms. Martín received a bachelors degree in economy from the Catholic University Andrés Bello. Ms. Martín's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Jose A. Sanabria joined CABCORP in 1994. He has acted as Vice President Supply Chain since 2002 and as Country Head for the Puerto Rico operations since 2011. Prior to that, Mr. Sanabria held several positions in the Company's logistics department. He has served as an Internal Instructor in CABCORP training programs and also as an Instructor in Production Planning at Rafael Landivar University in Guatemala. He holds a masters degree in business administration from INCAE, Costa Rica and a bachelor of science in industrial engineering from Rafael Landivar University. Mr. Sanabria's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Aníbal Mujica joined CABCORP in 2012. He is the Country Head for Ecuador. Prior to this position, he was a consultant for VFC and from 1998 to 2008 and he has held various positions in AmBev, such as Comptroller for HILA (Hispanic Latin America), Logistics Country Manager and Finance Country Manager. Mr. Mujica received a bachelors degree in business administration and an accountant degree from Catholic University Andrés Bello. His address is Guayaquil Km. 9.5 Vía Daule, Guayaquil, Ecuador.

Gustavo Godoy joined CABCORP in 1992. He has served as Human Resources Manager, as well as in other senior management positions within the Company before assuming the role of Vice President Information Systems in 2002. Mr. Godoy is an industrial engineer and holds a masters degree in business administration from INCAE, Costa Rica. He is also a member of the board of directors of the AYUVI Foundation, a non-profit organization dedicated to treating children with cancer. Mr. Godoy's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Rodrigo Alvarez joined CABCORP in 2011. He is the New Business Development and Strategy Director. Prior to that Mr. Alvarez was the International Division Head for Bancolombia for the Central American region (except El Salvador). He holds a masters degree in business administration from the University of Notre Dame and a bachelors degree in business administration and economics from Francisco Marroquin University. Mr. Alvarez's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Erick González joined CABCORP in 2006. He acted as the Internal Auditing Coordinator for Guatemala for two years. In 2009 he became Head of Internal Auditing in El Salvador. In 2010, he returned to Guatemala as Head of Internal Auditing for Guatemala and, at the end of that same year, he was promoted to Auditing Manager in charge of operations in Honduras and Nicaragua. In 2012, he was given the position of Manager of Regional Internal Auditing with responsibility over operations in our Central American and Caribbean regions. Mr. González obtained a degree in public accounting and auditing from the University of San Carlos in Guatemala. He is a member of the Institute of Internal Audit. Mr. González's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Oscar Arroyo joined CABCORP in 1988. He has served as the Company's Legal Counsel since that time. Mr. Arroyo is also now the Vice President of Legal and Corporate Affairs. He holds a law degree as well as a Master's degree in comparative law from Francisco Marroquin University (UFM) in Guatemala. He is a member of the Guatemalan Bar and taught labor law at UFM for twelve years. Mr. Arroyo has additionally served as President Guatemalan Football (Soccer) Federation. Mr. Arroyo's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Alvaro Castillo joined CABCORP in 1987. He has served as a CABCORP Director for over 35 years. He is a member of the board of directors for CABCORP, which he joined from its foundation in 1994, and serves as President of the Administrative Council of the News Corporation. He is also the President and Founder of the Advisory Council of the Center for Corporate Social Responsibility (CentraRSE), the Kinal Foundation and the ONG Association of Family Development and Population (FADEP). Mr. Castillo holds an industrial and mechanical engineering degree from Rafael Landívar University and holds a masters degree in business administration from INCAE, Costa Rica. He has served as President of the Guatemalan Chamber of Industry as well as President of the Guatemalan Private Sector Chamber (CACIF). Mr. Castillo's business address is Boulevard Los Próceres 24-69, Zona Pradera Torre 4, Nivel 3, Office #303, Ciudad de Guatemala, Guatemala.

Luis Montoya joined CABCORP in 2010. He has served as a member of the board of directors since then. Mr. Montoya joined PepsiCo in 1991 as a Marketing Manager for Péru and Ecuador. Since then he has been General Manager for Central America, as well as Vice President of Franchising in México and Central America and the Caribbean. He was promoted to General Manager of the beverages business unit in northern Latin America in 2003. In 2007, he became President of the Beverages Division for Latin America for PepsiCo. In 2010, Mr. Montoya won the leadership prize Steve Reinemund for his exemplary leadership in diversification and business development. He graduated from the Pontifical Catholic University of Peru as an Industrial Engineer and has a masters degree in business administration from the Krannert School at Purdue University. He has also participated as sponsor for the Young Americas Business Trust. Mr. Montoya's business address is Pepsicola Panamericana, Esquilache 371, Piso 15, San Isidro, Lima, 33, Peru.

Edmund Scott Smart joined CABCORP in 2011 as Director. Prior to joining CABCORP he was the President of the Latin American Region for ConAgra Foods Mexico. Mr. Smart received a bachelor's degree in business administration in marketing from the State University of New York and a Masters in International Management from the American Graduate School of International Management (Thunderbird). Mr. Smart's business address is Blvd. Manuel Avila Camacho 138, Piso 4, Lomas de Chapultepec, Mexico DF.

Ignacio Pérez joined CABCORP in 2011 as Director. Prior to joining CABCORP he was the Executive Vice President of Operations at Sam's Club. Mr. Pérez received an economics degree from the National Autonomous University of Mexico and a masters degree in economics from the University of East Anglia-Norwich, UK. Mr. Pérez's business address is Tanforan 35-A, Col. Lomas Hipódromo, Naucalpan, Mexico CP 53900.

Erik Seiersen White joined CABCORP in 2011 as Director. Prior to joining CABCORP he was the President/General Manager for northern Latin America for Cadbury Adams Mexico. Mr. Seiersen received a bachelor of science in business administration in finance and economic theory from American University and a masters degree in business administration from the Harvard University Graduate School of Business Administration. Mr. Seiersen's business address is Bosque de Almendros #394, Bosques de las lomas, Mexico DF 11700, Mexico.

According to the shareholders agreement with Pepsi-Cola Metropolitan Bottling Company, Inc., GEMCORP has the right and has the right to appoint four out of the nine members of our board, and PepsiCo has the right to appoint one of such members. Currently, our board of directors is comprised of seven members, of which three are appointed by GEMCORP, one by PepsiCo and three are independent. In addition, together they appoint three independent directors (to complete the current composition of the board) which are selected via a process that includes a search by head-hunters and other similar independency standards. In addition, Pepsi-Cola Metropolitan Bottling Company, Inc. has the right to appoint another director, who attends board meetings but does not possess voting rights.

The board of directors supervises the audit committee, the strategic and M&A committee and the compensation committee. CABCORP's audit committee is integrated by the Company's CEO, the Executive Vice President, the CFO, the internal auditor, PepsiCo's controller, a board member appointed by PepsiCo and the Vice President of the Board of Directors. Each of these committees reports directly to the board of directors.

CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

CABCORP does not have material business relationships or transactions with its officers, directors or 10% shareholders, other than customary employment relationships and customary director compensation and other than as described below:

- Intercompany transactions take place mainly in the form of purchase and sale of finished goods and raw materials and shared services. It is the Company's policy to allocate resources to the subsidiary that has an immediate need. The Company believes that these transactions are done on an arm's length basis.

We have agreed in the indenture to certain restrictions on transactions with affiliates. The consolidated financial statements of CABCORP eliminate all intercompany accounts, transactions and earnings.

DESCRIPTION OF EXISTING INDEBTEDNESS

The following is a description of the outstanding indebtedness of CABCORP, the guarantors and the partial guarantor as of De note that “short term” means loans the maturity date of which is within 12 months of December 31, 2012. For further information o the applicable interest rates, see note 15 of our consolidated financial statements.

Lender	Borrower	Guarantor	Balan Decemb
Compañía de Jarabes y Bebidas La Mariposa, S.A.			
Long Term Loans			
Banco Reformador	Embotelladora La Mariposa	CABCORP	
Banco Reformador	Embotelladora La Mariposa	CABCORP	
Banco Industrial S.A. (Fiduciario)	Embotelladora La Mariposa	CABCORP	
Banco de Desarrollo Rural, S.A.	Embotelladora La Mariposa	CABCORP	
Banco de Desarrollo Rural, S.A.	Embotelladora La Mariposa	CABCORP	
Short Term Loans			
Banco Internacional, S.A.	Embotelladora La Mariposa	None	
Citibank, N.A.	Embotelladora La Mariposa	None	
Banco de América Central, S.A.	Embotelladora La Mariposa	None	
Delisoda, S.A.			
Long Term Loans			
Banco Promerica	Delisoda	None	
Banco Promerica	Delisoda	None	
Banco Promerica	Delisoda	None	
Interimportsa S.A.	Delisoda	None	
Banco Guayaquil (Hipotecaria)	Delisoda	None	
Banco Guayaquil (Hipotecaria)	Delisoda	None	
Banco Guayaquil (Hipotecaria)	Delisoda	None	
Banco Pichincha (Hipotecaria)	Delisoda	None	

Lender	Borrower	Guarantor	Balan Decemb
Fideicom Titularización	Delisoda	None	
Short Term Loans			
Banco Bolivariano	Delisoda	None	
Banco Guayaquil	Delisoda	None	
Banco Citibank N A	Delisoda	None	
Interimportsa S.A.	Delisoda	None	
Interimportsa S.A.	Delisoda	None	
Comercializadora Modelo, S.A. de C.V.			
Long Term Loans			
Banco Financiera Centroamericana, S.A.	Comercializadora Modelo	CABCORP	
Banco Financiera Centroamericana, S.A.	Comercializadora Modelo	CABCORP	
Mariposa El Salvador, S.A. de C.V.			
Short Term Loans			
Hencorp Becstone Capital	Mariposa El Salvador	CABCORP	
Livsmart Americas, S.A. de C.V.			
Short Term Loans			
Citibank (Pagaré)	Livsmart	None	
The Central America Bottling Corporation			
Short Term Loans			
Banco de América Central, S.A. El Salvador	CABCORP	None	
The Tesalia Springs Company S.A.			
Long Term Loans			
SIPA Plastic Packaging Systems	Tesalia	None	

Lender	Borrower	Guarantor	Bala Decemb
Interimportsa S.A.	Tesalia	None	
Banco Guayaquil (Hipotecaria)	Tesalia	None	
Banco Bolivariano C.A.	Tesalia	None	
Banco de la Producción S.A.	Tesalia	None	
Short Term Loans			
Interimportsa S.A.	Tesalia	None	

(1) Does not include issuance of the initial notes.

DESCRIPTION OF NOTES

The following section describes certain provisions of the notes and the Indenture. It is subject to, and qualified in its entirety by reference to, the provisions of the Indenture and the notes. You may obtain copies of the Indenture and specimen notes upon request to the trustee or the paying agent in Luxembourg at the addresses set forth under "Available Information." We urge you to read the Indenture and the Description of Notes, because they define your rights as holders.

The 6.750% Senior Guaranteed Notes due 2022 (the "*new notes*") have been issued under an indenture, dated as of February 9, 2012 (the "*Existing Indenture*"), among The Central America Bottling Corporation, as issuer (the "*Company*"), the subsidiary guarantors as defined therein, The Bank of New York Mellon, as Trustee (the "*Trustee*"), registrar (the "*Registrar*") and principal paying agent (the "*Principal Paying Agent*"), and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg transfer and paying agent (the "*Luxembourg Transfer and Paying Agent*") , as supplemented by a supplemental indenture to be dated as of May 13, 2013 (the "*First Supplemental Indenture*," and together with the Existing Indenture, the "*Indenture*") among the Company, the Subsidiary Guarantors (as defined below), the Trustee and the Luxembourg Transfer and Paying Agent. We summarize below certain provisions of the Indenture, but do not restate the Indenture in its entirety. We urge you to read the Indenture because it, and not this description, defines your rights. You can obtain a copy of the Indenture in the manner described under "General Information" in this offering memorandum, and, for so long as the Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market, at the office of the Luxembourg Transfer and Paying Agent.

You can find the definition of capitalized terms used in this section under "—Certain Definitions." When we refer to:

- the Company in this section, we mean The Central America Bottling Corporation, and not any of its Subsidiaries; and
- "Notes" in this section, we mean the initial notes and the new notes offered pursuant to this offering memorandum and, unless the context otherwise requires, any Additional Notes.

General

The new notes. The new notes:

- constitute direct, unsecured and unsubordinated obligations of the Company and rank at all times *pari passu* in right of payment with all of the Company's other existing and future unsecured and unsubordinated indebtedness, other than obligations given preferential or senior ranking by statute or by operation of law;
- rank senior in right of payment to all existing and future Subordinated Indebtedness of the Company, if any;
- are effectively subordinated to all existing and future secured Indebtedness of the Company, if any;
- are unconditionally guaranteed on a general unsecured senior basis by certain of the Company's Subsidiaries;
- are effectively subordinated to all existing and future secured Indebtedness of the Subsidiary Guarantors; and

- have identical terms and conditions as the initial notes, other than issue date, issue price and first interest payment date, and constitute part of the same series as, and will vote together as a single class with, the initial notes.

As of December 31, 2012, on an as adjusted basis after giving effect to this offering and the related transactions as described under "Use of Proceeds":

- the Company and its Subsidiaries would have had consolidated total Indebtedness of U.S.$443.3 million;

- the Company and its Subsidiaries had no consolidated secured Indebtedness; and

- our Subsidiaries that are not Subsidiary Guarantors had no Indebtedness owed to Persons other than the Company or Subsidiary Guarantors.

Additional Notes

Subject to the limitations set forth under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness," without the consent of the Holders of the Notes the Company and its Subsidiaries may incur additional Indebtedness. At the Company's option, this additional Indebtedness may consist of additional Notes ("*Additional Notes*") issued by the Company in one or more transactions, which have identical terms (except for the issue date, issue price and, if applicable, first interest payment date) as and forming a single series for all purposes with Notes issued on the Issue Date; *provided*, that such Additional Notes shall be issued with the same CUSIP, ISIN and Common Code only if, for U.S. federal income tax purposes, such Additional Notes are part of the same "issue" or such Additional Notes are not issued with more than a *de minimis* amount of original issue discount. Holders of Additional Notes will have the right to vote on all matters together with Holders of Notes issued on the Issue Date as a single series.

Principal, Maturity and Interest

The Notes will be issued in denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will mature on February 9, 2022 unless redeemed earlier in accordance with the terms of the Notes. The redemption amount at the maturity date equals 100% of the outstanding balance of the Notes. See "—Optional Redemption."

The Notes will not be entitled to the benefit of any mandatory sinking fund.

Interest on the Notes will accrue at the rate of 6.750% per annum and will be payable semi-annually in arrears on each February 9 and August 9. Payments will be made to the persons who are registered Holders at the close of business on each February 1, and August 1, respectively, immediately preceding the applicable interest payment date.

Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date or as provided in respect of Additional Notes. Interest will be computed on the basis of a 360 day year comprised of twelve 30-day months. The redemption of Notes with unpaid and accrued interest to the date of redemption will not affect the right of Holders of record on a record date to receive interest due on an interest payment date.

New notes sold to investors in reliance on Regulation S under the Securities Act will initially be issued in the form of a temporary Regulation S global note. An owner of a beneficial interest in a temporary Regulation S global note will not be entitled to receive any payments of interest until it has exchanged that beneficial interest for a beneficial interest in a permanent Regulation S global note or a 144A global note as described under "Form of Notes, Clearing and Settlement."

Initially, the Trustee will act as Principal Paying Agent and Registrar for the Notes. The Company may change the Principal Paying Agent or Registrar without notice to the Holders. If a Holder of U.S.$10.0 million or more in aggregate principal amount of Notes has given wire transfer instructions to the Company at least 10 Business Days prior to the applicable payment date, the Company, or the Principal Paying Agent on its behalf, will make all principal, premium and interest payments on those Notes in accordance with those instructions. All other payments on the Notes will be made at the office or agency of the Principal Paying Agent and Registrar in New York City unless the Company elects to make interest payments by check mailed to the registered Holders at their registered addresses.

The Company will use its reasonable commercial efforts to maintain a listing of the Notes on the Official List of the Luxembourg Stock Exchange, and to trade them on the Euro MTF Market of the Luxembourg Stock Exchange; *provided*, that the Company will not be required to maintain a Euro MTF Market of the Luxembourg Stock Exchange listing if it determines that compliance with the listing requirements would be unduly burdensome. The Company will also maintain a paying agent and a transfer agent in Luxembourg.

Subject to any applicable abandoned property law, the Trustee and the Principal Paying Agent shall pay to the Company upon written request of the Company any money held by them for the payment of principal of or interest on the Notes that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Company for payment as general creditors.

Note Guarantees

Each of (i) Embotelladora Nacional, S.A., (ii) Comercializadora Modelo, S.A. de C.V., (iii) Comercializadora Sagitario, S.A., (iv) Embotelladora La Reyna, S.A., (v) Mariposa El Salvador, S.A. de C.V., (vi) Comercializadora Interamericana, S.A. de C.V., (vii) Pepsi-Cola Trinidad Bottling Company Limited, (viii) Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A., (ix) Pepsi-Cola Jamaica Bottling Company Limited, (x) Pepsi-Cola Puerto Rico Distributing, LLC, (xi) LivSmart Américas, S.A. de C.V., (xii) The Tesalia Springs Company S.A., (xiii) Delisoda S.A., (xiv) CABCORP Ecuador Beverages Company, LLC, and (xv) The South American Beverages Company, LLC will unconditionally guarantee the performance of all Obligations of the Company under the Indenture and the Notes. The Obligations of each Subsidiary Guarantor in respect of its Note Guarantee will be limited to the maximum amount as will result in the Obligations not constituting a fraudulent conveyance, fraudulent transfer or similar illegal transfer under applicable law. See "Risk Factors—Risks Relating to an Investment in the Notes—Fraudulent conveyance laws and other limitations on the guarantees may adversely affect the validity and enforceability of the guarantees of the notes" in this offering memorandum.

Each Subsidiary Guarantor will be released and relieved of its obligations under its Note Guarantee in the event:

(1) there is a discharge, Legal Defeasance or Covenant Defeasance as discussed under "—Satisfaction and Discharge" or "—Legal Defeasance and Covenant Defeasance";

(2) there is a sale or other disposition of Capital Stock of such Subsidiary Guarantor following which such Subsidiary Guarantor is no longer a direct or indirect Subsidiary of the Company;

(3) there is a sale of all or substantially all of the assets of such Subsidiary Guarantor (including by way of merger, stock purchase, asset sale or otherwise) to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary; or

(4) such Subsidiary Guarantor is designated as an Unrestricted Subsidiary;

provided, that, in each case, such transactions are carried out pursuant to and in accordance with all applicable covenants and provisions of the Indenture.

If any Person becomes a Restricted Subsidiary (for the avoidance of doubt, including upon a Revocation of the Designation of a Subsidiary as an Unrestricted Subsidiary), the Company will cause that Restricted Subsidiary to become a Subsidiary Guarantor on a senior basis by executing a supplemental indenture and providing the Trustee with an Officers' Certificate and Opinion of Counsel. In accordance with the terms of the Indenture, after the supplemental indenture becomes effective, the Company will mail to Holders a notice of such event. The Company will also make any other notification required by the Luxembourg Stock Exchange.

Any Subsidiary that is not a Subsidiary Guarantor, including any Subsidiary that is designated as an Unrestricted Subsidiary pursuant to and in accordance with the Indenture, will pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to us in the event of any bankruptcy or insolvency proceeding of these Subsidiaries that are not Subsidiary Guarantors. In addition, holders of minority interests in these Subsidiaries may receive distributions prior to or *pro rata* with the Company depending on the terms of the equity interests. See "Risk Factors—Risks Relating to an Investment in the Notes—Not all of our subsidiaries will guarantee the notes, and any claim by us or any of our creditors, including the holders of the notes, against such non-guarantor subsidiaries will be structurally subordinated to all of the claims of creditors of those non-guarantor subsidiaries" in this offering memorandum.

Additional Amounts

Except as provided below, the Company or the Subsidiary Guarantors, as the case may be, will make all payments of principal and interest on the Notes without withholding or deducting any present or future taxes, duties, assessments or other governmental charges of any nature imposed by the British Virgin Islands, Guatemala, Nicaragua, El Salvador, Honduras, Jamaica, Trinidad and Tobago, the United States (including Puerto Rico) as the case may be, or any other jurisdiction from or through which the Company or any Subsidiary Guarantor makes a payment, or in which any paying agent is located or, in each case, any political subdivision thereof or taxing authority thereof or therein (each, a "Taxing Jurisdiction"). If the Company or the Subsidiary Guarantors, as the case may be, is required by law to withhold or deduct any taxes, duties, assessments or other governmental charges, except as provided below, the Company or the Subsidiary Guarantors, as the case may be, will pay the Holders any additional amounts ("Additional Amounts") as may be necessary to ensure that they receive the same amount as they would have received without such withholding or deduction.

The Company or the Subsidiary Guarantors, as the case may be, will not, however, pay any Additional Amounts for or on account of:

(i) any tax, assessment or other governmental charge that is imposed due to the Holder or beneficial owner's present or former connection with the Taxing Jurisdiction other than merely holding the Notes or receiving principal or interest payments on the Notes (such as citizenship, residence, being engaged in a trade or business or having a permanent establishment within the Taxing Jurisdiction) or enforcement of rights with respect thereto;

(ii) any tax, assessment, or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note;

(iii) any tax, assessment or other governmental charge that is imposed because the Holder or beneficial owner fails to comply with any certification, identification or other reporting requirements concerning its nationality, residence, identity or connection with the Taxing Jurisdiction, if (i) such compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from all or a part of the tax, duty, assessment or other governmental charge, (ii) the Holder or beneficial owner is able to comply with such requirements without undue hardship and (iii) at least 30 calendar days prior to the first payment date with respect to which such requirements under the applicable law, regulation, administrative practice or treaty shall apply, the Company or the Subsidiary Guarantors, as the case may be, has notified all Holders in writing that they will be required to comply with such requirements;

(iv) any tax, assessment or other governmental charge that is imposed because the Holder fails to present (where presentation is required) its Note within 30 calendar days after the Company or the Subsidiary Guarantors, as the case may be, has made available to the Holder a payment of principal or interest, provided that the Company or the Subsidiary Guarantors, as the case may be, will pay Additional Amounts which a Holder would have been entitled to had the Note owned by such Holder been presented on any day (including the last day) within such 30-day period;

(v) any estate, inheritance, gift, use or sales taxes or any similar taxes, assessments or other governmental charges; or

(vi) any taxes that are required to be withheld from payments on the Notes to an individual pursuant to the European Union Directive on the taxation of savings income in the form of interest payments (Council Directive 2003/48/EC) or any law implementing or complying with, or introduced in order to conform to, such Directive.

The Company or the Subsidiary Guarantors, as the case may be, will also (i) make such withholding or deduction and (ii) remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law. Upon written request from the Trustee, the Company or the Subsidiary Guarantors, as the case may be, will furnish to the Trustee, within five Business Days after the delivery of such written request, certified copies of tax receipts or, if such receipts are not obtainable, documentation reasonably satisfactory to the Trustee evidencing the payment of any such taxes, duties, assessments or other governmental charges due pursuant to applicable law. Upon written request of the Holders to the Trustee, copies of such receipts or other documentation, as the case may be, will be made available by the Trustee to the Holders. At least five Business Days prior to the first interest payment date following the Closing Date, the Company shall furnish to the Trustee an Officers' Certificate specifying the rate of deduction or withholding of withholding taxes in respect of which the Company or any Subsidiary Guarantor is required to pay Additional Amounts pursuant to this section and certifying that (i) the tax amounts specified therein shall be deducted or withheld and shall be paid by the Company or any Subsidiary Guarantor to the appropriate Taxing Jurisdiction, and (ii) the relevant Additional Amounts shall be paid by the Company or any Subsidiary Guarantor. Following such initial interest payment date, the Company shall furnish to the Trustee a similar Officers' Certificate, at least five Business Days prior to the relevant interest payment date, only if the rate of deduction or withholding of withholding taxes specified in the initial Officers' Certificate shall have changed and be in effect, and setting forth such other information as the Trustee shall reasonably require.

The Company or the Subsidiary Guarantors, as the case may be, will, upon written request of any Holder or beneficial owner of a Note, indemnify and hold harmless and reimburse such Holder for the amount of taxes, duties, assessments or other governmental charges of a Taxing Jurisdiction (other than excluded Additional Amounts as described above) so levied or imposed and paid by such Holder as a result of payments made under or with respect to the Notes, so that the net amount received by such Holder after such reimbursement would not be less than the net amount the Holder would have received if such taxes, duties, assessments or other governmental charges of such Taxing Jurisdiction would not have been imposed or levied.

The Company or the Subsidiary Guarantors, as the case may be, will pay any stamp, administrative, court, documentary or excise taxes arising in a Taxing Jurisdiction in connection with the issuance of the Notes and will indemnify the Holders for any such taxes paid by Holders.

All references to principal, interest, or other amounts payable on the Notes shall be deemed to include any Additional Amounts payable by the Company or the Subsidiary Guarantors, as the case may be, under the Notes or the Indenture. The foregoing obligations shall survive any discharge, Legal Defeasance or Covenant Defeasance of the Notes and the Indenture.

If the Company or the Subsidiary Guarantors, as the case may be, shall at any time be required to pay Additional Amounts to Holders pursuant to the terms of the Notes and the Indenture, the Company or each of the Subsidiary Guarantors, as the case may be, will use its reasonable endeavors to obtain an exemption from the payment of (or otherwise avoid the obligation to pay) the tax, assessment or other governmental charge which has resulted in the requirement that it pay such Additional Amounts.

Optional Redemption

Optional Redemption. Prior to February 9, 2017, the Company may redeem the Notes, at its option, in whole at any time or in part from time to time, on at least 30 days' but not more than 60 days' notice, at a redemption price (determined by the Company) equal to the greater of (i) 100% of the outstanding principal amount of the Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest and Additional Amounts (if any) on the Notes to be redeemed discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 50 basis points, in each case plus accrued and unpaid interest plus any Additional Amounts on the principal amount being redeemed to the redemption date.

On or after February 9, 2017, the Company may redeem the Notes, at its option, in whole at any time or in part from time to time, on at least 30 days' but not more than 60 days' notice, at the following redemption prices, expressed as percentages of the outstanding principal amount thereof, together with any accrued and unpaid interest plus any Additional Amounts, if redeemed during the twelve-month period commencing on February 9 of any year set forth below:

Year	Percentage
2017	103.375 %
2018	102.250 %
2019	101.125 %
2020 and thereafter	100.00 %

"*Comparable Treasury Issue*" means the United States Treasury security or securities selected by an Independent Investment Bank as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes.

"*Comparable Treasury Price*" means, with respect to any redemption date (1) the average of the Reference Treasury Dealer Quotations for such redemption date determined by the Independent Investment Bank, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the Independent Investment Bank obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"*Independent Investment Bank*" means one of the Reference Treasury Dealers appointed by the Company.

"*Reference Treasury Dealer*" means Citigroup Global Markets Inc. or its affiliates which are primary United States government securities dealers and not less than two other leading primary United States government securities dealers in New York City reasonably designated by the Company; *provided,* that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "*Primary Treasury Dealer*"), the Company will substitute therefor another Primary Treasury Dealer.

"*Reference Treasury Dealer Quotation*" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Company, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such redemption date.

"*Treasury Rate*" means, with respect to any redemption date, the rate as determined by the Independent Investment Bank per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Optional Redemption upon Equity Offerings. At any time, or from time to time, on or prior to February 9, 2017 the Company may, at its option, use the net cash proceeds of one or more Equity Offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes issued pursuant to the Indenture at a redemption price equal to 106.750% of the outstanding principal amount thereof (plus any Additional Amounts); *provided*, that:

- after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding; and

- the Company shall make such redemption not more than 90 days after the consummation of such Equity Offering.

"*Equity Offering*" means (i) a rights offering of Qualified Capital Stock of the Company made generally to the holders of such Qualified Capital Stock, (ii) any primary public or private offering of Qualified Capital Stock of the Company to any Person other than an Affiliate of the Company or a registration on Form F-4 or (iii) any capital contribution received by the Company from any holder of Capital Stock that is accounted for as Qualified Capital Stock, in each case, other than issuances upon exercise of options by employees of the Company or any of its Subsidiaries.

Optional Redemption for Changes in Withholding Taxes. The Notes will be subject to redemption, at the Company's option, at any time in whole but not in part, at a redemption price equal to 100% of the outstanding principal amount plus accrued and unpaid interest to the date fixed for redemption and any other amounts owed to the Holders under the terms of the Indenture or the Notes, if as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of the British Virgin Islands or any political subdivision thereof or taxing authority thereof or therein, or any change in official position regarding application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the Issue Date, the Company or any applicable Subsidiary Guarantor shall become obligated to pay Additional Amounts on the Notes (as described under "—Additional Amounts" above) in excess of the amounts that the Company or any applicable Subsidiary Guarantor would pay as of the Issue Date and such obligations cannot be avoided by the Company or any of the applicable Subsidiary Guarantors taking reasonable measures available to it.

In the event that the Company elects to redeem the Notes, the Company must:

(a) deliver to the Trustee an Officers' Certificate stating that:

(1) such obligation described above cannot be avoided by the Company or any of the applicable Subsidiary Guarantors taking reasonable measures available to it, and

(2) the Company is entitled to redeem the Notes pursuant to their terms;

(b) deliver to the Trustee an opinion of an independent counsel of recognized standing to the effect that:

(1) the Company or any of the applicable Subsidiary Guarantors has become obligated to pay these Additional Amounts as a result of a change or amendment described above,

(2) the Company or any of the applicable Subsidiary Guarantors cannot avoid the obligation described above by taking reasonable measures available to it, and

(3) all government approvals necessary for the Company or any of the applicable Subsidiary Guarantors to effect such redemption have been obtained and are in full force and effect;

(c) give notice to the Holders, not less than 30 nor more than 60 days prior to the date scheduled for the redemption, which notice shall:

(1) be signed by two of the Company's executive officers,

(2) specify the date the Notes are to be redeemed,

(3) state the circumstances giving rise to the Company's entitlement to effect the redemption, and

(4) be irrevocable, and

(d) give notice of the early redemption of the Notes to the Luxembourg Stock Exchange.

The Company is required to redeem the Notes in accordance with the notice described in (c) above once delivery of the notice is completed. No notice of redemption may be given earlier than 60 days and no later than 30 days, prior to the earliest date on which the Company or any of the applicable Subsidiary Guarantors would Incur an obligation to pay the Additional Amounts if a payment in respect of the Notes were then due.

In the event that the Company chooses to redeem the Notes as permitted by the Indenture, notice of this redemption will be given to the Holders as soon as practicable in the manner provided under "—Notices." No such redemption shall be effective unless and until the Trustee receives the amount payable upon redemption as set forth above. All unmatured Notes redeemed by the Company will be cancelled and may not be reissued or resold.

Optional Redemption Procedures. In the event that less than all of the Notes are to be redeemed at any time, selection of Notes for redemption will be made by the Trustee in compliance with the requirements of the principal securities exchange or market, if any, on which Notes are listed or, if the Notes are not then listed on a securities exchange or market, on a *pro rata* basis, by lot or by any other method as the Trustee shall deem fair and appropriate (subject to the procedures of the depositary for the Notes). If a partial redemption is made with the proceeds of an Equity Offering, selection of the Notes or portions thereof for redemption will, subject to the preceding sentence, be made by the Trustee only on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to the procedures of the depositary for the Notes), unless the method is otherwise prohibited. No Notes of a principal amount of U.S.$2,000 or less may be redeemed in part and Notes of a principal amount in excess of U.S.$2,000 may be redeemed in part in multiples of U.S.$1,000 only so long as any principal amount of Note remaining unredeemed is in an authorized denomination.

Notice of any redemption will be given at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address. If Notes are to be redeemed in part only, the notice of redemption will state the portion of the outstanding principal amount thereof to be redeemed. For so long as the Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market, the Company will cause notices of redemption also to be published as provided under "—Certain Covenants—Notices." A new Note in a principal amount equal to the unredeemed portion thereof (if any) will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate).

The Company will pay the redemption price for any Note together with accrued and unpaid interest (including Additional Amounts) thereon through, but excluding, the date of redemption. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption as long as the Company has deposited with the Principal Paying Agent immediately available funds in satisfaction of the applicable redemption price pursuant to the Indenture. Upon redemption of any Notes by the Company, such redeemed Notes will be cancelled.

Any redemption and notice thereof pursuant to the Indenture may, in the Company's discretion, be subject to the satisfaction of a financing or change of control condition precedent. Notwithstanding the foregoing provisions of this "Optional Redemption" section, the Company and its Subsidiaries are not prohibited from acquiring the Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise.

Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event, each Holder will have the right to require that the Company purchase all or a portion (in principal amounts of U.S.$2,000 and multiples of U.S.$1,000 in excess thereof) of the Holder's Notes at a purchase price equal to 101% of the outstanding principal amount thereof (plus any Additional Amounts), plus accrued and unpaid interest (including Additional Amounts) thereon to, but excluding, the date of purchase (the "*Change of Control Payment*").

Within 30 days following the date upon which the Change of Control Triggering Event occurred, the Company must send, by first-class mail, a notice to the Trustee (who shall forward to each Holder), offering to purchase the Notes as described above (a "*Change of Control Offer*") and publish the Change of Control Offer in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). The Change of Control Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "*Change of Control Payment Date*").

On the Business Day prior to the Change of Control Payment Date, the Company will, to the extent lawful, deposit with the Principal Paying Agent funds in an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered. On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer; and

(2) deliver or cause to be delivered to the Trustee for cancellation the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company.

If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate).

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to the Indenture as described above under the caption "—Optional Redemption," unless and until there is a default in payment of the applicable redemption price.

Notes repurchased by the Company pursuant to a Change of Control Offer will be cancelled and cannot be reissued. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

In the event that Holders of not less than 90% of the aggregate principal amount of the outstanding Notes accept a Change of Control Offer and the Company or a third party purchases all of the Notes held by such Holders, the Company will have the right, on not less than 30 nor more than 60 days' prior notice, given not more than 30 days following the purchase pursuant to the Change of Control Offer described above, to redeem all of the Notes that remain outstanding following such purchase at a purchase price equal to the Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest, if any, on the Notes that remain outstanding, to the date of redemption (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date).

Other existing and future Indebtedness of the Company may contain prohibitions on the occurrence of events that would constitute a Change of Control Triggering Event or require that Indebtedness be repurchased upon a

Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Company to repurchase the Notes upon a Change of Control Triggering Event could cause a default under such Indebtedness even if the Change of Control Triggering Event itself does not.

If a Change of Control Offer occurs, there can be no assurance that the Company will have available funds sufficient to make the Change of Control Payment for all the Notes that might be delivered by Holders seeking to accept the Change of Control Offer. In the event the Company is required to purchase outstanding Notes pursuant to a Change of Control Offer, the Company expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations and any other obligations in respect of Senior Indebtedness. However, there can be no assurance that the Company would be able to obtain necessary financing.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations, to the extent that such laws and regulations are applicable in connection with the purchase of Notes in connection with a Change of Control Offer. Holders will not be entitled to require the Company to purchase their Notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction which is not a Change of Control Triggering Event.

To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control Triggering Event" provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by doing so.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder to require the Company to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Repurchase of Notes

We and our Subsidiaries may at any time purchase or otherwise acquire any Note in the open market or otherwise at any price; *provided*, that in determining at any time whether the Holders of the requisite principal amount of the Notes outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Notes then owned by us or any of our Subsidiaries will be disregarded and deemed not outstanding.

Certain Covenants

Suspension of Covenants

During any period of time that (i) the Notes have an Investment Grade Rating from any two Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), the Company and its Restricted Subsidiaries will not be subject to the provisions of the Indenture described under:

1. "—Limitation on Incurrence of Additional Indebtedness";

2. "—Limitation on Guarantees";

3. "—Limitation on Restricted Payments";

4. "—Limitation on Asset Sales and Sales of Subsidiary Stock";

5. "—Limitation on Designation of Unrestricted Subsidiaries";

6. "—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

7. clause (b) of "—Limitation on Merger, Consolidation or Sale of Assets";

8. "—Limitation on Transactions with Affiliates";

9. "—Antilayering"; and

10. "—Conduct of Business"

(collectively, the "*Suspended Covenants*").

In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") one of the Rating Agencies withdraws its Investment Grade Rating or downgrades its rating assigned to the Notes below an Investment Grade Rating, then the Company and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. The period of time from the Covenant Suspension Event until the Reversion Date is referred to as the "*Suspension Period*." If after any Suspension Period, the Company again complies with the Covenant Suspension Event, the Company and its Restricted Subsidiaries will again not be subject to the Suspended Covenants. Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period).

On the Reversion Date, all Indebtedness Incurred during the Suspension Period will be classified as having been Incurred pursuant to clause (1) or (2) of "—Limitation on Incurrence of Additional Indebtedness" below (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to clause (1) or (2) of "—Limitation on Incurrence of Additional Indebtedness," such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (2)(b) of "—Limitation on Incurrence of Additional Indebtedness." Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under "—Limitation on Restricted Payments" will be made as though the covenant described under "—Limitation on Restricted Payments" had been in effect since the Issue Date and throughout the Suspension Period.

Limitation on Incurrence of Additional Indebtedness

(1) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness, including Acquired Indebtedness, except that: (a) the Company or any Subsidiary Guarantor may Incur Indebtedness, including Acquired Indebtedness, and (b) any Restricted Subsidiary may Incur Acquired Indebtedness not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, if, at the time of and immediately after giving pro forma effect to the Incurrence thereof and the application of the proceeds therefrom:

(i) the Consolidated Fixed Charge Coverage Ratio of the Company and its Restricted Subsidiaries is greater than the ratio set forth below in the row opposite the time period containing the date of Incurrence; and

Time Period	Ratio
From the Issue Date to December 31, 2013............	2.00 to 1.0
From January 1, 2014 to December 31, 2015..........	2.25 to 1.0
From January 1, 2016 to February 9, 2022............	2.50 to 1.0

(ii) the Consolidated Total Indebtedness to Consolidated EBITDA Ratio of the Company and its Restricted Subsidiaries is less than the ratio set forth below in the row opposite the time period containing the date of Incurrence.

Time Period	**Ratio**
From the Issue Date to December 31, 2013............	3.75 to 1.0
From January 1, 2014 to December 31, 2014.........	3.50 to 1.0
From January 1, 2015 to December 31, 2016.........	3.25 to 1.0
From January 1, 2017 to February 9, 2022.............	3.00 to 1.0

(2) Notwithstanding clause (1) above, the Company and its Restricted Subsidiaries, as applicable, may Incur the following Indebtedness ("*Permitted Indebtedness*"):

(a) the Notes and the Notes Guarantees, excluding any Additional Notes;

(b) Indebtedness of the Company and its Restricted Subsidiaries outstanding on the Issue Date;

(c) Hedging Obligations entered into by the Company and its Restricted Subsidiaries in the ordinary course of business (including interest rate hedges against other Indebtedness of the Company) and not for speculative purposes;

(d) intercompany Indebtedness between the Company and any Restricted Subsidiary or between any Restricted Subsidiaries; *provided*, that:

(1) if the Company or any Subsidiary Guarantor is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full of all obligations under the Notes and the Indenture in the case of the Company, or such Note Guarantee, in the case of any such Subsidiary Guarantor, and

(2) in the event that at any time any such Indebtedness ceases to be held by the Company or a Restricted Subsidiary, such Indebtedness shall be deemed to be Incurred and not permitted by this clause (d) at the time such event occurs;

(e) Indebtedness of the Company or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (including daylight overdrafts paid in full by the close of business on the day such overdraft was Incurred) drawn against insufficient funds in the ordinary course of business; *provided*, that such Indebtedness is extinguished within five Business Days of Incurrence;

(f) Indebtedness of the Company or any of its Restricted Subsidiaries represented by bid, surety or performance bonds or letters of credit for the account of the Company or any Restricted Subsidiary, as the case may be, issued in the ordinary course of business and not for financing purposes, and reimbursement obligations in respect thereof;

(g) Refinancing Indebtedness in respect of:

(1) Indebtedness (other than Indebtedness owed to the Company or any Subsidiary of the Company) Incurred pursuant to clause (1) above (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (1) above), or

(2) Indebtedness Incurred pursuant to clauses (a), (b) and (c) above, this clause (g) and clauses (j), (k) and (l) below;

(h) Capitalized Lease Obligations and Purchase Money Indebtedness of the Company or any Restricted Subsidiary, and Refinancing Indebtedness in respect thereof, in an aggregate principal amount at any one time outstanding, not to exceed the greater of (x) U.S.$10.0 million and (y) 5% of the Company's Consolidated Total Assets;

(i) Indebtedness arising from agreements entered into by the Company or a Restricted Subsidiary providing for bona fide indemnification, adjustment of purchase price or similar obligations (including in respect of earn-outs not for financing purposes), or from customary guarantees or performance bonds securing any obligations of the Company or any of its Restricted Subsidiaries pursuant to such agreements, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary, *provided* that, in the case of a disposition, the maximum aggregate liability in respect of such Indebtedness shall at no time exceed the gross proceeds actually (including non-cash proceeds based on their Fair Market Value at the time received) received by the Company and its Restricted Subsidiaries in connection with such disposition;

(j) Indebtedness of the Company or any Restricted Subsidiary to the extent the net proceeds thereof are promptly (i) used to purchase Notes pursuant to a Change of Control Offer or a tender offer, or (ii) deposited to defease the Notes as described under "—Legal Defeasance and Covenant Defeasance;"

(k) any other Indebtedness of the Company or a Restricted Subsidiary Incurred in an aggregate amount not to exceed U.S.$5.0 million at any one time outstanding;

(l) Permitted Acquisition Indebtedness; and

(m) (i) Guarantees (including the Note Guarantees and *avales*) by (1) the Company of Indebtedness of any Restricted Subsidiary permitted to be Incurred by such Restricted Subsidiary under this covenant and (2) any Restricted Subsidiary of any Indebtedness of the Company or another Restricted Subsidiary permitted to be Incurred under this covenant by the Company or such other Restricted Subsidiary; and

(ii) Indebtedness constituting a Permitted Lien included in clause (7) of the definition of Indebtedness (1) Incurred by the Company in respect of Indebtedness of a Restricted Subsidiary permitted to be Incurred by such Restricted Subsidiary under this covenant and (2) Incurred by a Restricted Subsidiary in respect of Indebtedness of the Company or another Restricted Subsidiary permitted to be Incurred under this covenant by the Company or such Restricted Subsidiary (excluding Indebtedness of any such other Restricted Subsidiary permitted under clause (c) of this definition of Permitted Indebtedness or Refinancing Indebtedness in respect thereof), as the case may be, which Lien is granted in compliance with, if applicable, "—Limitation on Liens."

(3) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this covenant, the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with IFRS. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant; *provided*, that any such outstanding additional Indebtedness or Disqualified Capital Stock paid in respect of Indebtedness Incurred pursuant to any provision of clause (2) of this

covenant will be counted as Indebtedness outstanding thereunder for purposes of any future Incurrence under such provision.

(4) In the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in clauses (1) and (2) of this covenant, the Company, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its Incurrence, and will only be required to include the amount and type of such Indebtedness in one of such clauses although the Company may divide and classify an item of Indebtedness in one or more of the types of Indebtedness and may later re-divide or reclassify all or a portion of such item of Indebtedness in any manner that complies with this covenant. For the avoidance of doubt, Indebtedness permitted by clause (n) of the definition of Permitted Indebtedness will be without duplication for the underlying Indebtedness that is Guaranteed or for which a Lien is granted in accordance with such clause (n).

(5) For purposes of determining compliance with this covenant, the U.S. dollar-equivalent principal amount of Indebtedness denominated in foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred in the case of term Indebtedness (or first committed in the case of revolving credit Indebtedness), *provided*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded as a result solely of fluctuations in exchange rates or currency values.

Limitation on Guarantees

The Company will not permit any Restricted Subsidiary of the Company (other than a Subsidiary Guarantor) to Guarantee any Indebtedness of the Company or any Subsidiary Guarantor or to secure any Indebtedness of the Company or any Subsidiary Guarantor with a Lien on the assets of such Restricted Subsidiary (other than Permitted Liens), unless contemporaneously therewith (or prior thereto) effective provision is made to Guarantee or secure the Notes or the Note Guarantees, as the case may be, on an equal and ratable basis with such Guarantee or Lien for so long as such Guarantee or Lien remains effective, and in an amount equal to the amount of Indebtedness so Guaranteed or secured. Any Guarantee by any such Subsidiary of Subordinated Indebtedness of the Company or any Subsidiary Guarantor will be subordinated and junior in right of payment to the contemporaneous Guarantee of the Notes by such Subsidiary.

Limitation on Restricted Payments

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a "*Restricted Payment*"):

(a) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of the Company or any Restricted Subsidiary to holders of such Capital Stock, other than:

 (1) dividends or distributions payable in Qualified Capital Stock of the Company,

 (2) dividends or distributions payable to the Company and/or a Restricted Subsidiary, or

(3) dividends, distributions or returns of capital made on a *pro rata* basis to the Company and its Restricted Subsidiaries, on the one hand, and the other holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on a less than pro rata basis to any other holder);

(b) purchase, redeem or otherwise acquire or retire for value:

(1) any Capital Stock of the Company (other than in exchange for Qualified Capital Stock of the Company), or

(2) any Capital Stock of any Restricted Subsidiary that is held by an Affiliate of the Company, except for:

(i) Capital Stock held by the Company or a Restricted Subsidiary, or

(ii) purchases, redemptions, acquisitions or retirements for value of Capital Stock on a *pro rata* basis from the Company and/or any Restricted Subsidiaries, on the one hand, and other holders of Capital Stock of a Restricted Subsidiary, on the other hand, according to their respective percentage ownership of the Capital Stock of such Restricted Subsidiary;

(c) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness (other than (A) any inter-company Indebtedness between or among the Company and or any Restricted Subsidiary or (B) the purchase, repurchase, redemption, defeasance or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition), or

(d) make any Investment (other than Permitted Investments);

if at the time of the Restricted Payment, immediately after giving effect thereto:

(I) a Default or an Event of Default shall have occurred and be continuing;

(II) the Company is not able to Incur at least U.S.$1.00 of additional Indebtedness pursuant to clause (1) of "—Limitation on Incurrence of Additional Indebtedness;" or

(III) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof shall exceed the sum of:

(A) 50% of cumulative Consolidated Net Income of the Company (or 100% of cumulative Consolidated Net Income of the Company provided that, after giving effect on a pro forma basis to such Restricted Payment, the Company has at least U.S.$55.0 million in cash or Cash Equivalents) or, if such cumulative Consolidated Net Income of the Company is a loss, minus 100% of the loss, accrued during the period, treated as one accounting period, beginning on the first full fiscal quarter during which the Issue Date occurs to the end of the most recent fiscal quarter for which consolidated financial information of the Company is available; *plus*

(B) 100% of the aggregate net cash proceeds received by the Company from any Person from any:

(i) contribution to the equity capital of the Company not representing an interest in Disqualified Capital Stock or issuance and sale of Qualified Capital Stock of the Company (unless there is no dilution as a result of such issuance and sale), in each case, on or subsequent to the Issue Date, or

(ii) issuance and sale on or subsequent to the Issue Date (and, in the case of Indebtedness of a Restricted Subsidiary, at such time as it was a Restricted Subsidiary) of any Indebtedness of the Company or any Restricted Subsidiary that has been converted into or exchanged for Qualified Capital Stock of the Company,

excluding, in each case, any net cash proceeds:

(x) received from a Subsidiary of the Company;

(y) used to redeem Notes under "—Optional Redemption—Optional Redemption Upon Equity Offerings;" or

(z) applied in accordance with clause (2) or (3) (x) of the second paragraph of this covenant below; *plus*

(C) any Investment Return; *plus*

(D) 100% of any dividend or distributions received by the Company or any Restricted Subsidiary from any Unrestricted Subsidiary, to the extent such amounts were not otherwise included in Consolidated Net Income;

Notwithstanding the preceding paragraph, this covenant does not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption of Subordinated Indebtedness within 60 days after the date of declaration of such dividend or distribution or giving of the redemption notice, as the case may be, if the dividend, distribution or redemption would have been permitted on the date of declaration or notice pursuant to the preceding paragraph;

(2) if no Default or Event of Default has occurred and is continuing, the making of any Restricted Payment,

(x) in exchange for Qualified Capital Stock of the Company or

(y) through the application of the net cash proceeds received by the Company from a substantially concurrent sale of Qualified Capital Stock of the Company or a contribution to the equity capital of the Company not representing an interest in Disqualified Capital Stock, in each case not received from a Restricted Subsidiary of the Company;

provided, that the value of any such Qualified Capital Stock used or the net proceeds of which are used to make a Restricted Payment pursuant to this clause (2) shall be excluded from clause (III)(B) of the first paragraph of this covenant (and were not included therein at any time);

(3) if no Default or Event of Default has occurred and is continuing, the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated

Indebtedness:

(x) solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Subsidiary of the Company, of Qualified Capital Stock of the Company,

(y) solely in exchange for Refinancing Indebtedness for such Subordinated Indebtedness, or

(z) from Net Cash Proceeds from Asset Sales remaining after the application thereof as required by the covenant described under "—Limitation on Asset Sales and Sales of Subsidiary Stock" (including after making an Asset Sale Offer pursuant to such covenant and the application of the entire Asset Sale Offer Amount to purchase all Notes tendered pursuant to such Asset Sale Offer).

provided, that the value of any Qualified Capital Stock issued in exchange for Subordinated Indebtedness and any net cash proceeds referred to above shall be excluded from clause (III)(B) of the first paragraph of this covenant (and were not included therein at any time);

(4) repurchases by the Company of Common Stock of the Company or options, warrants or other securities exercisable or convertible into Common Stock of the Company from any current or former employees, officers, directors or consultants of the Company or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of such employees, officers or directors, or the termination of retention of any such consultants, in an amount not to exceed U.S.$10.0 million in any fiscal year (with unused amounts in any fiscal year being permitted to be carried over into succeeding fiscal years up to a maximum of U.S.$5.0 million) plus the cash proceeds of key man life insurance policies received by the Company and its Restricted Subsidiaries;

(5) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants to the extent such Capital Stock represents a portion of the exercise price of those stock options or warrants;

(6) the declaration and payment of dividends or distributions to holders of Disqualified Capital Stock of the Company or any Restricted Subsidiary issued in accordance with the covenant described under "—Limitation on Incurrence of Additional Indebtedness";

(7) cash payments in lieu of the issuance of fractional shares (i) in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company and (ii) arising out of stock dividends, splits, combinations or business combinations;

(8) redemption or other acquisition or retirement for value of any Subordinated Indebtedness of the Company or any Subsidiary Guarantor pursuant to and in accordance with the terms of a "change of control" covenant set forth in the indenture or other agreement pursuant to which such Subordinated Indebtedness is issued and such "change of control" covenant is substantially similar to the Change of Control Triggering Event provision included in the Indenture; *provided*, that the Company (or another Person) has repurchased all Notes required to be repurchased by the Company under the caption "—Change of Control Triggering Event" prior to the purchase, redemption or other acquisition or retirement for value of such Subordinated Indebtedness pursuant to the applicable "change of control" covenant;

(9) any payments made to employees, directors or officers pursuant to any profit sharing plan, or similar arrangements, of the Company or its Subsidiaries established in the ordinary course of business.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expended pursuant to clauses (1) (without duplication for the declaration of the relevant dividend), (4), (6) and (8) above shall be included in such calculation and amounts expended pursuant to clauses (2), (3), (5), (7) and (9) above shall not be included in such calculation.

Limitation on Asset Sales and Sales of Subsidiary Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(a) the Company or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Capital Stock sold or otherwise disposed of; and

(b) at least 75% of the consideration received for the assets or Capital Stock sold by the Company or the Restricted Subsidiary, as the case may be, in the Asset Sale shall be in the form of cash or Cash Equivalents received at the time of such Asset Sale; *provided*, that for the purposes of this covenant, the following will be deemed to be cash or Cash Equivalents:

(1) the assumption of any liabilities that are included on the balance sheet (other than Subordinated Indebtedness) of the Company or any Restricted Subsidiary and the release of the Company or such Restricted Subsidiary from all liability in connection therewith;

(2) any securities, notes or other obligations or assets received by the Company or any Restricted Subsidiary from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days of the receipt thereof (subject to ordinary settlement periods) to the extent of cash or Cash Equivalents received in that conversion; and

(3) the Fair Market Value of (i) any Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary or (ii) assets to be used (or intended to be used) by the Company or any Restricted Subsidiary in a Permitted Business;

provided, that amounts received pursuant to clauses (1) and (3) shall not be deemed to constitute Net Cash Proceeds for purposes of making an Asset Sale Offer.

The Company or any Restricted Subsidiary, as the case may be, may apply the Net Cash Proceeds of any such Asset Sale within 365 days thereof to:

(a) repay any Senior Indebtedness of the Company or a Subsidiary Guarantor, any Indebtedness secured by the assets subject to such Asset Sale or Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor (including, in each case without limitation, Capitalized Lease Obligations) and permanently reduce the commitments with respect thereto without Refinancing;

(b) make capital expenditures in a Permitted Business;

(c) purchase (1) assets (except for current assets as determined in accordance with IFRS or Capital Stock) to be used (or intended to be used) by the Company or any Restricted Subsidiary in a Permitted Business, or (2) all or substantially all of the assets or Capital Stock of a Person engaged in a Permitted Business that will become or such assets are contributed to, upon purchase, a Restricted Subsidiary; or

(d) enter into a binding commitment with a Person, other than the Company and its Restricted Subsidiaries, to apply such Net Cash Proceeds pursuant to clause (b) or (c) above, *provided*, that such binding commitment shall be subject only to customary conditions and the applicable purchase shall be consummated within 180 days following the expiration of the aforementioned 365-day period.

To the extent all or a portion of the Net Cash Proceeds of any Asset Sale are not applied within the 365 days of the Asset Sale as described in clause (a), (b) (c) or (d) of the immediately preceding paragraph, the Company will make an offer to purchase Notes (the "*Asset Sale Offer*"), at a purchase price equal to 100% of the outstanding principal amount of the Notes to be purchased, plus accrued and unpaid interest (including Additional Amounts) thereon, to the date of purchase (the "*Asset Sale Offer Amount*"). The Company will purchase pursuant to an Asset Sale Offer from all tendering Holders on a *pro rata* basis, and, at the Company's option, on a *pro rata* basis with the holders of any other Senior Indebtedness with similar provisions requiring the Company to offer to purchase the other Senior Indebtedness with the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of Notes and the other Senior Indebtedness to be purchased equal to such unapplied Net Cash Proceeds. The Company may satisfy its obligations under this covenant with respect to the Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 365-day period.

The purchase of Notes pursuant to an Asset Sale Offer will occur not less than 20 Business Days following the date thereof, or any longer period as may be required by law, nor more than 45 days following the 365th day following the Asset Sale (except in the case of clause (d) in which case such period shall be extended for 180 days). The Company may, however, defer an Asset Sale Offer until there is an aggregate amount of unapplied Net Cash Proceeds from one or more Asset Sales equal to or in excess of U.S.$10.0 million. At that time, the entire amount of unapplied Net Cash Proceeds, and not just the amount in excess of U.S.$10.0 million, will be applied as required pursuant to this covenant.

Pending application in accordance with this covenant, Net Cash Proceeds may be applied to temporarily reduce revolving credit borrowings that can be reborrowed or invested in Cash Equivalents.

Each notice of an Asset Sale Offer will be mailed first class, postage prepaid, to the record Holders as shown on the register of Holders within 20 days following such 365th day, with a copy to the Trustee offering to purchase the Notes as described above. Each notice of an Asset Sale Offer will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "*Asset Sale Offer Payment Date*"). Upon receiving notice of an Asset Sale Offer, Holders may elect to tender their Notes in whole or in part in amounts of U.S.$2,000 and in integral multiples of U.S.$1,000 in excess thereof in exchange for cash.

On the Business Day prior to the Asset Sale Offer Payment Date, the Company will, to the extent lawful, deposit with the Principal Paying Agent funds in an amount equal to the Asset Sale Offer Amount in respect of all Notes or portions thereof so tendered. On the Asset Sale Offer Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Sale Offer; and

(2) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company.

To the extent Holders of Notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or the other Senior Indebtedness in an aggregate amount exceeding the amount of unapplied Net Cash Proceeds, the Company will purchase the Notes and the other Senior Indebtedness, if any, on a *pro rata* basis (based on amounts tendered). If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global note will be made, as appropriate). Notes (or portions thereof) purchased pursuant to an Asset Sale Offer will be cancelled and cannot be reissued.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations, to the extent that such laws and regulations are applicable in connection with the purchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the "Asset Sale" provisions of the Indenture, the Company will comply with these laws and regulations and will not be deemed to have breached its obligations under the "Asset Sale" provisions of the Indenture by doing so.

Upon completion of an Asset Sale Offer, the amount of Net Cash Proceeds will be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and other Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of unapplied Net Cash Proceeds, the Company and/or its Restricted Subsidiaries may use any remaining Net Cash Proceeds for any purpose not otherwise prohibited by the Indenture.

Limitation on Designation of Unrestricted Subsidiaries

The Company may designate after the Issue Date any Subsidiary of the Company as an "*Unrestricted Subsidiary*" under the Indenture (a "*Designation*") only if:

(1) no Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such Designation and any transactions between the Company or any of its Restricted Subsidiaries and such Unrestricted Subsidiary are in compliance with "—Limitation on Transactions with Affiliates";

(2) at the time of and after giving effect to such Designation, the Company could Incur U.S.$1.00 of additional Indebtedness pursuant to clause (1) of "—Limitation on Incurrence of Additional Indebtedness"; and

(3) the Company would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation) as a Restricted Payment pursuant to the first paragraph of "—Limitation on Restricted Payments" or as a Permitted Investment in an amount (the "*Designation Amount*") equal to the amount of the Company's Investment in such Subsidiary on such date.

Neither the Company nor any Restricted Subsidiary will at any time:

(1) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness);

(2) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary; or

(3) be directly or indirectly liable for any Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary,

except, in each case, for any non-recourse Guarantee given solely to support the pledge by the Company or any Restricted Subsidiary of the Capital Stock of such Subsidiary.

The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "*Revocation*") only if:

(1) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

(2) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if Incurred at such time, have been permitted to be Incurred for all purposes of the Indenture.

The Designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary. All Designations and Revocations must be evidenced by resolutions of the Board of Directors of the Company, delivered to the Trustee certifying compliance with the preceding provisions.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(a) Except as provided in paragraph (b) below, the Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock to the Company or any other Restricted Subsidiary or pay any Indebtedness owed to the Company or any other Restricted Subsidiary;

(2) make loans or advances to, or Guarantee any Indebtedness or other obligations of, or make any Investment in, the Company or any other Restricted Subsidiary; or

(3) transfer any of its property or assets to the Company or any other Restricted Subsidiary.

(b) Paragraph (a) above will not apply to encumbrances or restrictions existing under or by reason of:

(1) applicable law, rule, regulation or order;

(2) the Indenture, the Notes and the Note Guarantees;

(3) the terms of any Indebtedness outstanding on the Issue Date, and any amendment, modification, restatement, renewal, restructuring, replacement or refinancing thereof; *provided*, that any such amendment, modification, restatement, renewal, restructuring, replacement or refinancing is not materially more restrictive, taken as a whole, with respect to such encumbrances or restrictions than those in existence on the Issue Date;

(4) customary non-assignment provisions of any contract and customary provisions restricting assignment or subletting in any lease governing a leasehold interest of any Restricted Subsidiary, or any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under the Indenture;

(5) any instrument governing Acquired Indebtedness not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(6) restrictions with respect to a Restricted Subsidiary of the Company imposed pursuant to a binding agreement which has been entered into for the sale or disposition of Capital Stock or assets of such Restricted Subsidiary; *provided*, that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold;

(7) customary restrictions imposed on the transfer of copyrighted or patented materials;

(8) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in paragraph (a)(3) above;

(9) an agreement governing Indebtedness of the Company or any Restricted Subsidiaries permitted to be Incurred subsequent to the date of the Indenture in accordance with the covenant described above under the caption "—Limitation on Incurrence of Additional Indebtedness"; *provided*, that the provisions relating to such encumbrance or restriction contained in such agreement are no more restrictive, taken as a whole, than those contained in the agreements referred to in clause (3) above;

(10) Liens permitted to be Incurred under the provisions of the covenant described below under the caption "—Limitation on Liens" that limits the right of the debtor to dispose of the assets securing such Indebtedness;

(11) provisions limiting the payment of dividends or the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, sale-leaseback agreements, limited liability company organizational documents and other similar agreements entered into in accordance with the terms of the Indenture and (a) in the ordinary course of business consistent with past practice or (b) with the approval of the Company's Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;

(12) restrictions on cash, Cash Equivalents, Marketable Securities or other deposits or net worth imposed by customers or lessors under contracts or leases entered into in the ordinary course of business consistent with past practice to secure trade payable obligations; and

(13) restrictions customarily granted in connection with securitization, factoring or discounting involving receivables that are imposed in connection with a Receivables Transaction.

Limitation on Liens

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur or suffer to exist any Liens of any kind (except for Permitted Liens) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, to secure any Indebtedness or trade payables unless contemporaneously therewith effective provision is made to secure the Notes and all other amounts due under the Indenture equally and ratably with such Indebtedness or other obligation (or, in the event that such Indebtedness is subordinated in right of payment to the Notes prior to such Indebtedness or other obligation) with a Lien on the same properties and assets securing such Indebtedness or other obligation for so long as such Indebtedness or other obligation is secured by such Lien.

Limitation on Merger, Consolidation and Sale of Assets

(1) The Company will not, in one or a series of transactions, consolidate or merge with or into any Person or convey, lease, transfer or otherwise dispose of all or substantially all of its properties, assets or net sales to any Person or permit any Person to merge with or into it unless:

(a) the Company is the continuing entity, or the Person, if other than the Company, formed by such consolidation or into which the Company is merged or the Person that acquired by sale, assignment, conveyance, transfer, lease or other disposition the properties or assets of the Company and of the Company's Subsidiaries substantially as an entirety (the "*Surviving Entity*") will be a company organized and validly existing under the laws of the British Virgin Islands, the United States, countries that are part of the Commonwealth of the United Kingdom or the European Union, and shall expressly assume (jointly and severally with the Company unless the Company shall have ceased to exist as part of such merger, consolidation or amalgamation), by a supplemental indenture (the form and substance of which shall be previously approved by the Trustee on the basis that it contains substantially the same terms and conditions as the Notes and the Indenture), all of the Company's obligations under the Notes and the Indenture;

(b) the Surviving Entity (jointly and severally with the Company unless the Company shall have ceased to exist as a result of such merger, consolidation or amalgamation) agrees to indemnify each Holder against any tax, assessment or governmental charge thereafter imposed on such Holder solely as a consequence of such consolidation, merger, conveyance, transfer or lease with respect to the payment of principal of, or interest on, the Notes;

(c) immediately after giving effect to the transaction or series of transactions, no Default or Event of Default has occurred and is continuing;

(d) immediately after giving effect to the transaction or series of transactions, the Company or the Surviving Entity, as the case may be, could Incur at least U.S.$1.00 of additional Indebtedness without violating the covenant described under "—Limitation on Indebtedness" and shall otherwise be in compliance with the other covenants contained in the Indenture;

(e) the Company has delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that the transaction and the supplemental Indenture or guarantee of the Notes, if applicable, comply with the Indenture and that all conditions precedent provided for in the Indenture and relating to such transaction have been complied with; and

(f) the Company shall have delivered notice of any such transaction to the Rating Agencies then rating the Notes (which notice shall contain a description of such merger, consolidation or conveyance).

(2) Each Subsidiary Guarantor will not, and the Company will not cause or permit any Subsidiary Guarantor to, consolidate with or merge into, or sell or dispose of all or substantially all of its assets or stock to, any Person (other than the Company) that is not a Subsidiary Guarantor unless:

(a) the Subsidiary Guarantor is the continuing entity, or the Person, if other than the Subsidiary Guarantor, formed by such consolidation or into which the Subsidiary Guarantor is merged or the Person that acquired by sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the Subsidiary Guarantor's property, assets or stock (the "*Surviving Entity*") will be a company organized and validly existing under the laws of the jurisdiction in which such Subsidiary Guarantor was organized or the British Virgin Islands, Guatemala, Nicaragua, El Salvador, Honduras, Jamaica, Trinidad and Tobago, the United States, countries that are part of the Commonwealth of the United Kingdom or the European Union, and shall expressly assume (jointly and severally with the other Subsidiary Guarantors or with the other Surviving Entities if such other Subsidiary Guarantors have ceased to exist as part of such merger, consolidation or amalgamation), by a supplemental indenture (the form and substance of which shall be previously approved by the Trustee on the basis that it contains substantially the same terms and conditions as exist under the current Indenture), all of such Subsidiary Guarantor's obligations under the Notes and the Indenture;

(b) immediately after giving effect to the transaction or series of transactions, no Default or Event of Default has occurred and is continuing;

(c) immediately after giving effect to the transaction or series of transactions, the applicable Subsidiary Guarantor or the Surviving Entity, as the case may be, shall be in compliance with all the covenants contained in the Indenture; and

(d) the applicable Subsidiary Guarantor has delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that the transaction and the supplemental Indenture or guarantee of the Notes, if applicable, comply with the Indenture and that all conditions precedent provided for in the Indenture and relating to such transaction have been complied with.

(3) Notwithstanding anything to the contrary in the foregoing, so long as no event which, with the giving of notice, the lapse of time, or both, would (if not cured, waived or otherwise remedied during such time) constitute an Event of Default under the Indenture or the Notes shall have occurred and be continuing at the time of such proposed transaction or would result therefrom:

(a) the Company may merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of assets to any Subsidiary of the Company in cases when the Company is the surviving entity in such transaction and such transaction would not have a material adverse effect on the Company and its Subsidiaries taken as a whole, it being understood that if the Company is not the surviving entity, the Company shall be required to comply with the requirements set forth above; or

(b) any Subsidiary of the Company (other than a Subsidiary Guarantor) may merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of assets to, any Person (other than the Company or any of its Subsidiaries or Affiliates) in cases when such transaction would not have a material adverse effect on the Company and its Subsidiaries taken as a whole; or

(c) any Subsidiary of the Company (other than a Subsidiary Guarantor, except when such Subsidiary is the surviving entity and continues as a Subsidiary Guarantor) may merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of assets to, any other Subsidiary of the Company; or

(d) any Subsidiary of the Company (other than a Subsidiary Guarantor) may liquidate or dissolve if the Company determines in good faith that such liquidation or dissolution is in the best interests of the Company, and would not result in a material adverse effect on the Company and its Subsidiaries taken as a whole.

Limitation on Transactions with Affiliates

(1) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each an "Affiliate Transaction"), unless:

(a) the terms of such Affiliate Transaction are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Company;

(b) in the event that such Affiliate Transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, in excess of U.S.$5.0 million, the terms of such Affiliate Transaction will be approved by a majority of the members of the Board of Directors of the Company (including a majority of the disinterested members thereof), the approval to be evidenced by a Board Resolution stating that the Board of Directors has determined that such transaction complies with the preceding provisions; and

(c) in the event that such Affiliate Transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, in excess of U.S.$10.0 million, the Company will, prior to the consummation thereof, obtain a favorable opinion as to the fairness of such Affiliate Transaction to the Company and the relevant Restricted Subsidiary (if any) from a financial point of view from an Independent Financial Advisor and deliver the same to the Trustee.

(2) Paragraph (1) above will not apply to:

(a) Affiliate Transactions with or among the Company and any Restricted Subsidiary of the Company or between or among Restricted Subsidiaries of the Company;

(b) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Company or any Restricted Subsidiary as determined in good faith by the Company's Board of Directors;

(c) Affiliate Transactions in existence on the Issue Date and described in this offering memorandum, or any amendment, modification or replacement of such agreement (so long as such amendment, modification or replacement is not materially more disadvantageous to the Company and its Restricted Subsidiaries or the Holders of the Notes, taken as a whole, than the original agreement as in effect on the Issue Date);

(d) any Restricted Payments made in compliance with "—Limitation on Restricted Payments" or any Permitted Investment;

(e) loans and advances to officers, directors and employees of the Company or any Restricted Subsidiary made in the ordinary course of business related to the business activities of the Company and its Restricted Subsidiaries;

(f) any employment agreement, profit sharing, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and payments pursuant thereto; and

(g) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, which are fair to the Company or its Restricted Subsidiaries (as applicable), or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party.

Antilayering

The Company and its Restricted Subsidiaries will not Incur any Indebtedness (including Permitted Indebtedness) that is contractually subordinated in right of payment to any other Indebtedness of the Company and such Restricted Subsidiaries unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the Subsidiary Guarantees on substantially identical terms; *provided*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company and its Restricted Subsidiaries solely by virtue of being unsecured or by virtue of being secured on a first priority or junior priority basis.

Conduct of Business

The Company and its Restricted Subsidiaries will not engage in any business other than a Permitted Business.

Reports to Holders

So long as any Notes remain outstanding:

(1) The Company will provide the Trustee with annual financial statements audited by an internationally recognized firm of independent public accountants within 120 days after the end of the Company's fiscal year, and quarterly financial statements (including a balance sheet, income statement and cash flow statement for the fiscal quarter or quarters then ended and the corresponding fiscal quarter or quarters from the prior year) within 60 days of the end of each of the first three fiscal quarters of each fiscal year. Such annual and quarterly financial statements will be prepared in accordance with IFRS and be accompanied by a management discussion and analysis of the results of operations and liquidity and capital resources of the Company and its Subsidiaries for the periods presented in a level of detail comparable to the management discussion and analysis of the results of operations and liquidity and capital resources of the Company and its Subsidiaries contained in this offering memorandum. English translations will be provided of any of the foregoing documents prepared in another language;

(2) The Company will provide the Trustee copies (including English translations of documents prepared in another language) of all public filings made by the Company with any stock exchange or securities regulatory agency or authority within twenty (20) days of such filing; and

(3) The Company will make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Exchange Act by Persons who are not "affiliates" under the Securities Act.

None of the information provided pursuant to the preceding paragraph shall be required to comply with Regulation S-K as promulgated by the U.S. Securities and Exchange Commission. So long as the Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market, the Company will make available the information specified in the preceding paragraph at the specified office of the Luxembourg paying agent for the Notes.

Delivery of reports, information and documents to the Trustee is for informational purposes only and its respective receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's or any other Person's compliance with any of its covenants under the Indenture or the Notes (as to which the Trustee is entitled to rely exclusively on Officers' Certificate to the extent required to be provided under the Indenture).

Listing

In the event that the Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market, the Company will use its reasonable best efforts to maintain such admission to listing and trading; *provided*, that if, as a result of the European Union regulated market amended Directive 2001/34/EC (the "Transparency Directive"), or any legislation implementing the Transparency Directive, the Company could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which the Company would otherwise use to prepare its published financial information, the Company may delist the Notes from the Euro MTF Market in accordance with the rules of the Luxembourg Stock Exchange and seek an alternative admission to listing, trading and/or quotation for the Notes on a different section of the Luxembourg Stock Exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the European Union and recognized by the U.S. Securities and Exchange Commission as the Company may reasonably decide.

Notices

From and after the date the Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market and so long as it is required by the rules of such exchange, all notices to the Holders will be published in English:

(1) in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*);

(2) if such Luxembourg publication is not practicable, in one other leading English language newspaper being published on each day in morning editions, whether or not it shall be published in Saturday, Sunday or holiday editions; or

(3) on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Notices shall be deemed to have been given on the date of publication as aforesaid or, if published on different dates, on the date of the first such publication. In addition, notices to Holders of Certificated Notes will be mailed to Holders of Notes at their registered addresses and notices to Holders of Global Notes will be given to the relevant depositary in accordance with its applicable procedures.

Events of Default

The following are "Events of Default":

(1) default in the payment when due of the principal of or premium, if any, on any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to an optional redemption, Change of Control Offer or an Asset Sale Offer;

(2) default for 30 days or more in the payment when due of interest or Additional Amounts on any Notes;

(3) the failure to perform or comply with any of the provisions described under "—Change of Control Triggering Event," "—Certain Covenants—Limitation on Asset Sales and Sales of Subsidiary Stock" and "—Certain Covenants—Merger, Consolidation and Sale of Assets";

(4) the failure by the Company, any Subsidiary Guarantor or any Restricted Subsidiary to comply with any other covenant or agreement contained in the Indenture or in the Notes for 45 days or more after written notice to the Company from the Trustee or the Holders of at least 25% in aggregate principal amount of the outstanding Notes;

(5) default by the Company, any Subsidiary Guarantor or any Restricted Subsidiary that is a Significant Subsidiary under any Indebtedness which:

(a) is caused by a failure to pay principal of or premium, if any, on such Indebtedness prior to the expiration of any applicable grace period provided in the instrument governing such Indebtedness on the date of such default which has not been waived or the time for such payment extended; or

(b) results in the acceleration of such Indebtedness prior to its stated maturity;

provided, that the principal or premium amount of Indebtedness covered by (a) or (b) at the relevant time, aggregates U.S.$10.0 million or more;

(6) one or more final judgments or orders shall be rendered against the Company, any Subsidiary Guarantor or any Restricted Subsidiary that is a Significant Subsidiary for the payment of money,

either individually or in an aggregate amount, in excess of U.S.$10.0 million (exclusive of judgment amounts covered by insurance) and shall not be discharged and either (a) an enforcement proceeding shall have been commenced by any creditor upon such judgment or order, or (b) there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, was not in effect;

(7) (a) a resolution is passed or adopted by the Company's Board of Directors or stockholders, or a judgment of a court of competent jurisdiction is made, that the Company, any Subsidiary Guarantor, or any Restricted Subsidiary that is a Significant Subsidiary be wound up or dissolved, other than for the purposes of or pursuant to a merger or consolidation otherwise permitted under and in accordance with the terms of "—Certain Covenants—Limitation on Merger, Consolidation and Sale of Assets;"

(b) a court having jurisdiction enters a decree or order for (i) relief in respect of the Company, any Subsidiary Guarantor, or any Restricted Subsidiary that is a Significant Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or (ii) appointment of an administrator, receiver, trustee or intervener for the Company, any Subsidiary Guarantor, or any Restricted Subsidiary that is a Significant Subsidiary for all or substantially all of the property of the Company, any Subsidiary Guarantor, or any Restricted Subsidiary that is a Significant Subsidiary, as applicable, and such decree or order remains unstayed and in effect for 60 or more days;

(c) the Company, any Subsidiary Guarantor, or any Restricted Subsidiary that is a Significant Subsidiary (i) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) files for court endorsement of an out-of-court restructuring proceeding, (iii) applies for or consent to the appointment of or taking possession by an administrator, receiver, trustee or intervener for the Company or any Significant Subsidiary for all or substantially all of the property of the Company or any Significant Subsidiary or (iv) effects any general assignment for the benefit of creditors;

(8) any Note Guarantee ceases to be in full force and effect (except as contemplated by the terms of the Indenture) or is declared null and void in a judicial proceeding or any Subsidiary Guarantor denies or disaffirms its obligations under the Indenture or its Note Guarantee;

(8) it becomes unlawful for any reason whatsoever for the Company or the Subsidiary Guarantors to perform or comply with any of the payment or other material obligations under the Notes or the Note Guarantees;

(10) any condemnation, seizure or expropriation by any Government Agency of all or substantially all of the properties of the Company and its Subsidiaries taken as a whole shall occur and has a material adverse effect upon the Company's and its Subsidiaries' financial condition and results of operations, taken as a whole; or

(11) any of the PepsiCo Bottling Appointments shall be terminated or shall cease to be in full force and effect (other than as a result of being replaced by another PepsiCo Bottling Appointment for a similar geographic scope), for whatever reason, or any material provision of any such PepsiCo Bottling Appointment (i) shall be declared to be null and void or the validity or enforceability thereof shall be contested by either party thereto or any governmental authority, or (ii) at any time, for any reason, cease to be valid and binding or in full force and effect.

In case one or more of an Event of Default (other than an Event of Default specified in clause (7) above with respect to the Company) shall occur and be continuing, the Trustee will, upon the request of the Holders of not less than 25% in aggregate principal amount of the Notes, by written notice to the Company, declare all the Notes then outstanding to be immediately due and payable; *provided*, that in the case of any of the Events of Default described in clause (7) above with respect to the Company, all Notes will, without any notice to the Company or any other act by the Trustee or any Holder of any Notes, become immediately due and payable. Upon any such declaration of acceleration, the principal (and premium, if any) of the Notes so accelerated and the interest accrued thereon and all other amounts payable with respect to such Notes will become and be immediately due and payable.

At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and

(4) if the Company has paid the Trustee its reasonable compensation and reimbursed the Trustee for its reasonable expenses, disbursements and advances (including expenses and disbursements of its counsel).

No rescission will affect any subsequent Default or impair any rights relating thereto.

Except as otherwise set forth in the Indenture, the Holders of a majority in principal amount of the Notes may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any Notes.

In the event of any Event of Default specified in clause (5) of the first paragraph above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 30 days after such Event of Default arose the Company delivered an Officers' Certificate to the Trustee stating that (x) the Indebtedness or Guarantee that is the basis for such Event of Default has been discharged or (y) the Holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the Notes as described above be annulled, waived or rescinded upon the happening of any such events.

The Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable security or indemnity satisfactory to the Trustee against the costs, losses, expenses and liabilities that might be incurred by it in compliance with such request or direction. Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

No Holder of any Notes will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless:

(1) such Holder gives to the Trustee written notice of a continuing Event of Default;

(2) Holders of at least 25% in principal amount of the then outstanding Notes make a written request to pursue the remedy;

(3) such Holders of the Notes provide to the Trustee security or indemnity satisfaction to the Trustee;

(4) the Trustee does not comply within 60 days; and

(5) during such 60 day period the Holders of a majority in principal amount of the outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request;

provided, that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest (including Additional Amounts) on such Note on or after the respective due dates expressed in such Note.

The Company, upon becoming aware of any Default or Event of Default, is required to deliver to the Trustee written notice of any event which constitute Defaults or Events of Default, their status and what action the Company is taking or proposes to take in respect thereof. In the absence of any such notice of Default or Event of Default from the Company and any description of any Default or Event of Default in an Officers' Certificate, the Trustee shall not be deemed to have notice or be charged with knowledge of any Default or Event of Default. In addition, the Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officers' Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous fiscal year. The Indenture provides that if a Default or Event of Default occurs, is continuing and is actually known by a responsible officer of the Trustee, the Trustee must mail to each Holder notice of the Default or Event of Default within 90 days after a responsible officer of the Trustee acquires actual knowledge or has received written notice of such Default or Event of Default, unless such Default or Event of Default has been cured or waived. Notwithstanding the foregoing, except in the case of a Default or Event of Default in the payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of its trust officers in good faith determines that withholding notice is in the interests of the Holders.

Legal Defeasance and Covenant Defeasance

The Company may, at its option and at any time, elect to have its obligations discharged with respect to the outstanding Notes and all obligations of the Subsidiary Guarantors discharged with respect to the Note Guarantees ("Legal Defeasance"). Such Legal Defeasance means that the Company will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes and Note Guarantees after the deposit specified in clause (1) of the second following paragraph, except for:

(1) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest (including Additional Amounts) on the Notes when such payments are due;

(2) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments;

(3) the rights, powers, trust, duties and immunities of the Trustee and the Company's and the Subsidiary Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have its obligations released with respect to certain covenants that are described in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with such obligations will not constitute a Default or Event of Default with respect to the Notes or the Note Guarantees. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, reorganization and insolvency events) described under "Events of Default" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, certain direct non-callable obligations of, or guaranteed by, the United States, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, premium, if any, and interest (in each case including Additional Amounts) on the Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;

(2) in the case of Legal Defeasance, the Company has delivered to the Trustee an Opinion of Counsel from counsel in the United States reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Company to the effect that:

  (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling; or

  (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

  in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company has delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) in the case of Legal Defeasance or Covenant Defeasance, the Company has delivered to the Trustee:

  (a) an Opinion of Counsel from counsel in the British Virgin Islands reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) and independent of the Company to the effect that, based upon British Virgin Islands law then in effect, Holders will not recognize income, gain or loss for British Virgin Islands tax purposes, including withholding tax except for withholding tax then payable on interest payments due, as a result of Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to British Virgin Islands taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred, or

  (b) a ruling directed to the Trustee received from the tax authorities of the British Virgin Islands to the same effect as the Opinion of Counsel described in clause (a) above;

(5) no Default or Event of Default shall have occurred and be continuing on the date of the deposit pursuant to clause (1) of this paragraph (except any Default or Event of Default resulting from the failure to comply with "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness" as a result of the borrowing of the funds required to effect such deposit);

(6) the Trustee has received an Officers' Certificate stating that such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under the Indenture or any other material agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(7) the Company has delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or any Subsidiary of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others;

(8) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel from outside counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions), each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(9) the Company has delivered to the Trustee an Opinion of Counsel from outside counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) to the effect that the trust resulting from the deposit is not required to register as a regulated investment company under the Investment Company Act of 1940.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either:

(a) all the Notes theretofor authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofor been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all Notes not theretofor delivered to the Trustee for cancellation have become due and payable, and the Company has irrevocably deposited or caused to be deposited with the Trustee funds or certain direct, non-callable obligations of, or guaranteed by, the United States sufficient without reinvestment to pay and discharge the entire Indebtedness on the Notes not theretofor delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit, together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment;

(2) the Company has paid all other sums payable under the Indenture and the Notes by it; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an opinion of counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

Modification of the Indenture

From time to time, the Company, the Subsidiary Guarantors, the Lender and the Trustee, without the consent of the Holders, may amend the Indenture, the Notes or the Note Guarantees for certain specified purposes, including curing ambiguities, defects or inconsistencies, to provide for uncertificated Notes in addition to or in place of certificated Notes; to provide for the assumption of the Company's or a Subsidiary Guarantor's obligations to Holders of Notes and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Subsidiary Guarantor's assets, as applicable; to make any change that would provide any additional rights or benefits to the Holders or that does not materially, adversely affect the rights under the Indenture of any such Holder; to conform the text of the Indenture, the Notes or the Note Guarantees to any provision of this Description of Notes to the extent that such provision in this Description of Notes was intended to be a verbatim recitation of a provision of the Indenture, the Notes or the Note Guarantees; to allow any Subsidiary Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes and to release Subsidiary Guarantors from the Note Guarantee in accordance with the terms of the Indenture; to comply with the requirements of any applicable securities depositary; to provide for a successor Trustee in accordance with the terms of the Indenture; to otherwise comply with any requirement of the Indenture or applicable law and to issue Additional Notes. In formulating its opinion on such matters, the Trustee will be entitled to rely on such evidence as it deems appropriate, including solely on an Opinion of Counsel and Officers' Certificate, and shall have no liability whatsoever in reliance upon the foregoing.

Other modifications and amendments of the Indenture, the Notes or the Note Guarantees may be made with the consent of the Holders of a majority in principal amount of the then outstanding Notes issued under the Indenture, except that, without the consent of each Holder affected thereby, no amendment may (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment or waiver;

(2) reduce the rate of or change or have the effect of changing the time for payment of interest, including defaulted interest, on any Notes;

(3) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;

(4) make any Notes payable in money other than that stated in the Notes;

(5) make any change in provisions of the Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on such Note on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of Notes to waive Defaults or Events of Default;

(6) amend, change or modify in any material respect the obligation of the Company to make and consummate a Change of Control Offer in respect of a Change of Control Triggering Event that has occurred or make and consummate an Asset Sale Offer with respect to any Asset Sale that has been consummated;

(7) make any change in the provisions of the Indenture described under "Additional Amounts" that adversely affects the rights of any Holder or amend the terms of the Notes in a way that would result in a loss of exemption from Taxes;

(8) make any change to the provisions of the Indenture or the Notes that adversely affect the ranking of the Notes;

(9) eliminate or modify in any manner a Subsidiary Guarantor's obligations with respect to its Note Guarantee which adversely affects Holders in any material respect, except as contemplated in the Indenture;

(10) change the governing law or jurisdiction of the Indenture, the Notes or the Note Guarantees; and

(11) reduce the aforesaid percentage of Notes, the consent of the Holders of which is required for any such supplemental indenture, or amends the aforesaid list of provisions of the Indenture that cannot be amended without the affirmative vote of each Holder of the Notes.

Governing Law; Jurisdiction

The Indenture, the Notes and the Note Guarantees will be governed by, and construed in accordance with, the law of the State of New York. The Company and the Subsidiary Guarantors consent to the non-exclusive jurisdiction of the Federal and State courts located in the City of New York, Borough of Manhattan and have appointed an agent for service of process with respect to any actions brought in these courts arising out of or based on the Indenture, the Notes and the Note Guarantees.

The Trustee

Except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. During the existence of an Event of Default, the Trustee will exercise such rights and powers vested in it by the Indenture, and use the same degree of care and skill in its exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payments of claims in certain cases or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *provided*, that if the Trustee acquires any conflicting interest as described in the Indenture, it must eliminate such conflict or resign as provided in the Indenture.

The Trustee, or any trustee or trustees thereafter appointed, may at any time resign in connection with its services as Trustee by giving 30 days' written notice of resignation to the Issuer and by giving notice thereof to the Holders. Upon receiving notice of resignation as Trustee, the Issuer shall promptly appoint a successor trustee or trustees with respect to the Notes by written instrument in duplicate, executed by authority of a Board Resolution, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee or trustees. If no successor trustee shall have been so appointed with respect to the Notes and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning trustee may, at the expense of the Issuer, petition any court of competent jurisdiction for the appointment of a successor trustee, or the Holders of at least 10% of the then outstanding aggregate principal amount of Notes may petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and as it may prescribe, appoint a successor trustee.

In case at any time any of the following shall occur: (i) the Trustee shall cease to be eligible in accordance with the provisions of the Indenture and shall fail to resign after written request therefor by or on behalf of the Issuer or by any Holder who has been a bona fide Holder of a Note for at least six months; (ii) the Trustee shall become incapable of acting with respect to the Notes, or shall be adjudged bankrupt or insolvent, or a receiver or liquidator of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; or (iii) the Trustee becomes ineligible to act as Trustee under the terms of this Indenture, becomes incapable of acting as Trustee, or is adjudged insolvent or bankrupt; then, in any such case, the Issuer may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by authority of a Board Resolution, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or any Holder who has been a bona fide Holder of a Note or Notes for at least six months may on behalf of himself and all others similarly situated petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to the Notes. Such court may thereupon, after such notice, if any, as it may deem proper and as it may prescribe, remove the Trustee and appoint a successor trustee.

The Holders of a majority of the then outstanding aggregate principal amount of the Notes at the time outstanding may at any time remove the Trustee and appoint a successor trustee by delivering to the Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence of the action in that regard taken by the Holders of Notes.

No Personal Liability

An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Company or of any Subsidiary Guarantor shall not have any liability for any obligations of the Company under the Notes or the Indenture, or of the Subsidiary Guarantors under the Note Guarantees or the Indenture, or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability.

Currency Indemnity

The Company and the Subsidiary Guarantors will pay all sums payable under the Indenture, the Notes or the Note Guarantees solely in U.S. Dollars. Any amount that Holders receive or recover in a currency other than U.S. Dollars in respect of any sum expressed to be due to the Holders from the Company or any Subsidiary Guarantor will only constitute a discharge to the Company or any Subsidiary Guarantor to the extent of the U.S. Dollar amount which the Holders are able to purchase with the amount received or recovered in that other currency on the date of the receipt or recovery or, if it is not practicable to make the purchase on that date, on the first date on which the Holders are able to do so. If the U.S. Dollar amount is less than the U.S. Dollar amount expressed to be due to the Holders under any Note or Note Guarantee, the Company and the Subsidiary Guarantors will indemnify the Holders against any loss the Holders sustain as a result. In any event, the Company and the Subsidiary Guarantors will indemnify the Holders against the cost of making any purchase of U.S. Dollars. For the purposes of this paragraph, it will be sufficient for the Holders to certify in a satisfactory manner that the Holders would have suffered a loss had an actual purchase of U.S. Dollars been made with the amount received in that other currency on the date of receipt or recovery or, if it was not practicable to make the purchase on that date, on the first date on which the Holders were able to do so. In addition, the Holders will also be required to certify in a satisfactory manner the need for a change of the purchase date.

The indemnities described above:

- constitute a separate and independent obligation from the other obligations of the Company and the Subsidiary Guarantors;

- will give rise to a separate and independent cause of action;

- will apply irrespective of any indulgence granted by any Holder; and

- will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note.

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the Indenture. Reference is made to the Indenture for a full definition of all such terms, as well as any other terms used herein for which no definition is provided.

"*Acquired Indebtedness*" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Company or any of its Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person, in each case not Incurred in contemplation of such transaction. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with the Company or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

"*Additional Amounts*" has the meaning set forth under "—Additional Amounts."

"*Additional Notes*" has the meaning set forth under "—Additional Notes."

"*Affiliate*" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"*Asset Acquisition*" means:

(1) an Investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into the Company or any Restricted Subsidiary;

(2) the acquisition by the Company or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Company) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or

(3) any Revocation with respect to an Unrestricted Subsidiary.

"*Asset Sale*" means any direct or indirect sale, disposition, issuance, conveyance, lease, assignment or other transfer, including a Sale and Leaseback Transaction (each, a "disposition") by the Company or any Restricted Subsidiary of:

(1) any Capital Stock of any Restricted Subsidiary other than Capital Stock of the Company; or

(2) any property or assets (other than cash, Cash Equivalents or Capital Stock) of the Company or any Restricted Subsidiary;

Notwithstanding the preceding, the following items will not be deemed to be Asset Sales:

(1) transactions permitted under "—Certain Covenants—Merger, Consolidation and Sale of Assets";

(2) a disposition of assets (including obsolete or worn-out equipment) in the ordinary course of business (including the disposition of current assets (as determined in accordance with IFRS));

(3) dispositions in any fiscal year of the Company, in a single or series of related transactions, of assets with a Fair Market Value not to exceed U.S.$10.0 million in the aggregate;

(4) for purposes of "—Certain Covenants—Limitation on Asset Sales and Sales of Subsidiary Stock" only, the making of a Restricted Payment permitted under "—Certain Covenants—Limitation on Restricted Payments", or any Permitted Investment;

(5) a disposition or transfer of assets between or among the Company and its Restricted Subsidiaries, including a Person that is or will become a Restricted Subsidiary immediately after the disposition;

(6) an issuance or sale of Capital Stock by a Restricted Subsidiary of the Company to the Company or any of its Restricted Subsidiaries;

(7) a disposition of accounts receivable in connection with a Receivables Transaction;

(8) any sale of assets received by the Company or any of its Restricted Subsidiaries upon the foreclosure on a Lien in favor of the Company or any of its Restricted Subsidiaries;

(9) the creation of a Lien not prohibited by the Indenture (but not the sale of property subject to a Lien);

(10) the surrender or waiver of contract rights or settlement, release or surrender of contract, tort or other claims or statutory rights in connection with a settlement, as determined in good faith by the Company's Board of Directors; and

(11) grants of licenses or sublicenses in the ordinary course of business to use the patents, copyright and other intellectual property of the Company or any of the Restricted Subsidiaries to the extent such license does not interfere with the business of the Company or any Restricted Subsidiary.

"*Asset Sale Offer*" has the meaning set forth under "—Certain Covenants—Limitation on Asset Sales and Sales of Subsidiary Stock."

"*Asset Sale Transaction*" means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (4) of that definition.

"*Authorized Officer*" means any director of the Company or any Subsidiary Guarantor, as applicable, and any employee of the Company or any Subsidiary Guarantor, as applicable, as may be duly authorized to take actions under this Indenture and the Notes.

"*Board of Directors*" means (i) with respect to a corporation, the board of directors of the corporation or a duly authorized committee thereof; (ii) with respect to a partnership, the Board of Directors of the general partner of the partnership; and (iii) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Board Resolution*" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"*Business Day*" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not (i) a day on which banking institutions in New York, Guatemala or the British Virgin Islands generally are authorized or obligated by law, regulation or executive order to close, or (ii) a day on which banking and financial institutions in New York, Guatemala or the British Virgin Islands are closed for business with the general public.

"*Capitalized Lease Obligations*" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under IFRS. For purposes of this definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with IFRS.

"*Capital Stock*" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;

(2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and

(3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above.

"*Cash Equivalents*" means (a) any evidence of Indebtedness with a maturity of 180 days or less issued or directly and fully guaranteed or insured by the British Virgin Islands, Guatemala, Nicaragua, El Salvador, Honduras, Jamaica, Trinidad and Tobago or the United States, or (b) certificates of deposit, Eurodollar time deposits and bankers' acceptances with a maturity of 180 days or less and overnight bank deposits of any financial institution (including any branch thereof) that is organized or regulated under the laws of the United States or any state thereof, Belgium, England, France, Germany, Luxembourg, Spain, The Netherlands, Switzerland, Canada, Japan, the British Virgin Islands, Guatemala, Nicaragua, El Salvador, Honduras, Jamaica and Trinidad and Tobago, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of U.S.$300,000,000 (or its equivalent in other currencies) or in excess of U.S.$100,000,000 in the case of any bank or trust company organized or regulated under the laws of the British Virgin Islands, Guatemala, Nicaragua, El Salvador, Honduras, Jamaica and Trinidad and Tobago.

"*Change of Control*" means the occurrence of one or more of the following events:

(1) (A) at any time after the Issue Date any Person or Group (other than a Permitted Holder) is or becomes the "beneficial owner" (as defined below), directly or indirectly, in the aggregate of more than 50% of the total voting power of the Voting Stock of the Company or Grupo Empresarial Mariposa Corp., as the case may be (including a Surviving Entity, if applicable), and (B) the Permitted Holders beneficially own, directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Company or Grupo Empresarial Mariposa Corp., as the case may be (including a Surviving Entity, if applicable) than such other Person or Group, in each case, whether by virtue of the issuance, sale or other disposition of Capital Stock of the Company or Grupo Empresarial Mariposa Corp., as the case may be, or a direct or indirect holder of Capital Stock of the Company or Grupo Empresarial Mariposa Corp., as the case may be, a merger or consolidation involving the Company, Grupo Empresarial Mariposa Corp., or such Person or Group, a sale of all or substantially all of its assets by the Company, Grupo Empresarial Mariposa Corp., or such Person or Group, any voting trust agreement or other agreement to which the Company, Grupo Empresarial Mariposa Corp., or any such Person or Group is a party or is subject, or otherwise; or

(2) except as permitted under the covenant "—Limitation on Merger, Consolidation or Sale of Assets," the approval by the holders of Capital Stock of the Company or Grupo Empresarial Mariposa Corp., as the case may be, of any plan or proposal for the liquidation or dissolution of the Company or Grupo Empresarial Mariposa Corp., whether or not otherwise in compliance with the provisions of the Indenture.

For purposes of this definition:

(a) "beneficial owner" shall have the meaning specified in Rules 13d-3 and 13d-5 under the Exchange Act, except that any Person or Group shall be deemed to have "beneficial ownership" of all securities that such Person or Group has the right to acquire, whether such right is exercisable immediately, only after the passage of time or, except in the case of the Permitted Holders, upon the occurrence of a subsequent condition.

(b) "Person" and "Group" shall have the meanings for "person" and "group" as used in Sections 13(d) and 14(d) of the Exchange Act; and

(c) the Permitted Holder or any other Person or Group shall be deemed to beneficially own any Voting Stock of a corporation held by any other corporation (the "parent corporation") so long as the Permitted Holder or such other Person or Group, as the case may be, beneficially owns, directly or indirectly, in the aggregate at least 50% of the voting power of the Voting Stock of the parent corporation and no other Person or Group beneficially owns an equal or greater amount of the Voting Stock of the parent corporation.

"*Change of Control Payment*" has the meaning set forth under "Change of Control Triggering Event."

"*Change of Control Payment Date*" has the meaning set forth under "Change of Control Triggering Event."

"*Change of Control Triggering Event*" means the occurrence of a Change of Control and a Rating Event.

"*Code*" means the U.S. Internal Revenue Code of 1986, as amended.

"*Commodity Agreement*" means any commodity or raw material futures contract, commodity or raw materials option, or any other agreement designed to protect against or manage exposure to fluctuations in commodity or raw materials prices, including but not limited to natural gas prices.

"*Common Stock*" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

"*Consolidated EBITDA*" means, for any Person for any period, Consolidated Net Income for such Person for such period, plus the following, without duplication, to the extent deducted or added in calculating such Consolidated Net Income:

(1) Consolidated Income Tax Expense for such Person for such period;

(2) Consolidated Interest Expense for such Person for such period;

(3) Consolidated Non-cash Charges for such Person for such period;

(4) net after-tax losses from Asset Sale Transactions or abandonment or reserves relating thereto for such period;

(5) any income or loss from extraordinary transactions;

(6) the portion of the net income of any Subsidiary (Restricted Subsidiary in the case of the Company) of such Person which was deducted in calculating Consolidated Net Income for such period as a result of minority interests in such Subsidiary;

(7) the portion of the net income of any Subsidiary (Restricted Subsidiary in the case of the Company) of such Person that was excluded pursuant to clause (4) of the definition of Consolidated Net Income due to customary corporate law requirements in connection with the payment of dividends or distributions;

(8) all fees, costs and expenses incurred in connection with the offering of the Notes as disclosed under the "Use of Proceeds" section of the Offering Circular; and

(9) any income or loss from discontinued operations.

less (x) all other non-cash credits and gains increasing Consolidated Net Income for such Person for such period, other than any items which represent the reversal in such period of any accrual of, or cash reserve for, anticipated charges in any prior period where such accrual or reserve is no longer required under IFRS and (y) all cash payments made by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Company) during such period relating to non-cash charges that were added back in determining Consolidated EBITDA in any prior period.

"*Consolidated Fixed Charge Coverage Ratio*" means, for any Person as of any date of determination, the ratio of the aggregate amount of Consolidated EBITDA of such Person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination (the "Four Quarter Period") to Consolidated Fixed Charges for such Person for such Four Quarter Period. For purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" will be calculated after giving effect on a pro forma basis as determined in the good faith judgment of the Company's chief financial officer, for the period of such calculation to:

(1) the Incurrence or repayment or redemption of any Indebtedness (including Acquired Indebtedness) of such Person or any of its Subsidiaries (Restricted Subsidiaries in the case of the Company), and the application of the proceeds thereof, including the Incurrence of any Indebtedness (including Acquired Indebtedness), and the application of the proceeds thereof, giving rise to the need to make such determination, occurring during such Four Quarter Period or at any time subsequent to the last day of such Four Quarter Period and on or prior to such date of determination, to the extent, in the case of an Incurrence, such Indebtedness is outstanding on the date of determination, as if such Incurrence and the application of the proceeds thereof, repayment or redemption occurred on the first day of such Four Quarter Period;

(2) any Asset Sale Transaction or Asset Acquisition by such Person or any of its Subsidiaries (Restricted Subsidiaries in the case of the Company), including any Asset Sale Transaction or Asset Acquisition giving rise to the need to make such determination occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to such date of determination, as if such Asset Sale Transaction or Asset Acquisition occurred on the first day of the Four Quarter Period including any pro forma expense and cost reductions, synergies and other operating improvements that have occurred or are reasonably expected to occur and are reasonably the basis of pro forma adjustment (regardless of whether such cost savings, synergies or operating improvements could then be reflected in pro forma financial statements in accordance with Regulation S-X under the Securities Act);

(3) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the date of determination, will be excluded;

(4) the Consolidated Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the date of determination, will be excluded, but only to the extent that the obligations giving rise to such Consolidated Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the date of determination;

(5) any Person that is a Restricted Subsidiary on the date of determination or that becomes a Restricted Subsidiary on the date of determination will be deemed to have been a Restricted Subsidiary at all times during such four fiscal quarters; and

(6) any Person that is not a Restricted Subsidiary on the date of determination or would cease to be a Restricted Subsidiary on the date of determination will be deemed not to have been a Restricted Subsidiary at any time during such four fiscal quarters.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio,"

(a) interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter will be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such date of determination; *provided*, that any interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by Hedging Obligations, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements; and

(b) if interest on any Indebtedness actually Incurred on such date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on such date of determination will be deemed to have been in effect during the Four Quarter Period.

"*Consolidated Fixed Charges*" means, for any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense for such Person for such period, *plus*

(2) the amount of all cash and non-cash dividend payments on any series of Preferred Stock or Disqualified Capital Stock of such Person (other than dividends paid in Qualified Capital Stock) or any Subsidiary of such Person (Restricted Subsidiary in the case of the Company) paid, accrued or scheduled to be paid or accrued during such period, excluding dividend payments on Preferred Stock or Disqualified Capital Stock paid, accrued or scheduled to be paid to such Person or another Subsidiary (Restricted Subsidiary in the case of the Company).

"*Consolidated Income Tax Expense*" means, with respect to any Person for any period, the provision for all applicable federal, state and local income taxes payable by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Company) for such period as determined on a consolidated basis in accordance with IFRS.

"*Consolidated Interest Expense*" means, for any Person for any period, the sum of, without duplication determined on a consolidated basis in accordance with IFRS:

(1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Company) for such period determined on a consolidated basis in accordance with IFRS, including, without limitation (whether or not interest expense in accordance with IFRS):

(a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Company) in the form of additional Indebtedness, (but excluding any amortization of deferred financing and debt issuance costs),

(b) the net costs under Hedging Obligations (but excluding amortization of fees),

(c) all capitalized comprehensive result of financing,

(d) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances, and

(e) any interest expense paid in respect of Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Company) or secured by a Lien on the assets of such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Company); and

(2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Company) during such period.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries (after deducting (or adding) the portion of such net income (or loss) attributable to minority interests in Subsidiaries of such Person) for such period on a consolidated basis, determined in accordance with IFRS; *provided*, that there shall be excluded therefrom to the extent reflected in such aggregate net income (loss):

(1) net after-tax gains or losses from non-ordinary course Asset Sale Transactions or abandonments or reserves relating thereto;

(2) net after-tax items classified as extraordinary gains or losses;

(3) the net income (or loss) of any Person, other than such Person and any Subsidiary of such Person (Restricted Subsidiary in the case of the Company); except that the net income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions actually paid in cash to the Company or any of its Restricted Subsidiaries;

(4) the net income (but not loss) of any Subsidiary of such Person (Restricted Subsidiary in the case of the Company) to the extent that a corresponding amount could not be distributed to such Person at the date of determination as a result of any restriction pursuant to the constituent documents of such Subsidiary (Restricted Subsidiary in the case of the Company) or any law, regulation, agreement or judgment applicable to any such distribution;

(5) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;

(6) any gain (or loss) from foreign exchange translation or change in net monetary position; and

(7) the cumulative effect of changes in accounting principles.

"*Consolidated Net Worth*" of any Person means the consolidated stockholders' equity of such Person, determined on a consolidated basis in accordance with IFRS, less (without duplication) amounts attributable to Disqualified Capital Stock of such Person.

"*Consolidated Non-cash Charges*" means, for any Person for any period, the aggregate depreciation, amortization and other non-cash expenses or losses of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Company) for such period, determined on a consolidated basis in accordance with IFRS (excluding any such charge which constitutes an accrual of or a reserve for cash charges for any future period or the amortization of a prepaid cash expense that is a current asset paid in a prior period).

"*Consolidated Total Assets*" means, for any Person at any time, the total consolidated assets of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Company) as set forth on the most recent balance sheet of such Person, prepared in accordance with IFRS.

"*Consolidated Total Indebtedness*" shall mean, as of any date and with respect to the Company, the Consolidated Indebtedness as of such date of the Company and its Consolidated Subsidiaries.

"*Consolidated Total Indebtedness to Consolidated EBITDA Ratio*" means, for any Person as of any date of determination, the ratio of Consolidated Total Indebtedness as of such date to Consolidated EBITDA for the Four Quarter Period, *provided*, that:

(1) if the Company or any Restricted Subsidiary has:

(a) Incurred any Indebtedness during the Four Quarter Period that remains outstanding on the date of the transaction giving rise to the need to calculate the Consolidated Total Indebtedness to

Consolidated EBITDA Ratio or if the transaction giving rise to the need to calculate the Consolidated Total Indebtedness to Consolidated EBITDA Ratio is an Incurrence of Indebtedness, Consolidated EBITDA and Consolidated Total Indebtedness for such Four Quarter Period shall be calculated on a pro forma basis as if such Indebtedness had been Incurred on the first day of such Four Quarter Period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the day of such calculation will be deemed to be: (i) the average daily balance of such Indebtedness during such Four Quarter Period or such shorter period for which such facility was outstanding, or (ii) if such facility was created after the end of such Four Quarter Period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation); or

(b) repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such Four Quarter Period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Total Indebtedness to Consolidated EBITDA Ratio, Consolidated EBITDA for such Four Quarter Period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such Four Quarter Period and as if the Company or such Restricted Subsidiary had not earned the interest income actually earned during such Four Quarter Period in respect of cash or Cash Equivalents used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(2) if since the beginning of such Four Quarter Period the Company or any Restricted Subsidiary shall have made any Asset Sale, then giving pro forma effect to such disposition during such Four Quarter Period on the Consolidated EBITDA;

(3) if since the beginning of such Four Quarter Period, the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Person that is merged with or into the Company or any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, then giving pro forma effect to such Investment or acquisition on the Consolidated EBITDA for such Four Quarter Period, any such pro forma calculation may include adjustments appropriate to reflect, without duplication, any such acquisition to the extent such adjustments may be reflected in the preparation of pro forma financial information in accordance with the requirements of IFRS and Article XI of Regulation S-X under the Exchange Act;

provided, that such adjustments are set forth in an Officer's Certificate that states (i) the amount of such adjustment or adjustments, (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officer executing such Officer's Certificate at the time of such execution and (iii) that any related Incurrence of Indebtedness is permitted pursuant to the Indenture; and

(4) if since the beginning of such Four Quarter Period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such Four Quarter Period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (2) or (3) above if made by the Company or a Restricted Subsidiary during such Four Quarter Period, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Asset Sale, Investment or acquisition of assets occurred on the first day of such Four Quarter Period.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets and the amount of income or earnings relating thereto, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire Four Quarter Period (taking into account any

Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of twelve months).

"*Consolidation*" shall mean the consolidation of the accounts of the Company with those of its Restricted Subsidiaries in accordance with IFRS consistently applied; *provided*, that Consolidation will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Company or any Restricted Subsidiary in an Unrestricted Subsidiary will be accounted for as an investment. The term "*Consolidated*" has a correlative meaning.

"*Covenant Defeasance*" has the meaning set forth under "—Legal Defeasance and Covenant Defeasance."

"*Credit Facilities*" means one or more debt facilities, commercial paper facilities or Debt Issuances, in each case with banks, investment banks, insurance companies, mutual funds and/or other institutional lenders or institutional investors providing for revolving credit loans, term loans, receivables or inventory financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from (or sell receivables to) such lenders against such receivables), letters of credit or Debt Issuances, in each case, as amended, extended, modified, renewed, restated, Refinanced (including, Refinancing with Debt Issuances), supplemented or otherwise modified (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time.

"*Currency Agreement*" means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

"*Debt Issuances*" means, with respect to the Company or any Restricted Subsidiary, one or more issuances after the Issue Date of Indebtedness evidenced by notes, debentures, bonds or other similar securities or instruments.

"*Default*" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"*Designation*" and "*Designation Amount*" have the meanings set forth under "—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries" above.

"*Disqualified Capital Stock*" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof, in any case, on or prior to the final maturity date of the Notes; *provided*, that any Capital Stock that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the final maturity of the Notes shall not constitute Disqualified Capital Stock if:

(1) the "asset sale" or "change of control" provisions applicable to such Capital Stock are not materially more favorable to the holders of such Capital Stock than the terms applicable to the Notes and described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" and "—Change of Control Triggering Event"; and

(2) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Capital Stock shall be equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any. The amount of any Disqualified Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Capital Stock is to be determined pursuant to the Indenture; *provided*, that if such Disqualified Capital Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Capital Stock as reflected in the most recent financial statements of such Person.

"*Equity Offering*" has the meaning set forth under "—Optional Redemption—Optional Redemption upon Equity Offerings."

"*Event of Default*" has the meaning set forth under "—Events of Default".

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"*Fair Market Value*" means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction.

"*Fitch"* means Fitch Ratings, Ltd. or any successor to the rating agency business thereof.

"*Government Agency*" means any national, provincial, county, city, town, village, municipal or other de jure or de facto government department, commission, board, bureau, agency, authority or instrumentality of a country or any political subdivision thereof, and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any of the foregoing entities, including all commissions, boards, bureaus, arbitrators and arbitration panels, and any authority or other Person controlled by any of the foregoing.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

(1) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise, or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part,

provided, that "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. "Guarantee" used as a verb has a corresponding meaning.

"*Hedging Obligations*" means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

"*Holder*" means a Person in whose name a Note is registered.

"*IFRS*" means the International Financial Reporting Standards, as adopted by the International Accounting Standards Board, which are in effect from time to time.

"*Incur*" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and "Incurrence," "Incurred" and "Incurring" will have meanings correlative to the preceding).

"*Indebtedness*" means, with respect to any Person, without duplication:

(1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;

(2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all payment obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities accounted for as current liabilities (in accordance with IFRS) arising in the ordinary course of business that are not overdue by 180 days or more or are being contested in good faith);

(5) all obligations of such Person in respect of letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof;

(6) Guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clauses (8) through (10) below;

(7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) above which is secured by any Lien on any property or asset of the first Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;

(8) all obligations under Hedging Obligations of such Person;

(9) to the extent not otherwise included in this definition, the Receivables Transaction Amount outstanding relating to any Receivables Transaction; and

(10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

"*Independent Financial Advisor*" means an accounting firm, appraisal firm, investment banking firm or consultant of internationally recognized standing that is, in the judgment of the Company's Board of Directors, qualified to perform the task for which it has been engaged and which is independent in connection with the relevant transaction.

"*Interest Rate Agreement*" of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

"*Investment*" means, with respect to any Person, any:

(1) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person,

(2) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person, or

(3) any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person.

"Investment" will exclude accounts receivable or deposits arising in the ordinary course of business. "Invest," "Investing" and "Invested" will have corresponding meanings.

For purposes of the "Limitation on Restricted Payments" covenant, the Company will be deemed to have made an "Investment" in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary at the time of its Designation and the amount of any. Indebtedness of such Unrestricted Subsidiary or owed to the Company or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance and sale of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary would cease to be a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Restricted Subsidiary held by the Company or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Company or any Restricted Subsidiary or owed to the Company or any other Restricted Subsidiary immediately following such sale or other disposition.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's, BBB- (or the equivalent) by S&P and BBB- (or equivalent) by Fitch.

"*Investment Return*" means, in respect of any Investment (other than a Permitted Investment) made after the Issue Date by the Company or any Restricted Subsidiary:

(1) the cash proceeds received by the Company or any Restricted Subsidiary upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of the Company and its Restricted Subsidiaries in full, less any payments previously made by the Company or any Restricted Subsidiary in respect of such Guarantee;

(2) in the case of the Revocation of the Designation of an Unrestricted Subsidiary, an amount equal to the lesser of:

(a) the Company's Investment in such Unrestricted Subsidiary at the time of such Revocation; and

(b) the Designation Amount with respect to such Unrestricted Subsidiary upon its Designation which was treated as a Restricted Payment; and

(3) in the event the Company or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, the Fair Market Value of the Investment of the Company and its Restricted Subsidiaries in such Person;

in the case of each of (1), (2) and (3), up to the amount of such Investment that was treated as a Restricted Payment under "—Certain Covenants—Limitation on Restricted Payments" less the amount of any previous Investment Return in respect of such Investment.

"*Issue Date*" means the first date of issuance of Notes under the Indenture, February 9, 2012. The new notes are to be issued under the Indenture pursuant to the supplemental indenture thereto dated March 13, 2013.

"*Legal Defeasance*" has the meaning set forth under "Legal Defeasance and Covenant Defeasance."

"*Lien*" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest); *provided*, that the lessee in respect of a Capitalized Lease Obligation or Sale and Leaseback Transaction will be deemed to have Incurred a Lien on the property leased thereunder.

"*Marketable Securities*" has the meaning ascribed to such term under IFRS.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents received by the Company or any of its Restricted Subsidiaries from such Asset Sale, net of:

(1) reasonable out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees and sales commissions);

(2) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;

(3) repayment of Indebtedness secured by a Lien permitted under the Indenture that is required to be repaid in connection with such Asset Sale; and

(4) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with IFRS, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, but excluding any reserves with respect to Indebtedness.

"*Note Guarantee*" means any Guarantee of the Company's Obligations under the Notes and the Indenture provided by a Subsidiary Guarantor pursuant to the Indenture.

"*Obligations*" means, with respect to any Indebtedness, any principal, interest (including, without limitation, Post-Petition Interest), penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the documentation governing such Indebtedness, including in the case of the Notes, the Indenture.

"*Offering Memorandum*" means the Offering Memorandum, dated February 2, 2012, relating to the original issuance and sale of the Notes.

"*Opinion of Counsel*" means a written opinion of legal counsel, who may be an employee of or legal counsel for the Company (except as otherwise provided in the Indenture) and who shall be reasonably acceptable to the Trustee.

"*PepsiCo*" means PepsiCo, Inc. and its affiliates and their successors and assigns.

"*PepsiCo Bottling Appointments*" means, collectively, the (i) Pepsi-Cola Exclusive Bottling Appointment dated September 22, 1980 for Embotelladora La Mariposa, S.A., as amended by Letter Agreement dated January 1, 1998; (ii) Pepsi-Cola Exclusive Bottling Appointment dated March 1, 1963 for Embotelladora La Reyna, S.A.; (iii) Pepsi-Cola Exclusive Bottling Appointment dated November 2, 1946 for Embotelladora Nacional, S.A.; (iv) Pepsi-Cola Exclusive Bottling Appointment dated December 3, 1999 for PepsiAmericas, Inc.; and (v) Pepsi-Cola Exclusive Bottling Appointment dated October 15, 1999 for PepsiAmericas, Inc.

"*Permitted Acquisition Indebtedness*" means Indebtedness of the Company or any of its Restricted Subsidiaries to the extent such Indebtedness was (i) Indebtedness of a Subsidiary prior to the date on which such Subsidiary became a Restricted Subsidiary, (ii) Indebtedness of a Person that was merged consolidated or amalgamated into the

Company or a Restricted Subsidiary or (iii) assumed in connection with the acquisition of assets from a Person; *provided*, that on the date such Subsidiary became a Restricted Subsidiary or the date such Person was merged, consolidated or amalgamated into the Company or a Restricted Subsidiary or assumed in connection with an asset acquisition, as applicable, after giving pro forma effect thereto, (a) the Consolidated Net Worth of the Company and the Restricted Subsidiaries would be greater than the Consolidated Net Worth immediately prior to such transaction, (b) the Company, would be permitted to incur at least U.S.$1.00 of additional Indebtedness pursuant to paragraph (1) under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness" or (c) the Consolidated Fixed Charge Coverage Ratio of the Company would be equal to or better than the Consolidated Fixed Charge Coverage Ratio of the Company immediately prior to such transaction.

"*Permitted Business*" means the business or businesses conducted by the Company and its Restricted Subsidiaries as of the Issue Date and any business ancillary or complementary thereto.

"*Permitted Holders*" means (i) with respect to the voting power of the Voting Stock of the Company, Grupo Empresarial Mariposa Corp. and PepsiCo, and (ii) with respect to the voting power of the Voting Stock of Grupo Empresarial Mariposa Corp., members of the Castillo family and their respective Permitted Transferees.

"*Permitted Indebtedness*" has the meaning set forth under clause (2) of "Certain Covenants —Limitation on Incurrence of Additional Indebtedness."

"*Permitted Investments*" means:

(1) Investments by the Company or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into the Company or with or into a Restricted Subsidiary;

(2) Investments by any Restricted Subsidiary in the Company;

(3) Investments in cash and Cash Equivalents;

(4) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);

(5) Investments permitted pursuant to clause (2) (b) or (e) of "—Certain Covenants—Limitation on Transactions with Affiliates";

(6) Investments received as a result of the bankruptcy or reorganization of any Person or a foreclosure, or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;

(7) Investments made by the Company or its Restricted Subsidiaries as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with the covenant described under "—Certain Covenants—Limitation on Asset Sales and Sales of Subsidiary Stock";

(8) Investments in the form of Hedging Obligations permitted under clause 2(d) of "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;"

(9) prepayments and credits or advances to customers or suppliers (including talent) in the ordinary course of business accounted for as current assets in accordance with IFRS;

(10) Investments in any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and

other similar deposits made in the ordinary course of business by the Company or any Restricted Subsidiary;

(11) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(12) Investments in a Receivables Entity in connection with a Receivables Transaction; *provided*, that such Investment in any such Person is in the form of any equity interest or interests in receivables and related assets generated by the Company or any Restricted Subsidiary and transferred to such Person in connection with a Receivables Transaction; and

(13) Investments in a Person engaged in a Permitted Business not to exceed the greater of (x) U.S.$50.0 million and (y) 15% of Consolidated Total Assets of the Company and its Restricted Subsidiaries as of the most recent fiscal quarter ended prior to the date of such investment;

provided, that with respect to any Investment, the Company may, in its sole discretion, allocate all or any portion of any Investment and later re-allocate all or any portion of any Investment to, one or more of the above clauses (1) through (13) so that the entire Investment would be a Permitted Investment.

"*Permitted Liens*" means any of the following:

(1) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law Incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith;

(2) Liens Incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(3) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(4) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(5) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company or a Restricted Subsidiary, including rights of offset and set-off;

(6) Liens securing Hedging Obligations that relate to Indebtedness that is Incurred in accordance with "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness" and that are secured by the same assets as secure such Hedging Obligations;

(7) Liens existing on the Issue Date and Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously secured by a Permitted Lien (other than Permitted Liens Incurred pursuant to clause (14) below), *provided,* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distribution in respect thereof) that secured (or, under the written arrangements under which the

original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder;

(8) Liens securing Acquired Indebtedness Incurred in accordance with "Certain Covenants—Limitation on Incurrence of Additional Indebtedness" not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation; *provided*, that

(a) such Liens secured such Acquired Indebtedness at the time of and prior to the Incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary and were not granted in connection with, or in anticipation of the Incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary and

(b) such Liens do not extend to or cover any property of the Company or any Restricted Subsidiary other than the property that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of the Company or a Restricted Subsidiary and are no more favorable to the lienholders than the Liens securing the Acquired Indebtedness prior to the Incurrence of such Acquired Indebtedness by the Company or a Restricted Subsidiary;

(9) purchase money Liens securing Purchase Money Indebtedness or Capitalized Lease Obligations Incurred to finance the acquisition, construction, improvement or leasing of property of the Company or a Restricted Subsidiary used in a Permitted Business; *provided*, that:

(a) the related Purchase Money Indebtedness does not exceed the cost of such property and shall not be secured by any property of the Company or any Restricted Subsidiary other than the property so acquired, constructed or improved, and

(b) the Lien securing such Indebtedness will be created within 90 days of such acquisition, construction or improvement;

(10) any pledge or deposit of cash or property in conjunction with obtaining surety and performance bonds and letters of credit required to engage in constructing on-site and off-site improvements required by municipalities or other governmental authorities in the ordinary course of business;

(11) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(12) Liens encumbering customary initial deposits and margin deposits, and other Liens that are customary in the industry and Incurred in the ordinary course of business securing Indebtedness under Hedging Obligation and forward contracts, options, futures contracts, futures options or similar agreements or arrangement designed to protect the Company and its Restricted Subsidiaries from fluctuations in the price of commodities;

(13) Liens on accounts receivable or related assets Incurred in connection with a Receivables Transaction;

(14) licenses of intellectual property in the ordinary course of business;

(15) Liens to secure a defeasance trust to the extent such defeasance is otherwise permitted pursuant to the terms of the Indenture;

(16) Liens for taxes, assessments or other governmental charges not yet subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to IFRS have been made in respect thereof;

(17) encumbrances, easements, or reservations, or rights of others, licenses, rights of way, zoning and similar restrictions, reservations, restrictions or encumbrances in respect of real property or title defects that do not in the aggregate materially adversely affect the value of said properties (as such properties are used by the Company or its Restricted Subsidiaries) or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(18) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(19) Liens arising from precautionary Uniform Commercial Code financing statement filings regarding operating leases entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(20) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within such proceedings may be initiated has not expired;

(21) Liens on Capital Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary; or

(23) other Liens to secure Indebtedness of the Company or any of its Restricted Subsidiaries, not to exceed U.S.$10.0 million at any one time outstanding.

"*Permitted Transferees*" means with respect to any Person: (i) in the case of any Person who is a natural person, such individual's spouse or children (natural or adopted), any trust for such individual's benefit or the benefit of such individual's spouse or children (natural or adopted), or any corporation or partnership in which the direct and beneficial owner of all of the equity interest in such Person are such individual's spouse or children (natural or adopted) or any trust for the benefit of such persons; (ii) in the case of any Person who is a natural person, the heirs, executors, administrators or personal representatives upon the death of such Person or upon the incompetency or disability of such Person for purposes of the protection and management of such individual's assets; and (iii) in the case of any Person who is not a natural person, any Affiliate of such Person.

"*Person*" means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"*Post-Petition Interest*" means all interest accrued or accruing after the commencement of any insolvency or liquidation proceeding (and interest that would accrue but for the commencement of any insolvency or liquidation proceeding) in accordance with and at the contract rate (including, without limitation, any rate applicable upon default) specified in the agreement or instrument creating, evidencing or governing any Indebtedness, whether or not, pursuant to applicable law or otherwise, the claim for such interest is allowed as a claim in such insolvency or liquidation proceeding.

"*Preferred Stock*" of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

"*Purchase Money Indebtedness*" means Indebtedness Incurred for the purpose of financing all or any part of the purchase price, or other cost of construction or improvement, including related development costs, of any property (other than Capital Stock); *provided*, that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing.

"*Qualified Capital Stock*" means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

"*Rating Agencies*" means Moody's, S&P or Fitch. In the event that any of Moody's, S&P or Fitch is no longer in existence or issuing ratings, such organization may be replaced by a nationally recognized United States securities rating agency or agencies, or the case may be, designated by the Company with notice to the Trustee.

"*Rating Event*" means that at any time within 90 days (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies then rating the Notes) after the date of public notice of a Change of Control, or of the intention of the Company of any Person to effect a Change of Control, the rating of the Notes is decreased by any of the Rating Agencies then rating the Notes by one or more notches as a result of a Change of Control.

"*Receivables Entity*" means a Person in which the Company or any Restricted Subsidiary makes an Investment and:

(1) to which the Company or any Restricted Subsidiary transfers receivables and related assets in connection with a Receivables Transaction;

(2) which engages in no activities other than in connection with the Receivables Transaction;

(3) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which:

(a) is guaranteed by the Company or any Restricted Subsidiary (excluding guarantees of Obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);

(b) is recourse to or obligates the Company or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings; or

(c) subjects any property or asset of the Company or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(4) with which neither the Company nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Receivables Transaction) other than on terms no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing receivables; and

(5) to which neither the Company nor any Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

"*Receivables Transaction*" means any securitization, factoring, discounting or similar financing transaction or series of transactions that may be entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any Person (including a Receivables Entity), or may grant a security interest in, any receivables (whether now existing or arising in the future) of the Company or any of its Restricted Subsidiaries, and any assets related thereto, including all collateral securing such receivables, all contracts and all guarantees or other obligations in respect of such receivables, the proceeds of such receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with securitization, factoring or discounting involving receivables.

"*Receivables Transaction Amount*" means the amount of obligations outstanding under the legal documents entered into as part of a Receivables Transaction on any date of determination that would be characterized as principal if such Receivables Transaction were structured as a secured lending transaction rather than a purchase.

"*Refinance*" means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, replace, defease or refund such Indebtedness in whole or in part. "Refinanced" and "Refinancing" will have correlative meanings.

"*Refinancing Indebtedness*" means Indebtedness of the Company or any Restricted Subsidiary issued to Refinance any other Indebtedness of the Company or a Restricted Subsidiary so long as:

(1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by the Company in connection with such Refinancing);

(2) such new Indebtedness has:

(a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced, and

(b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced; and

(3) if the Indebtedness being Refinanced is:

(a) Indebtedness of the Company, then such Refinancing Indebtedness will be Indebtedness of the Company or a Subsidiary Guarantor, or

(b) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the Notes at least to the same extent and in the same manner as the Indebtedness being Refinanced.

"*Representative*" means any trustee, agent or representative (if any) for an issue of Senior Indebtedness of the Company.

"*Restricted Payment*" has the meaning set forth under "- Certain Covenants - Limitation on Restricted Payments."

"*Restricted Subsidiary*" means any Subsidiary of the Company which at the time of determination is not an Unrestricted Subsidiary.

"*Revocation*" has the meaning set forth under "—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries."

"*S&P*" means Standard & Poor's Ratings Services or any successor to the rating agency business thereof.

"*Sale and Leaseback Transaction*" means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Company or a Restricted Subsidiary of any property, whether owned by the Company or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such Property.

"*Senior Indebtedness*" means the Notes and the Note Guarantees and any other Indebtedness of the Company that ranks equal in right of payment with the Notes or the relevant Note Guarantees, as the case may be.

"*Significant Subsidiary*" means a Subsidiary of the Company constituting a "Significant Subsidiary" of the Company in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof.

"*Standard Securitization Undertakings*" means representations, warranties, covenants and indemnities entered into by the Company or any Restricted Subsidiary which are reasonably customary in securitization of receivables transactions.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"*Subordinated Indebtedness*" means, with respect to the Company or any Subsidiary Guarantor, any Indebtedness of the Company or such Subsidiary Guarantor, as the case may be, which is expressly subordinated in right of payment to any Senior Indebtedness or the relevant Note Guarantee, as the case may be.

"*Subsidiary*" means, with respect to any Person, any other Person of which such Person owns, directly or indirectly:

(1) more than 50% of the voting power of the other Person's outstanding Voting Stock, or

(2) at least 50% of the voting power of the other Person's Voting Stock as long as such other Person is required by IFRS to be consolidated with such Person for purposes of general financial reporting.

"*Subsidiary Guarantor*" means any Restricted Subsidiary, which provides a Note Guarantee pursuant to the Indenture until such time as its Note Guarantee is released in accordance with the Indenture.

"*Surviving Entity*" has the meaning set forth under "—Certain Covenants—Limitation on Merger, Consolidation and Sale of Assets."

"*Taxing Jurisdiction*" has the meaning set forth under "—Additional Amounts."

"*Unrestricted Subsidiary*" means any Subsidiary of the Company Designated as such pursuant to "—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries." Any such Designation may be revoked by a Board Resolution of the Company, subject to the provisions of such covenant.

"*U.S. Government Obligations*" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"*Voting Stock*" with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years (calculated by the Company to the nearest one-twelfth) obtained by dividing:

(1) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness into

(2) the sum of the products obtained by multiplying:

(a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by

(b) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"*Wholly Owned Subsidiary*" means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Company) of which all the outstanding Capital Stock (other than, in the case of a Subsidiary not organized in the United States, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

FORM OF NOTES, CLEARING AND SETTLEMENT

Global Notes

The new notes were initially issued in the form of two registered notes in global form, without interest coupons (the “global notes”), as follows:

- new notes sold to qualified institutional buyers under Rule 144A are represented by the Rule 144A global note; and
- new notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S are initially represented by the Regulation S global note.

The Rule 144A global note and the temporary Regulation S global note have been deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Beneficial interests in the temporary Regulation S global note will be exchangeable for beneficial interests in a single permanent Regulation S global note after the expiration of the 40th day after the later of the commencement of this offering and the Closing Date (such period through and including such 40th day, the “Distribution Compliance Period”) and the certification by the beneficial owners thereof of non-U.S. ownership required by Regulation S delivered to Euroclear and/or Clearstream.

Ownership of beneficial interests in each global note will be limited to persons who have accounts with DTC (“DTC participants”) or persons who hold interests through DTC participants (including Euroclear and Clearstream, Luxembourg). We expect that under procedures established by DTC:

- upon deposit of each global note with DTC’s custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the Initial Purchaser; and
- ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Provided, however, that during the Distribution Compliance Period, beneficial interests in the temporary Regulation S global note may only be held through Euroclear and/or Clearstream as indirect participants in DTC.

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Each global note and beneficial interests in each global note will be subject to restrictions on transfer as described under “Transfer Restrictions.”

Exchanges Between the Global Notes

Beneficial interests in one global note may generally be exchanged for interests in another global note. Depending on whether the transfer is being made during or after the 40-day period commencing on the original issue date of the notes, and to which global note the transfer is being made, the seller may be required by the indenture to provide certain written certifications in the form provided in the indenture.

A beneficial interest in a global note that is transferred to a person who takes delivery through another global note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global note.

Book-Entry Procedures for the Global Notes

All interests in the global notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of us, the trustee, any agent under the indenture or Initial Purchaser is responsible for those operations or procedures.

DTC has advised that it is:

- a limited purpose trust company organized under the New York State Banking Law,
- a "banking organization" within the meaning of the New York State Banking Law;
- a member of the U.S. Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the Initial Purchaser; banks and trust companies; clearing corporations; and certain other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC (including Euroclear or Clearstream, Luxembourg).

So long as DTC or its nominee is the registered owner of a global note, DTC or its nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the registered owners or holders of the notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium, if any, and interest with respect to the notes represented by a global note will be made by the trustee to DTC's nominee as the registered holder of the global note. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary practices and will be the responsibility of those participants or indirect participants and not of DTC, its nominee or us.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream, Luxembourg. To deliver or receive an interest in a global note held in a Euroclear or Clearstream, Luxembourg account, an investor must send transfer instructions to Euroclear or Clearstream, Luxembourg, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, Luxembourg, as the case may be, will send instructions to its DTC depositary to take action to effect final settlement by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear or Clearstream, Luxembourg participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream, Luxembourg.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant that purchases an interest in a global note from a DTC participant will be credited on the business day for Euroclear or Clearstream, Luxembourg immediately following the DTC settlement date. Cash received in Euroclear or Clearstream, Luxembourg from the sale of an interest in a global note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account as of the business day for Euroclear or Clearstream, Luxembourg following the DTC settlement date.

DTC, Euroclear and Clearstream, Luxembourg have agreed to the above procedures to facilitate transfers of interests in the global notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. None of us, the trustee or any agent under the indenture will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their participants of indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Notes

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form unless:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the global notes and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Securities Exchange Act of 1934 and a successor depositary is not appointed within 90 days;
- we, at our option, notify the trustee that we elect to cause the issuance of certificated notes; or
- certain other events provided in the indenture should occur, including the occurrence and continuance of an event of default with respect to the notes, and a request for such exchange has been made by the holder.

In all cases, certificated notes delivered in exchange for any global note will be registered in the names, and issued in any approved denominations, requested by the depository and will bear a legend indicating the transfer restrictions of that particular global note.

TRANSFER RESTRICTIONS

Because the following restrictions will apply with respect to the resale of the new notes, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the new notes.

None of the new notes has been registered under the Securities Act or any state securities laws, and they may not be offered or sold within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the new notes are being offered and sold only (A) to "qualified institutional buyers" (as defined in Rule 144A promulgated under the Securities Act, or Rule 144A) ("QIBs") in compliance with Rule 144A and (B) outside the United States to persons other than US persons ("non-US purchasers," which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-US beneficial owners (other than an estate or trust)) in reliance upon Regulation S under the Securities Act, or Regulation S. As used herein, the terms "United States" and "US person" have the meanings given to them in Regulation S.

Each purchaser of new notes will be deemed to have represented and agreed as follows:

1. It is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is either (A) a QIB, and is aware that the sale to it is being made in reliance on Rule 144A or (B) a non-US purchaser that is outside the United States (or a non-US purchaser that is a dealer or other fiduciary as referred to above).

2. It acknowledges that the notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act; that the notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except as set forth below.

3. It shall not resell or otherwise transfer any of such notes within one year (or such shorter period of time as permitted by Rule 144 under the Securities Act or any successor provision thereunder) after the original issuance of the notes except (A) to the Issuer or any of its subsidiaries, (B) inside the United States to a QIB in a transaction complying with Rule 144A, (C) outside the United States in compliance with Rule 904 under the Securities Act, (D) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), (E) in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel if the Issuer so requests), or (F) pursuant to an effective registration statement under the Securities Act.

4. It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes.

5. If it is a non-U.S. purchaser acquiring a beneficial interest in a temporary Regulation S Global Note, it acknowledges and agrees (i) that, until the expiration of the 40-day "distribution compliance period" within the meaning of Regulation S, any offer, sale, pledge or other transfer thereof shall not be made by it in the United States or to, or for the account or benefit of, a U.S. person, except pursuant to Rule 144A to a QIB taking delivery thereof in the form of a beneficial interest in a 144A Global Note, (ii) that, in order to exchange its beneficial interest in a temporary Regulation S Global Note for a beneficial interest in a Regulation S Global Note, it will be required, pursuant to the indenture, to deliver certifications to Euroclear and Clearstream to the effect that such beneficial interest is not owned by a U.S. person, (iii) during the "distribution compliance period" within the meaning of Regulation S, it must hold its beneficial interests in the temporary Regulation S global note through Euroclear and/or Clearstream as indirect participants in DTC and (iv) that it must exchange its beneficial interest in the temporary Regulation S Global Note for a beneficial interest in a Regulation S Global Note or a Rule 144A Global Note in order to receive payments of interest.

6. It acknowledges that prior to any proposed transfer of notes in certificated form or of beneficial interests in a note in global form (a "Global Note") (in each case other than pursuant to an effective registration statement) the holder of notes or the holder of beneficial interests in a Global Note, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the indenture.

7. It understands that:

(i) the following is the form of restrictive legend which will appear on the face of the Rule 144A Global Note, and which will be used to notify transferees of the foregoing restrictions on transfer:

"This note has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this note, agrees that this note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (1) to us, (2) so long as this note is eligible for resale pursuant to Rule 144A under the Securities Act ("Rule 144A"), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (3) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (4) pursuant to an exemption from registration under the Securities Act (if available) or (5) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this note, represents and agrees that it will notify any purchaser of this note from it of the resale restrictions referred to above.

The foregoing legend may be removed from this note only with the consent of the issuer.";

(ii) the following is the form of restrictive legend which will appear on the face of the temporary Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

"**This temporary global note has not been registered under the U.D. Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, neither this note nor any interest or participation herein may be offered, sold, pledged or otherwise transferred within the United States (as defined in Regulation S) or to, or for the account or benefit of, a U.S. Person (as defined in Regulation S), except in compliance with Rule 144A ("Rule 144A") under the Securities Act (so long as this security is eligible for resale pursuant to Rule 144A) to a person the holder hereof reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A) (a "QIB") that purchases for its own account or for the account of another QIB, in each case to whom notice is given that the transfer is being made in reliance upon rule 144A, and upon delivery of the certifications required by the indenture referred to herein. Beneficial owners of this temporary Regulation S global note shall not be entitled to receive any payment of interest hereon.**"

and (iii) the following is the form of restrictive legend which will appear on the face of the permanent Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

"This note has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this note, agrees that neither this note nor any interest or participation herein may be offered, resold, pledged or otherwise transferred in the absence of such registration unless such transaction is exempt from, or not subject to, such registration.

The foregoing legend may be removed from this note after 40 days beginning on and including the later of (a) the date on which the notes are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and (b) the original issue date of this note."

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interest in global notes and certificated notes, see "Form of notes, Clearing and Settlement."

8. It acknowledges that the foregoing restrictions apply to holders of beneficial interests in the notes, as well as holders of the notes.

9. It acknowledges that the trustee will not be required to accept for registration of transfer any notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with.

10. It acknowledges that we, the Initial Purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the notes is no longer accurate, it shall promptly notify us and the Initial Purchaser. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations, and agreements on behalf of each account.

11. Either (i) no assets of a Plan (as defined in "ERISA Considerations") or non-U.S., governmental or church plan have been used to acquire the notes or an interest therein or (ii) the acquisition, holding and disposition of such notes or an interest therein by the purchaser does not constitute a non-exempt prohibited transaction under Section 406 of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the US Internal Revenue Code of 1986, as amended (the "Code"), or violation of any Similar Law (as defined in "ERISA Considerations").

TAXATION

The following discussion summarizes certain U.S. federal income, Guatemalan and British Virgin Islands tax considerations that may be relevant to you if you invest in the notes. This summary is based on laws, regulations, rulings and decisions now in effect in the United States and on laws and regulations in effect in Guatemala and the British Virgin Islands, in each case which may change. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the notes, including the relevance to your particular situation of the considerations discussed below as well as of state, local and other tax laws.

British Virgin Islands Taxation

Pursuant to Section 242 of the British Virgin Islands Business Companies Act, 2004 (as amended): (a) the Company; (b) all dividends, interest, rents, royalties, compensations and other amounts paid by the Company; and (c) capital gains realized with respect to any shares, debt obligations or other securities of the Company, are exempt from all provisions of the Income Tax Act of the laws of the British Virgin Islands. Similarly, no estate, inheritance, succession or gift tax is payable with respect to any shares, debt obligations or other securities of the Company. In addition: (i) all instruments relating to transfers of property to or by the Company; (ii) all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Company; and (iii) all instruments relating to other transactions relating to the business of the Company, are exempt from the payment of stamp duty in the British Virgin Islands. However, instruments relating to: (A) the transfer to or by the Company of an interest in land situated in the British Virgin Islands; or (B) transactions in respect of the shares, debt obligations or other securities of the Company, if the Company or any of its subsidiaries, has any interest in any land in the British Virgin Islands, are subject to stamp duty in the British Virgin Islands.

Guatemalan Taxation

Under current Guatemalan law, payments of principal and interest on the notes placed outside Guatemala by non-Guatemalan entities are not subject to Guatemalan income or withholding tax. Gains realized on the sale or other disposition of the notes outside Guatemala also will not be subject to Guatemalan income or withholding tax. There are no Guatemalan transfer, inheritance or succession taxes applicable to the notes, provided that the holders of the notes are neither residents nor engaged in trade or business through a permanent establishment in Guatemala and at the time of death of a holder of a note, the notes are not physically located in the territorial jurisdiction of the Republic of Guatemala.

U.S. Federal Income Taxation

The following discussion is a summary of the material U.S. federal income tax consequences of acquiring, owning and disposing of the notes. Except where otherwise noted, this discussion applies only to Holders (as defined below) that purchase the notes in connection with their original issue from the Initial Purchaser at the price indicated on the cover of this offering memorandum and that hold the notes as "capital assets" (generally, property held for investment). This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the U.S. Internal Revenue Service (the "IRS"), and judicial decisions, all as of the date hereof and all of which are subject to change (possibly on a retroactive basis) and to different interpretations. A "Holder" is any beneficial owner of the notes.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular Holder and you are urged to consult your own tax advisor regarding your specific tax situation. The discussion does not address the tax consequences that may be relevant to Holders subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organizations;
- dealers in securities or currencies;
- traders in securities that elect the mark-to-market method of accounting with respect to their securities holdings;
- banks or other financial institutions;
- partnerships or other pass through entities;
- U.S. Holders (as defined below) whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- real estate investment trusts;
- regulated investment companies;
- grantor trusts;
- U.S. expatriates; or
- Holders that hold the notes as part of a hedge, straddle, conversion or other integrated transaction.

Further, this discussion does not address the alternative minimum tax consequences of holding the notes or the consequences to partners in partnerships (or any other entities or arrangements treated as partnerships for U.S. federal income tax purposes) that own the notes. In addition, this discussion does not address the state, local and non-U.S. tax consequences of acquiring, owning and disposing of the notes.

As used herein, the term "U.S. Holder" means a beneficial owner of a note that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has an election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

As used herein, the term "Non-U.S. Holder" means a beneficial owner of notes that is neither a U.S. Holder nor a partnership (or other entity or arrangement that is treated as a partnership for U.S. federal income tax purposes). If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences of holding the notes.

PURSUANT TO IRS CIRCULAR 230, WE HEREBY INFORM YOU THAT ANY DISCUSSION IN THIS OFFERING MEMORANDUM OF U.S. FEDERAL TAX ISSUES IS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE CODE. SUCH

DESCRIPTION IS INCLUDED TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES. EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Payments of Interest

If you are a U.S. Holder, interest paid to you on a note, including any amount withheld in respect of any taxes and any Additional Amounts, will be includible in your gross income as ordinary interest income at the time such payments are received or accrued in accordance with your usual method of tax accounting for U.S. federal income tax purposes.

In addition, interest on the notes will be treated as "passive category" foreign source income for U.S. federal income tax purposes for most U.S. Holders. Subject to generally applicable restrictions and conditions, if any foreign income taxes are withheld on interest payments on the notes, a U.S. Holder will be entitled to a foreign tax credit in respect of any such foreign income taxes. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. Additionally, a foreign tax credit for foreign income taxes imposed with respect to the notes may be denied where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

A portion of the price paid for the notes will be allocable to interest that accrued prior to the date the note is purchased (the "pre-issuance accrued interest"). An election may be made to decrease the issue price of the note by the amount of pre-issuance accrued interest if: (a) a portion of the initial purchase price of the note is attributable to pre-issuance accrued interest, (b) the first stated interest payment on the note is to be made within one year of the note's issue date, and (c) the payment will equal or exceed the amount of pre-issuance accrued interest. If this election is made, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest (thereby reducing the holder's adjusted tax basis in the note by such amount) and not as an amount payable on the note.

If a U.S. Holder purchases a note for an amount in excess of its principal amount, such U.S. Holder may elect to treat the excess as amortizable bond premium. If a U.S. Holder makes this election, the amount required to be included in such U.S. Holder's income each year with respect to interest on the note will be reduced by the amount of amortizable bond premium allocable to that year, based on the note's yield to maturity. If a U.S. Holder makes an election to amortize bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that such U.S. Holder holds at the beginning of the first taxable year to which the election applies or that such U.S. Holder thereafter acquires, and may not be revoked without the consent of the IRS.

Subject to the discussion below under the caption "—U.S. Backup Withholding and Information Reporting," if you are a Non-U.S. Holder, payments to you of interest on a note generally will not be subject to U.S. federal income tax unless the income is effectively connected with your conduct of a trade or business in the United States (and if an income tax treaty applies, such income is attributable to a permanent establishment maintained by you in the United States).

Sale, Exchange or Other Taxable Disposition of Notes

If you are a U.S. Holder, upon the sale, exchange or other taxable disposition (including a redemption) of a note you will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition, other than accrued but unpaid stated interest which will be taxable as ordinary income to the extent not previously included in gross income, and your adjusted tax basis in the note. Your adjusted tax basis in a note generally will equal the cost of the note to you. Any such gain or loss will be capital gain or loss. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

Any gain or loss realized on the sale, exchange or other taxable disposition of a note generally will be treated as U.S. source gain or loss, as the case may be. As a result, if any such gain is subject to foreign income tax, U.S. Holders may not be able to credit such tax against their U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code, unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income treated as derived from foreign sources.

Subject to the discussion below under the caption "—U.S. Backup Withholding and Information Reporting," if you are a Non-U.S. Holder, any gain realized by you upon the sale, exchange or other taxable disposition of a note generally will not be subject to U.S. federal income tax, unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and if an income tax treaty applies, the gain is attributable to a permanent establishment maintained by you in the United States, in which case the Non-U.S. Holder generally will be subject to U.S. federal income tax in respect of such gain in the same manner as a U.S. Holder, as discussed above); or

- if you are an individual Non-U.S. Holder, you are present in the United States for 183 days or more in the taxable year of the sale, exchange or other taxable disposition and certain other conditions are met, in which case the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate the 30% on the amount by which the Non-U.S. Holder's U.S. source capital gains exceed its U.S. source capital losses.

A Non-U.S. Holder that is a corporation may, in certain circumstances, also be subject to an additional "branch profits tax" upon the actual or deemed repatriation of any such effectively connected income or gain at a 30% rate (or, to the extent provided under an applicable income tax treaty, a lower rate).

U.S. Backup Withholding and Information Reporting

Backup withholding and information reporting requirements generally apply to payments of principal of, and interest on, a note and to proceeds of the sale or redemption of a note, to U.S. Holders. Information reporting generally will apply to payments of principal of, and interest on, notes, and to proceeds from the sale or redemption of, notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding will be required on payments made within the United States, or by a U.S. payor or U.S. middleman, on a note to a U.S. Holder, other than an exempt recipient, if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Payments within the United States, or by a U.S. payor or U.S. middleman, of principal and interest to a Non-U.S. Holder generally will not be subject to backup withholding and information reporting requirements if an appropriate certification is provided by the Non-U.S. Holder to the payor and the payor does not have actual knowledge or a reason to know that the certificate is incorrect.

Backup withholding is not an additional tax. You generally will be entitled to credit any amounts withheld under the backup withholding rules against your U.S. federal income tax liability or to receive a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

Foreign Financial Assets Reporting

Individuals that own "specified foreign financial assets" (which will generally include the notes) with an aggregate value in excess of U.S. $50,000 at the end of the taxable year or U.S.$75,000 at any time during the taxable year will generally be required to file an information report on IRS Form 8938 with respect to such assets with their U.S. federal income tax returns. Guidance issued by the IRS prescribes higher reporting thresholds for certain individuals and exempts "specified foreign financial assets" held in a financial account from reporting under this provision (although the financial account itself, if maintained by a foreign financial institution, may remain subject to this reporting requirement). In addition, proposed regulations extend this reporting requirement to certain United States entities. U.S. Holders that are individuals are urged to consult their tax advisors regarding the application of this legislation to their ownership of the notes.

Medicare Contribution Tax on Unearned Income

A 3.8% Medicare tax is generally imposed on the "net investment income" of individuals, estates and trusts. "Net investment income" generally includes the following: (i) gross proceeds from interest and dividends other than from the conduct of a non-passive trade or business; (ii) other gross income from a passive trade or business; and (iii) net gain attributable to the disposition of property other than property held in a non-passive trade or business. As a result, certain U.S. Holders who are individuals, estates or trusts may be required to pay up to an additional 3.8% tax on interest and capital gains earned with respect to the notes.

European Union Savings Directive

On June 3, 2003, the Council of the European Union (the "Council") adopted a directive on the taxation of savings income. Pursuant to the directive, each member state of the E.U. will be required, subject to a number of important conditions being met, to provide to the tax authorities of the other member states information regarding payments of interest (or other similar income) paid by persons within its jurisdiction to or for the benefit of individual residents of such other member states, except that for a transitional period Luxembourg and Austria will instead operate a withholding system in relation to such payments until such time as (amongst other things) the E.U. is able to enter into satisfactory information exchange agreements with several non-E.U. countries.

THIS SUMMARY DOES NOT CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF NOTES. PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE CONSEQUENCES OF OWNING THE NOTES.

PLAN OF DISTRIBUTION

Citigroup Global Markets Inc. is acting as sole book-running manager of the offering and as the Initial Purchaser. Subject to the terms and conditions stated in the purchase agreement dated the date of this offering memorandum, the Initial Purchaser has agreed to purchase, and we have agreed to sell to the Initial Purchaser, the principal amount of the notes set forth opposite the Initial Purchaser's name.

Initial Purchaser	**Principal Amount of Notes**
Citigroup Global Markets Inc.	U.S.$100,000,000
Total	U.S.$100,000,000

The purchase agreement provides that the obligation of the Initial Purchaser to purchase the notes is subject to approval of legal matters by counsel and to other conditions. The Initial Purchaser must purchase all the notes if it purchases any of the notes.

The Initial Purchaser proposes to resell the notes at the offering price set forth on the cover page of this offering memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. See "Transfer Restrictions." The price at which the notes are offered may be changed at any time without notice.

The notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."

In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

We have agreed that, for a period of 90 days from the date of this offering memorandum, we will not, without the prior written consent of the Initial Purchaser, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by us. The Initial Purchaser in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

The notes will constitute a new class of securities with no established trading market. We do not intend to list the notes on any national securities exchange. However, we cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. The Initial Purchaser has advised us that they currently intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the notes.

We estimate that our portion of the total expenses of this offering will be U.S.$1,237,750.

In connection with the offering, the Initial Purchaser may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the Initial Purchaser of a greater number of notes than they are required to purchase in the offering.

- Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions.

- Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Initial Purchaser for its own account, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Initial Purchaser may conduct these transactions in the over-the-counter market or otherwise. If the Initial Purchaser commences any of these transactions, it may discontinue them at any time.

The Initial Purchaser is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchaser and its affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of its various business activities, the Initial Purchaser and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. Certain loans between the affiliates of the Initial Purchaser and Pepsi-Cola Trinidad Bottling Company Limited will be repaid with the proceeds of the offering.

We have agreed to indemnify the Initial Purchaser against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchaser may be required to make because of any of those liabilities.

Selling Restrictions

The notes are offered for sale in those jurisdictions in the United States, Europe, Asia and elsewhere where it is lawful to make such offers.

The notes have not been offered, sold or delivered and will not be offered, sold or delivered, directly or indirectly, and this offering memorandum or any information incorporated by reference herein or any other offering material relating to the notes, has not been and will not be distributed in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on us except as set forth in the purchase agreement.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") an offer to the public of any notes which are the subject of the offering contemplated by this offering memorandum may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any notes may be made any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the Initial Purchaser for any such offer; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

  provided that no such offer of notes shall require the Issuer or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of notes described in this offering memorandum located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" as defined in the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any notes to be offered so as to enable an investor to decide to purchase any notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospects Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each relevant member state and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

In the United Kingdom, this offering memorandum is only being distributed to, and is only directed at, (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"); or (b) high net worth entities and other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any person in the United Kingdom that is not a relevant person should not act or rely on this offering memorandum or any of its contents. Any investment or investment activity to which this offering memorandum relates is available in the United Kingdom only to relevant persons, and will be engaged in only with such persons.

The Initial Purchaser represents and agrees that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any notes in circumstances in which section 21(1) of the FSMA does not apply to us; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

The validity of the notes will be passed upon on behalf of CABCORP by Samuels Richardson & Co., British Virgin Islands counsel to CABCORP, and by Hogan Lovells US LLP, special U.S. counsel to CABCORP. The validity of the notes will be passed upon on behalf of the Initial Purchaser by Harney Westwood & Riegels, British Virgin Islands counsel to the Initial Purchaser, and by Shearman & Sterling LLP, special U.S. counsel to the Initial Purchaser.

INDEPENDENT AUDITOR

The consolidated financial statements of The Central America Bottling Corporation and subsidiaries as of December 31, 2012 and 2011 and for each of the years in the three-year period ended December 31, 2012, 2011, and 2010 included in this offering memorandum have been audited by Aldana González Gómez y Asociados, S.C., ("KPMG") independent auditors and a Guatemalan entity, member firm of the KPMG network of independent member firms affiliated with KPMG International a Swiss cooperative, as stated in their report appearing elsewhere therein. Their report includes the following emphasis of matter language:

- As described in notes 1, 6, 16 and 29 to the consolidated financial statements, The Central America Bottling Corporation and subsidiaries are members of a group of companies with which they perform and keep significant balances and transactions.

- As disclosed in note 33 to the consolidated financial statements, the 2011 and 2010 consolidated financial statements have been restated to correct a misstatement. Their opinion is not modified with respect to this matter.

GENERAL INFORMATION

We have applied to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Copies of these documents are available free of charge from The Bank of New York Mellon (Luxembourg) S.A., the Luxembourg listing agent, paying agent and transfer agent for the notes. The by-laws of the guarantors will be available for the public at the specified office of The Bank of New York Mellon (Luxembourg) S.A.

Pursuant to the rules of the Luxembourg Stock Exchange, the following financial information of the Company is available to investors:

- CABCORP's Annual Audited Consolidated Financial Statements as of and for the years ended December 31, 2012, 2011 and 2010

For so long as the notes are listed on the Luxembourg Stock Exchange, copies of the following will be available during the term of the notes in the City of Luxembourg at the specified office of The Bank of New York Mellon (Luxembourg) S.A., the listing, paying and transfer agent for the notes on the Luxembourg Stock Exchange:

- the Memorandum and Articles of Association of CABCORP;

- the purchase agreement by and between CABCORP and the Initial Purchaser relating to the notes;

- the Indenture, the notes and all other agreements to the notes and the guarantees;

- this offering memorandum; and

- copies of CABCORP's audited consolidated annual financial statements for the three fiscal years ended December 31, 2012, 2011 and 2010.

For fiscal years ending on or after December 31, 2012 and for so long as any of the notes remain outstanding or listed on the Luxembourg Stock Exchange, copies of our annual report, in English, containing audited consolidated financial statements for the most recent year, will be delivered to the specified offices of the paying agent, transfer agent and listing agent and can be obtained free of charge. Our audited consolidated annual financial statements for the three fiscal years ended December 31, 2012, 2011 and 2010 are included in this offering memorandum. See "Index to Financial Statements." The future audited consolidated annual financial statements and quarterly financial statements of the issuer will be available.

In addition to being mailed to holders, copies of all notices to holders of the notes will be published in the *Luxemburger Wort* and the website of the Luxembourg Stock Exchange (www.bourse.lu) as long the notes are listed on the Luxembourg Stock Exchange.

The issuance of the new notes was authorized by resolution of CABCORP's board of directors on May 3, 2013. The resolution also authorized the management to determine the final terms of the issuance of the new notes, including increasing the offering size.

CABCORP registers its Memorandum of Association and Articles of Association with the Registrar of Companies of the British Virgin Islands and the registration number is 136644. Article 4 of CABCORP's Memorandum of Association states that CABCORP is formed to carry on unrestricted businesses including all kinds of investment, financial, commercial, mercantile, trading and other operations.

Neither CABCORP nor any of the guarantors are involved in any litigation, arbitration or administrative proceedings that are material in the context of the issue of the notes nor are we aware of any such litigation, arbitration or administrative proceedings, whether pending or threatened. Except as disclosed in this offering memorandum, there has been no significant adverse change in our financial or trading position or prospects since December 31, 2012, the date of the latest audited consolidated financial statements.

The purchase agreement among CABCORP and the Initial Purchaser, the notes and the indenture are governed by the laws of the State of New York, U.S.A.

The notes have been accepted for clearance through the facilities of DTC. The ISIN's for the Rule 144A notes and the Regulation S notes are US15238XAA72 and USG20011AA39, respectively. The Common Codes for the Rule 144A notes and the Regulation S notes are 074528139 and 074495419, respectively. The new notes issued in the form of a Rule 144A global note will have the same CUSIP, ISIN and Common Code numbers as the initial notes that are held in the form of a Rule 144A global note; provided, however, that during the Distribution Compliance Period and until they are exchanged for a permanent Regulation S global note, the new notes issued in the form of a temporary Regulation S global note will have temporary CUSIP G20011 AB1, temporary ISIN USG20011AB12, and temporary Common Code 093128664; after they have been exchanged for a permanent Regulation S global note, such new notes will have the same CUSIP, ISIN and Common Code numbers as the initial notes held in the form of a Regulation S global note. For purposes hereof, the Distribution Compliance Period shall terminate on June 22, 2013.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

CABCORP AND CONSOLIDATED SUBSIDIARIES

The Central America Bottling Corporation and Subsidiaries

Consolidated Financial Statements

December 31, 2012, 2011 and 2010

KPMG

(With Independent Auditors' Report Thereon)

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KPMG

KPMG

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Independent Auditors' Report

To the Shareholders of
The Central America Bottling Corporation and Subsidiaries

We have audited the accompanying consolidated financial statements of The Central America Bottling Corporation and Subsidiaries (hereinafter the "Group"), which comprise the consolidated balance sheets as of December 31, 2012 and 2011 and the consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the three years ended December 31, 2012, 2011 and 2010 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An independent audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

(Continues)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion of the Independent Auditors

In our opinion, the consolidated financial statements referred above present fairly, in all material respects, the consolidated financial position of The Central America Bottling Corporation and Subsidiaries as of December 31, 2012 and 2011, their consolidated financial performance and their consolidated cash flows for the three years ended December 31, 2012, 2011 and 2010 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following matters:

1) As described in Notes 1, 6, 16 and 29 to the consolidated financial statements, The Central America Bottling Corporation and Subsidiaries are members of a group of companies with which they perform and keep significant balances and transactions.

2) As disclosed in note 33 to the consolidated financial statements, the 2011 and 2010 consolidated financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

KPMG

Lic. Hugo Rodríguez A.
Partner

April 22, 2013

Consolidated Balance Sheets

December 31, 2012 and 2011
(Expressed in US dollars)

	2012 US$	2011 US$ (Restated, notes 33 and 34)
Assets		
Current:		
Cash (note 4)	67,928,267	63,094,910
Held-to-maturity investments (note 5)	120,041,265	21,494,918
Accounts receivable, net (note 6)	179,478,031	119,979,617
Inventories (note 7)	119,058,296	82,591,430
Prepaid expenses (note 8)	4,607,492	3,607,907
Available-for-sale non-financial assets (note 9)	-	1,286,122
Total current assets	491,113,351	292,054,904
Non-current:		
Held-to-maturity investments (note 5)	42,000,000	-
Investments in equity-accounted investees (note 10)	1,750,000	1,750,000
Property, plant and equipment, net (note 12)	331,061,968	226,193,515
Intangible assets and goodwill (note 13)	100,407,931	41,031,800
Deferred tax assets (note 27)	5,734,958	5,318,549
Other assets (note 14)	34,674,788	7,078,736
Total non-current assets	515,629,645	281,372,600
	1,006,742,996	573,427,504

(Continues)

Consolidated Balance Sheets

December 31, 2012 and 2011
(Expressed in US dollars)

	2012 US$	2011 US$ (Restated, notes 33 and 34)
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term bank loans (note 15)	31,054,579	12,000,000
Current portion of long-term loans (note 15)	2,608,665	12,661,177
Accounts payable and accrued expenses (note 16)	240,241,114	141,925,568
Income tax payable	2,764,329	1,411,538
Total current liabilities	276,668,687	167,998,283
Non-current liabilities:		
Long-term bank loans, less current portion (note 15)	221,703,672	144,647,344
Bonds payable (note 17)	200,000,000	-
Accounts payable (note 19)	6,053,540	2,658,389
Provision for employee benefits (note 20)	6,767,000	7,013,000
Provision for indemnities (note 21)	19,459,948	18,634,157
Deferred tax liability (note 27)	12,559,465	14,025,421
Preferred shares (note 22)	3,546,822	5,066,990
Total non-current liabilities	470,090,447	192,045,301
Total liabilities	746,759,134	360,043,584
Shareholders' equity:		
Paid-in capital (note 23)	30,487,800	30,487,800
Contributions for future capital increases	57,217,515	57,217,515
Legal reserve	6,540,781	7,089,796
Retained earnings	154,757,270	134,407,069
Cumulative translation adjustment	(19,437,944)	(23,298,315)
Total equity attributable to shareholders of the Group	229,565,422	205,903,865
Non-controlling interests (note 3aii)	30,418,440	7,480,055
Total equity	259,983,862	213,383,920
Commitments, contingencies endorsements and guarantees (note 28)		
	1,006,742,996	573,427,504

See notes accompanying the consolidated financial statements.

Consolidated Statements of Income

Years ended December 31, 2012, 2011 and 2010
(Expressed in US dollars)

	2012 US$	2011 US$ (Restated, note 33)	2010 US$ (Restated, note 33)
Net sales	1,092,595,396	881,424,417	782,234,211
Cost of sales	(706,754,033)	(590,158,341)	(508,134,375)
Gross profit	385,841,363	291,266,076	274,099,836
Other income (note 24)	15,777,971	7,711,182	3,905,758
Selling expenses (note 25)	(225,840,015)	(163,297,441)	(151,249,053)
General and administrative expenses (note 25)	(66,751,827)	(61,994,140)	(52,276,725)
Depreciation and amortization	(29,357,879)	(29,099,103)	(31,406,937)
Other expenses	(3,836,285)	(7,795,616)	(3,916,705)
Operating profit	75,833,328	36,790,958	39,156,174
Finance income (note 26)	19,168,273	4,990,466	8,966,546
Finance cost (note 26)	(42,200,082)	(18,740,270)	(23,041,541)
	(23,031,809)	(13,749,804)	(14,074,995)
Other non-operating expenses	-	-	(587,198)
Share of loss of equity-accounted investees (note 10)	-	(2,116,371)	(1,949,975)
Profit before income tax	52,801,519	20,924,783	22,544,006
Income tax (note 27)			
Current	(15,185,280)	(10,757,563)	(6,593,465)
Deferred benefit (expense), net	1,598,316	1,423,822	(1,352,697)
	(13,586,964)	(9,333,741)	(7,946,162)
Net profit for the year	39,214,555	11,591,042	14,597,844
Attributable to:			
Group shareholders	37,174,244	15,612,700	15,912,520
Non-controlling interests	2,040,311	(4,021,658)	(1,314,676)
Net profit for the year	39,214,555	11,591,042	14,597,844

See notes accompanying the consolidated financial statements.

Consolidated Statements of Comprehensive Income

Years ended December 31, 2012, 2011 and 2010
(*Expressed in US dollars*)

	2012 US$	**2011 US$ (Restated, note 33)**	**2010 US$ (Restated, note 33)**
Net profit for the year	39,214,555	11,591,042	14,597,844
Other comprehensive income for the year			
Foreign currency translation effect – foreign operations	530,554	1,685,045	1,329,344
Unrealized actuarial gain (loss) on defined benefit plans	272,005	(1,574,005)	(971,000)
Total other comprehensive income for the year	802,559	111,040	358,344
Total comprehensive income for the year	40,017,114	11,702,082	14,956,188
Attributable to:			
Group shareholders	37,671,257	15,710,780	16,687,340
Non-controlling interests	2,345,857	(4,008,698)	(1,731,152)
Total comprehensive income for the year	40,017,114	11,702,082	14,956,188

See notes accompanying the consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Years ended December 31, 2012, 2011 and 2010
(Expressed in US dollars)

	Paid-in capital US$	Contributions for future capital increases US$	Legal reserve US$	Retained earnings US$	Cumulative translation adjustment US$	Tot US
Balance at December 31, 2011	30,487,800	57,217,515	7,089,796	134,407,069	(23,298,315)	205,903
Comprehensive income (loss) for the year						
Net profit for the year	-	-	-	37,174,244	-	37,174
Other comprehensive income for the year						
Transfer to capital reserves	-	-	(549,015)	549,015	-	-
Cumulative translation adjustment	-	-	-	(3,635,363)	3,860,371	225
Defined benefit plans actuarial gain	-	-	-	272,005	-	272
Total other comprehensive income	-	-	(549,015)	(2,814,343)	3,860,371	497
Total comprehensive income for the year	-	-	(549,015)	34,359,901	3,860,371	37,671
Transactions with owners recognized directly in equity						
Shareholders' equity restructure	-	-	-	(1,515,804)	-	(1,515
Non-controlling interest in bussiness combination	-	-	-	-	-	-
Dividends paid	-	-	-	(12,493,896)	-	(12,493
Total transactions with Group owners	-	-	-	(14,009,700)	-	(14,009
Balance at December 31, 2012	30,487,800	57,217,515	6,540,781	154,757,270	(19,437,944)	229,565

Consolidated Statements of Shareholders' Equity

	Paid-in capital US$	Contributions for future capital increases US$	Legal reserve US$	Retained earnings US$	Cumulative translation adjustment US$	Tot US
Balance at December 31, 2010	30,487,800	57,217,515	4,481,417	139,230,049	(24,970,400)	206,44
Comprehensive income (loss) for the year						
Net profit for the year	-	-	-	15,612,700	-	15,61
Other comprehensive income for the year						
Transfer to capital reserves	-	-	2,608,379	(2,608,379)	-	-
Foreign currency translation differences for the year	-	-	-		1,672,085	1,67
Defined benefit plans actuarial losses	-	-	-	(1,574,005)	-	(1,57
Total other comprehensive income (loss)	-	-	2,608,379	(4,182,384)	1,672,085	9
Total comprehensive income (loss) for the year	-	-	2,608,379	11,430,316	1,672,085	15,71
Transactions with owners recognized directly in equity						
Dividends paid	-	-	-	(16,253,296)	-	(16,25
Total transactions with Group owners	-	-	-	(16,253,296)	-	(16,25
Balance at December 31, 2011	30,487,800	57,217,515	7,089,796	134,407,069	(23,298,315)	205,90

Consolidated Statements of Shareholders' Equity

	Paid-in capital US$	Contributions for future capitalizations US$	Legal reserve US$	Retained earnings US$	Cumulative translation adjustment US$	Tot US
Balance at December 31, 2009 previously reported	30,487,800	64,432,670	4,131,842	132,962,898	(26,716,220)	205,298
Adjustments of previous periods (note 33)	-	(7,215,155)	-	7,215,155	-	-
Balance at December 31, 2009 Restated	30,487,800	57,217,515	4,131,842	140,178,053	(26,716,220)	205,298
Comprehensive income (loss) for the year						
Net profit for the year	-	-	-	15,912,520	-	15,91
Other comprehensive income for the year						
Transfer to capital reserves	-	-	349,575	(349,575)	-	-
Foreign currency translation differences for the year	-	-	-	-	1,745,820	1,74
Defined benefit plans actuarial losses	-	-	-	(971,000)	-	(97
Total other comprehensive income	-	-	349,575	(1,320,575)	1,745,820	77
Total comprehensive income (loss) for the year	-	-	349,575	14,591,945	1,745,820	16,68
Transactions with owners recognized directly in equity						
Transfer to non-controlling interest	-	-	-	(6,051,604)	-	(6,05
Dividends paid	-	-	-	(9,488,345)	-	(9,48
Total transactions with Group owners	-	-	-	(15,539,949)	-	(15,53
Balance at December 31, 2010	30,487,800	57,217,515	4,481,417	139,230,049	(24,970,400)	206,44

See notes accompanying the consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended December 31, 2012, 2011 and 2010
(Expressed in US dollars)

	2012 US$	2011 US$ (Restated, notes 33 and 34)	2010 US$ (Restated, notes 33 and 34)
Cash flows from operating activities:			
Net profit for the year	39,214,555	11,591,042	14,597,844
Reconciliation items between net profit for the year and net cash (used) provided by operating activities:			
Depreciation	42,068,070	37,504,841	38,418,636
Amortization of rights and other assets	1,332,920	1,843,304	2,790,158
Breakage of containers and boxes	3,107,324	2,113,782	3,181,196
Deferred income tax (benefit) expense, net	(1,598,316)	(1,423,822)	1,352,697
Provision for employee benefits	1,014,005	1,348,995	1,552,000
Provision for indemnities	1,570,988	4,925,314	1,982,541
Share of loss of equity- accounted investees, net	-	2,116,371	1,949,975
Provision for doubtful accounts	619,703	4,548,785	1,634,940
Provision for doubtful tax credits	-	-	3,831,287
Impairment loss on trade receivables	-	1,336,461	-
Finance cost, net	23,031,809	13,749,804	14,074,995
(Gain) loss on sale and/or by write-offs of property, plant and equipment, net	(10,197,031)	1,986,443	286,513
	100,164,027	81,641,320	85,652,782
Net changes in assets and liabilities:			
Accounts receivable	(16,227,721)	(3,072,349)	392,332
Inventories	(19,280,077)	(4,404,736)	(13,796,291)
Prepaid expenses	(999,585)	(673,064)	1,788,012
Intangible assets	(11,662,276)	176,785	(1,964,432)
Other assets	(5,886,013)	(2,153,754)	259,855
Accounts payable and accrued expenses	27,983,424	15,063,331	(1,306,148)
Income tax payable	1,352,791	2,350,848	2,098,777
Benefits paid to employees	(988,000)	(1,257,000)	(839,000)
Severance paid to employees	(378,522)	(1,439,424)	(1,844,489)
Interest paid	(28,264,497)	(13,296,527)	(17,632,642)
	(54,350,476)	(8,705,890)	(32,844,026)
Net cash provided by operating activities	45,813,551	72,935,430	52,808,756

(Continues)

Consolidated Statements of Cash Flows

	2012 US$	2011 US$ (Restated, notes 33 and 34)	2010 US$ (Restated, notes 33 and 34)
Cash flows from investing activities:			
Acquisition of property, plant and equipment	(81,192,629)	(44,913,930)	(36,865,822)
Proceeds from sale of property, plant and equipment	10,197,031	1,303,392	200,572
Net decrease (increase) in held-to-maturity investments	(140,546,347)	4,670,872	(20,156,974)
Cash consideration paid on acquisition of subsidiaries	(63,000,000)	-	-
Increase in investments in equity-accounted investees	-	(1,750,000)	-
Cash received from business combination	1,013,392	-	-
Interest received	10,072,541	1,901,957	2,441,566
Net cash used in investing activities	(263,456,012)	(38,787,709)	(54,380,658)
Cash flows from financing activities:			
Loans obtained	201,681,524	25,121,121	174,247,279
Bonds payable	200,000,000	-	-
Payment of loans	(167,897,990)	(50,759,895)	(163,130,237)
Dividends paid	(12,781,593)	(16,433,861)	(9,849,475)
Repurchase of preferred shares	(1,520,168)	(626,693)	(1,298,319)
Net cash provided by (used in) financing activities	219,481,773	(42,699,328)	(30,752)
Net increase (decrease) in cash	1,839,312	(8,551,607)	(1,602,654)
Cash and cash equivalents at beginning of year	63,094,910	73,254,004	75,375,907
Effect of exchange rate fluctuations on cash held	2,994,045	(1,607,487)	(519,249)
Cash and cash equivalents at end of year	67,928,267	63,094,910	73,254,004

(Continues)

Consolidated Statements of Cash Flows

Non-monetary transactions
Non-monetary transactions were as explained as follows:

	December 31		
	2012	**2011**	**2010**
	US$	**US$**	**US$**
Transfer of preferred shares to accounts payable	3,306,425	3,417,493	-
Write-off of trade balances against net profit for the year	-	1,336,461	-
Write-off of trade balances considered uncollectible against provision for doubtful accounts	509,604	276,946	1,362,927
Payment of dividends through reduction of accounts receivable	-	700,000	-
Increase in fixed assets through leasing contracts	-	1,135,152	-
Accounts receivable generated from the sale of fixed assets	-	700,000	-

For purposes of preparation of the consolidated statements of cash flows for the year ended December 31, 2012 the assets acquired and liabilities assumed in the business combination in 2012 were eliminated: Assets for US$153,908,209 and liabilities for US$126,001,759 were eliminated and in their place the cash disbursed in the acquisition of such entities for US$63,000,000 (see note 11).

See notes accompanying the consolidated financial statements.

Notes to the Consolidated Financial Statements
December 31, 2012 and 2011

1 Organization and Operations

The Central America Bottling Corporation (the "Group") was organized under the laws of the British Virgin Islands (BVI) on December 28, 1994. Its domicile is at Boulevard Los Próceres, Zona 10, Edificio Unicentro Nivel 12, Guatemala, Central America. Its purpose is the holding of shares of its subsidiaries to coordinate and direct operations in the Central American region, the Caribbean region, North and South America region. The subsidiaries of CABCORP are listed below:

Guatemalan subsidiaries:
Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. was organized under the laws of the Republic of Guatemala on March 25, 1965 to operate for an indefinite term. Its activity is the manufacture, distribution and sale of carbonated soft drinks and other beverages. On September 29, 2010, Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. absorbed the operations of Embotelladora del Norte, S.A. and Embotelladora del Sur, S.A. through a takeover merger. Before the merger, these companies were under the control of The Central America Bottling Corporation and were therefore already forming part of the consolidated financial statements. In this takeover merger, no goodwill was generated because the companies were under common control and no consideration was transferred for the assets acquired and the liabilities assumed by Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A.

The domicile of this company is as follows:

Administrative offices:
- 43 Calle 1-10, Zona 12, Colonia Monte María 1, Guatemala, Guatemala.
- Boulevard Los Próceres 24-69, Zona 10, Edificio Zona Pradera Nivel 3, Guatemala, Guatemala.

Plants
- 43 calle 1-10, Zona 12, Colonia Monte María 1, Guatemala, Guatemala.
- Km. 167.5 carretera a Cuyotenango, Suchitepéquez, Guatemala.

In addition, there are other Guatemalan subsidiaries, whose principal activity is the provision of personnel services to Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. and others that do not have significant balances or operations with third parties.

Salvadoran subsidiaries:
Livsmart Américas, S.A. de C.V. was organized on January 1, 1981 under the laws and jurisdiction of the Republic of El Salvador with the name Bon Appetit, S.A. de C.V. Its domicile is Km. 27.5 Carretera a Sonsonate, La Libertad, El Salvador. On March 11, 2010, the company's trading name was changed from Bon Appetit, S.A. de C.V. to Livsmart Americas, S.A.de C.V. its principal activity is the production, industrialization, sale and marketing of Non-alcoholic beverages.

Notes to the Consolidated Financial Statements

Mariposa El Salvador, S.A. de C.V. was organized under the laws of the Republic of El Salvador in May 2001. Its domicile is Boulevard Santa Elena y Calle Cerro Verde, Urbanización Santa Elena, Antiguo Cuscatlán, La Libertad, El Salvador, C.A. Mariposa El Salvador, S.A. de C.V. is the principal company in the Mariposa El Salvador Group and its principal activity is the provision of services and lease of movable and immovable property to Group companies. The following are the affiliated companies of Mariposa El Salvador, S.A. de C.V.:

- Comercializadora Interamericana, S.A. de C.V. was organized under the laws of the Republic of El Salvador in August 2001. Its principal activity is the import, distribution and sale of beverages of the Pepsi, Mirinda and Seven-Up carbonated soft drinks and Brahva beer and other non-carbonated beverages.

- Contrataciones Interamericanas, S.A. de C.V. was organized under the laws of the Republic of El Salvador on September 7, 2001. Its principal activity is the provision of personnel administration services to the affiliate Comercializadora Interamericana, S.A. de C.V.

- Bebidas Especializadas, S.A. de C.V. was organized under the laws of the Republic of El Salvador in November 2001. Its principal activity up to 2004 was the import, distribution and sale of non-carbonated beverages. This activity was transferred in 2005 to Comercializadora Interamericana S.A. de C.V. At December 31, 2010, this company is inactive.

Comercializadora Leo, S.A. de C.V. was organized in the Republic of El Salvador on August 23, 2001 under public deed number 39. Its domicile is the city of San Salvador, El Salvador, and its principal activity is the distribution and sale of concentrate mix for the soft drink dispensing machines in restaurants, bars, movie theaters and other similar outlets.

Post-Mix de Centroamérica, S.A. de C.V. was organized in the Republic of El Salvador on July 26, 2001 under public deed number 97. Its domicile is Ciudad Arce, San Salvador, El Salvador. At December 31, 2010, this subsidiary does not have significant operations with third parties.

Honduran subsidiaries:
The La Reyna de Honduras Group is made up of Embotelladora La Reyna, S.A. de C.V. and three affiliated companies. Embotelladora La Reyna, S.A. de C.V. was organized under the laws of the Republic of Honduras in February 1963 to operate for an indefinite term. Its domicile is Carretera al Batallón, Francisco Morazán, Tegucigalpa, Honduras. Its principal activity is the manufacture, distribution and sale of soft drinks and other beverages. The affiliated companies are:

Notes to the Consolidated Financial Statements

- Comercializadora Modelo, S.A. de C.V. was organized as a variable capital corporation on September 21, 1995 to operate for an indefinite term. This company's purpose is the purchase and sale of the products made and imported by Embotelladora La Reyna, S.A.

- Comercializadora Sagitario, S.A. was organized on September 17, 2002 to operate for an indefinite term and whose purpose is the purchase and sale, import and export of inputs for carbonated, isotonic, hydrating or reconstituting and alcoholic beverages.

- Bebidas Especializadas, S.A. was organized on March 6, 2002. Up to 2005, the purpose of this company was the purchase and sale, import, distribution and export of all kinds of beverages or goods. It is at present inactive.

Distribuidora Central, S.A. was organized in the Republic of Honduras on June 18, 2002 to operate for an indefinite term. Its domicile is Tegucigalpa, Municipio del Distrito Central, Departamento de Francisco Morazán. Its principal activity is distribution and sale of soft drinks and other non-carbonated beverages. At December 31, 2011 this company has no longer operations with third parties.

Nicaraguan subsidiary:
Embotelladora Nacional, S.A. (ENSA) was organized under the laws of the Republic of Nicaragua under public deed number 47 of July 15, 1944 to operate for an indefinite term. Its domicile is Carretera Norte, Km. 7.5 de Shell Waspan 700 metros al Sur, detrás de Nimac, Managua, Nicaragua. Its principal activity is the manufacture, distribution and sale of soft drinks and other beverages.

Panamanian subsidiaries:
The Central American Bottling Corporation – Guatemala and Embotelladora La Mariposa, S.A. Panamá, were organized under the laws of the Republic of Panama on December 1st, 2010 and on February 11, 2009, respectively. Their domicile is Boulevard Los Próceres, Zona 10, Edificio Unicentro Nivel 12, Guatemala, Central America. Their principal activity is the administration of the investments of the Guatemalan subsidiaries.

The Central America Bottling Corporation – El Salvador and Mariposa El Salvador, S.A. de C.V., Panama were organized under the laws of the Republic of Panama on February 15, 2007 and February 11, 2009, respectively. Their domicile is in Boulevard Los Próceres, Zona 10, Edificio Unicentro Nivel 12, Guatemala, Central America. Their principal activity is the administration of the investments of the Salvadoran subsidiaries.

Notes to the Consolidated Financial Statements

The Central America Bottling Corporation – Honduras and Embotelladora La Reyna, S.A. Panamá were organized under the laws of the Republic of Panama on February 25, 2002 and February 11, 2009, respectively. Their domicile is in Boulevard Los Próceres, Zona 10, Edificio Unicentro Nivel 12, Guatemala, Central America. Their principal activity is the administration of the investments of the Honduran subsidiaries.

The Central America Bottling Corporation – Nicaragua and Embotelladora Nacional, S.A. Panamá were organized under the laws of the Republic of Panama on February 25, 2002 and February 12, 2009, respectively. Their domicile is Boulevard Los Próceres, Zona 10, Edificio Unicentro Nivel 12, Guatemala, Central America. Their principal activity is the administration of the investments of the Nicaraguan subsidiaries.

Livsmart Holdings, S.A. was organized under the laws of the Republic of Panama on February 12, 2010. Its domicile is Boulevard Los Próceres, Zona 10, Edificio Unicentro Nivel 12, Guatemala, Central America. Its principal activity is the administration of the investments of the Salvadoran and Mexican subsidiaries.

The Central American Bottling Corporation – Puerto Rico, was organized under the laws of the Panamá Republic on December 1, 2010. Its domicile is Boulevard Los Próceres, zona 10, Edificio Unicentro nivel 12, Guatemala, Central American. The principal activity of the company is to administrate the investments of the Puerto Rican subsidiaries.

The Central American Bottling Corporation – Jamaica was organized under the laws of the Panamá Republic on December 1, 2010. Its domicile is Boulevard Los Próceres, zone 10, Edificio Unicentro nivel 12, Guatemala, Central America. Its principal activity is to administrate the investments of the Jamaican subsidiaries.

The Central American Bottling Corporation – Trinidad & Tobago, was organized under the laws of the Panamá Republic on December 1, 2010. Its domicile is Boulevard Los Próceres, zone 10, Edificio Unicentro nivel 12, Guatemala, Central America. Its principal activity is to administrate the investments of the subsidiaries in Trinidad & Tobago.

Subsidiaries in the Caribbean region:
Pepsi-Cola Puerto Rico Distributing, LLC, was organized in the State of Delaware in the year 2000. The domicile of this company is Carretera 865, Kilometro 4, Barrio Candelaria, Toa Baja, Puerto Rico. The principal activity of this company is the bottling, distribution and marketing of non-alcoholic beverages, principally the Pepsi Cola mark and other similar beverages.

Notes to the Consolidated Financial Statements

Pepsi-Cola Jamaica Bottling, Company Limited was organized in Jamaica in 1999. Its administrative offices and plant are at 214 Spanish Town Road, Kingston, Jamaica. Its principal activity is the manufacture, bottling and distribution of soft drinks of the Pepsi Cola mark.

Pepsi-Cola Trinidad Bottling, Company Limited was organized in December 8, 2000 in Trinidad & Tobago. Its domicile is 19 Saint Vincent Street; Port of Spain.

Its principal activity is the manufacture, bottling and distribution of the soft drinks of the Pepsi Cola mark under license of the owners of the brand.

North American subsidiaries:
The South American Beverages Company, LLC was organized in City of Palm Beach Gardens, country of Palm Beach, Florida on April 24, 2012. Its fiscal domicile is in Boulevard Los Próceres 18 calle 5-65 Zona 10 Edificio Unicentro Nivel 12, Guatemala, Guatemala. Its principal activity is to administrate the investments of the Cabcorp Ecuador Beverages Company, LLC.

Cabcorp Ecuador Beverages Company, LLC was organized in Miami Florida on April 18, 2012. Its fiscal domicile is in 2333 Brickell Avenue Unit 608, Miami Florida 33131. Its principal activity is to administrate the investment of the Ecuadorian subsidiaries.

Mexican subsidiary:
Livsmart México, S.A. de C.V. was organized in the State of Mexico, Federal District, on February 13, 2009. Its fiscal domicile is in Mexico City, Federal District. The principal activity of this company is the distribution and marketing of non-alcoholic beverages, principally those acquired from the subsidiary Livsmart Américas, S.A. de C.V. (a Salvadoran company).

Ecuadorian subsidiaries:
The Tesalia Springs Company was organized in Quito, Ecuador on May 26, 1965. Its fiscal domicile is Pujili # 123 y Teodoro Gomez de la Torre, Quito, Ecuador. The principal activity of this company is the distribution and marketing of non-alcoholic beverages.

Delisoda, S.A. was organized in Guayaquil, Ecuador on April 18, 2004. Its fiscal domicile is Km. 9.5 Vía Daule, Guayaquil, Ecuador. The principal activity of this company is the distribution and marketing of non-alcoholic beverages.

Unless otherwise indicated in this document, all the companies mentioned above are referred to collectively as the "Group".

In the ordinary course of its operations, the Group makes significant transactions with related companies, from which it buys mainly inventories of raw material and finished products at previously agreed prices (see note 29).

Notes to the Consolidated Financial Statements

2 Basis of Preparation

a Statement of Compliance

The consolidated financial statements have been prepared according to International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and have been approved for issuance by the Board of Directors on March 12, 2013.

b Basis of Measurement

The accompanying consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments (forwards on market price for commodities), which at December 31, 2011 are measured at their fair value which as of that date are not significant (note 3c iii), as of December 31, 2012 the Group does not have derivative financial instruments.

c Functional and Presentation Currency

The consolidated financial statements and their notes are presented in United States dollars; which is the functional and reporting currency of the following companies: The Central America Bottling Corporation (CABCORP) ultimate parent; The Central America Bottling Corporation – Guatemala; Embotelladora La Mariposa, S.A. - Panama; The Central America Bottling Corporation - El Salvador; Mariposa El Salvador, S.A. de C.V. - Panama; Mariposa El Salvador, S.A. de C.V.; Livsmart Américas, S.A. de C.V.; Comercializadora Leo, S.A. de C.V.; Post-Mix de Centroamérica, S.A. de C.V.; The Central America Bottling Corporation - Honduras; Embotelladora La Reyna, S.A. - Panama; The Central America Bottling Corporation - Nicaragua; Embotelladora Nacional, S.A. - Panamá; Pepsi-Cola Puerto Rico Distributing, LLC.; The Central America Bottling Corporation – Jamaica; The Central America Bottling Corporation – Trinidad & Tobago; The South American Beverages Company, LLC; Cabcorp Ecuador Beverages Company, LLC; The Tesalia Springs Company, S.A. and Delisoda, S.A.

The functional and reporting currency of the other consolidated companies is the legal currency of each country, and their financial statements are translated to United States dollars for purposes of consolidation, according to the basis described in Note 3b ii.

d Use of Estimates and Judgment

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards requires that Group Management makes judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the Consolidated Financial Statements

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is described in the following notes:

Note 3d	Provision for doubtful accounts
Note 3e	Inventories
Note 3g	Property, plant and equipment
Note 3h	Intangible assets
Note 3i	Impairment of value of assets
Note 3k	Labor indemnities
Note 3l	Employee benefits
Note 3m	Provisions
Note 3r	Lease classification

The present economic environment has increased the degree of uncertainty inherent in these estimates and assumptions.

e Changes in Accounting Policies

During the years ended on December 31, 2012, 2011 and 2010, the Group did not perform any change to its accounting policies.

3 Summary of Significant Accounting Policies

The accounting policies that are described in this note have been applied consistently by each of the companies included in the consolidation and to all periods presented in the accompanying consolidated financial statements.

a Basis of Consolidation

i. Business Combinations

The Group has applied the acquisition method for business combinations.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Notes to the Consolidated Financial Statements

Goodwill or gain in a business combination is determined by comparing the value paid in the business combinations or the fair value of another type of consideration transferred, such as share certificates, with the fair value of the identifiable assets acquired and the identifiable liabilities assumed on acquisition date.

A contingent liability of the acquirer is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs incurred by the Group in connection with a business combination, such as legal fees, consultants' fees, due diligence and other are expensed as incurred.

ii. Non-controlling Interest

For each business combination, the Group elected to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

iii. Subsidiaries

Subsidiaries are entities controlled by the Group, in which direct or indirect control is exercised in the management of their financial and operating activities so as to obtain benefits from their activities.

The financial statements of the subsidiaries are and will be included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies used in consolidation.

Notes to the Consolidated Financial Statements

The companies that are included in the consolidation are:

Company	Percentage of share
British Virgin Islands:	
The Central America Bottling Corporation	Ultimate parent
Guatemalan:	
Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. and subsidiaries	99.9
Salvadoran:	
Livsmart Américas, S.A. de C.V. (formerly Bon Appetit, S.A. de C.V.).	95
Post-Mix de Centroamérica, S.A. de C.V.	100
Comercializadora Leo, S.A. de C.V.	100
Mariposa El Salvador, S.A. de C.V.	50
Comercializadora Interamericana, S.A. de C.V.	50
Contrataciones Interamericanas, S.A. de C.V.	50
Bebidas Especializadas, S.A. de C.V.	50
Honduran:	
Embotelladora La Reyna, S.A. de C.V.	93
Comercializadora Modelo, S.A. de C.V.	93
Comercializadora Sagitario, S.A.	93
Bebidas Especializadas, S.A.	93
Distribuidora Central, S.A.	93
Nicaraguan:	
Embotelladora Nacional, S.A.	99
North American:	
The South American Beverages Company, LLC	100
Cabcorp Ecuador Beverages Company, LLC	50
Livsmart Mexico, S.A. de C.V.	95
Panamanian:	
The Central America Bottling Corporation - Guatemala	100
Embotelladora La Mariposa, S.A. (Panama)	100
The Central America Bottling Corporation - El Salvador	50
Mariposa El Salvador, S.A. de C.V. (Panama)	50
The Central America Bottling Corporation - Honduras	93

(Continues)

Notes to the Consolidated Financial Statements

Company	Percentage of share
Embotelladora La Reyna, S.A. (Panama)	93
The Central America Bottling Corporation - Nicaragua	100
Embotelladora Nacional, S.A. (Panamá)	100
Livsmart Holdings, S.A.	95
The Central America Bottling Corporation – Puerto Rico	100
The Central America Bottling Corporation - Jamaica	100
The Central America Bottling Corporation – Trinidad & Tobago	100
Caribbean:	
Pepsi-Cola Puerto Rico Distributing, LLC	100
Pepsi-Cola Jamaica Bottling, Company Limited	100
Pepsi-Cola Trinidad Bottling Company Limited	51
Ecuadorean:	
The Tesalia Springs Company, S.A.	50
Delisoda, S.A.	50

iv. Investment in Associates

Associated are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Investments in associated entities are accounted using the equity method and are recognized initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date it ceases.

When the Group's share of losses exceeds its interest in equity accounted investee, the carrying amount of the investment is reduced to nil and the recognition of further losses is discontinued, unless the Group has incurred legal obligations or has made payment on behalf of the investee.

Those investments in shares that represent less than 20 percent of the paid-in capital of the investee are recorded at cost, provided that they do not exceed its net realizable value.

v. Balances and transactions eliminated in consolidation

Transactions and balances between consolidated companies and any unrealized gains or losses arising from intra-group transactions have been eliminated in preparing the consolidated financial statements.

Notes to the Consolidated Financial Statements

b Foreign Currency

i. Foreign currency transactions and balances

The accounting records of The Central America Bottling Corporation (ultimate parent) and of the subsidiaries organized in El Salvador, Panama, Puerto Rico, United States of America and Ecuador are kept in United States dollars, which are their functional and reporting currency. In the other subsidiaries, in which the functional currency is the legal currency of the country in which they operate, transactions in foreign currency are translated to their functional currency using the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currency on reporting date are retranslated to the functional currency (local currency), using the exchange rate at that date.

The foreign currency gain or loss on monetary assets and liabilities are the difference between amortized cost in the functional currency at beginning of period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences resulting from this translation is recognized in the consolidated statements of income as financial income (expense).

ii. Foreign Operation

The assets and liabilities of foreign operation, including goodwill and fair value adjustments arising on acquisitions, are translated to United States dollars at the exchange rates at the reporting date.

The financial statements of the subsidiaries that operate in Guatemala, México, Honduras, Nicaragua, Jamaica and Trinidad & Tobago have been translated from their functional currency (quetzales, Mexican pesos, lempiras, cordobas, Jamaican dollars and Trinidadian dollars, respectively) to United States dollars in the following manner: monetary assets and liabilities denominated in United States dollars are kept at their nominal amounts in dollars; assets and liabilities denominated in the functional currency were translated to dollars at the exchange rate at reporting date (see note 31). The equity accounts other than paid-in capital and contributions for future capital increase were translated at historical exchange rates. Income and expenses were translated at the average exchange rates of the year.

Foreign currency differences of the year resulting from the financial statements translation were recorded in the consolidated statement of comprehensive income, whereas the accumulated effect of this translation process was recorded in the account "Cumulative Translation Adjustment" as a separate component in the shareholders' equity. The unrealized loss by translation of financial statements presented in the equity section of the consolidated balance sheets at December 31, 2012 and 2011 totals US$19,437,944 and US$23,298,315, respectively.

Notes to the Consolidated Financial Statements

c Financial Instruments

i. Non-derivative financial assets

The Group initially recognizes deposits and accounts receivable on the date they are originated. All other non-derivative financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognized when the Group's contractual rights to cash flows from the asset expire, or if these rights are transferred in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred to a third party.

At December 31, 2012 and 2011, the Group had the following non-derivative financial assets:

Cash

Cash comprises the balances of cash on hand and in banks on which there is no restrictions limiting in its use.

Trade and other accounts receivable

Trade accounts receivable and other accounts receivable are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are recognized initially at fair value, that is similar to cost value for being a short term account, plus any directly attributable transaction cost.

Financial assets at fair value through profit or loss

At December 31, 2012 and 2011, the Group did not have financial assets measured at fair value through profit or loss.

Held-to-maturity financial assets

Financial assets are classified as held-to-maturity if the Group has the intention and the ability to hold them to date of maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are recorded at amortized cost, using the effective interest method, less any impairment losses.

Any sale or reclassification of a significant amount of held-to-maturity financial assets not close to their maturity would result in the reclassification of all held-to-maturity financial assets as financial assets available-for-sale and prevent the Group from classifying them again as held-to-maturity in the current year and in the two subsequent years.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets designated as such and which are not classified in any other category of non-derivative financial assets.

Notes to the Consolidated Financial Statements

At December 31, 2012 and 2011, the Group did not have available-for-sale financial assets.

ii. Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities in its accounts: Trade accounts payable, related companies payable and others; bank loans, bonds payable and other obligations, which are recognized initially on the date on which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liability category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

iii. Derivative financial instruments

The Group is exposed to the risk of losses by fluctuations of raw materials' market price. As of December 31, 2012 the Group does not have derivative financial instruments measured at fair value. As of December 31, 2011 the Group had the policy of acquiring forwards contracts to protect itself from the losses that could arise from this risk. As of December 31, 2011 the fair value of the derivative financial instruments amounted to US$738,511, which was accounted for in the consolidated financial statements as accounts payable and accrued expenses.

When a derivative instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognized immediately in profit or loss.

d Provision for Doubtful Accounts

The provision for doubtful accounts is the best estimate of the amount of probable losses on existing accounts receivable.

Accounts that are considered uncollectible are charged to the provision, which is increased during the year with the value of balances considered doubtful and reduced by the value of balances recovered and those that become recoverable. These true-ups are booked in the results of the period.

Notes to the Consolidated Financial Statements

e Inventories

Inventories are valued at lower of cost and net realizable value. The cost is established by applying the following methods:

- Finished goods, at average continuous cost of production.
- Goods acquired for sale, at average cost of purchase.
- Raw material, materials and supplies, at average cost of purchase.
- Material in transit, at price invoiced plus related expenses.

The cost of manufactured inventories includes an appropriate share of production over heads based on normal operating capacity.

The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The amount of inventories considered slow moving, obsolete or which have suffered a reduction in value is recorded against results of the period.

f Investments in equity-accounted investees

Investments in shares in which the Group exercises significant influence but not control, which is presumed to exist when there is equity greater than 20 percent but less than 50 percent of the paid-in capital of the investee, these investments are recorded under the equity method. This method consists of increasing or reducing the value of the investment by the proportional part of the gains or losses; as well as other equity transactions of the investee. Investments with share less than 20 percent are recorded at cost.

g Property, Plant and Equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing assets and restoring the site on which the asset will be located.

Gain and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset sold and are recognized net within other operating income (expense) in the consolidated statement of income.

Returnable bottles and plastic boxes

Returnable bottles and plastic boxes are recorded at acquisition cost and are classified in the consolidated balance sheet as fixed asset.

Notes to the Consolidated Financial Statements

There are two types of returnable bottles and boxes:

- Those that are under control of the Group in its warehouses or with customers, which are identified as bottles and boxes in plant, trucks and distribution centers, and
- Those that have been delivered to customers, which are identified as bottles and boxes on the market.

Broken returnable bottles and boxes are expensed as incurred.

ii. Subsequent disbursements

The costs of replacing a part of an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and it can be measured reliably. The carrying amount of the part replaced is derecognized from the consolidated financial statements. Disbursements for maintenance, repairs and minor improvements are expensed as incurred.

iii. Leased assets

Lease contracts in which the Group assumes substantially all the risks and rewards of the ownership of the asset are classified as finance leases. Upon initial recognition, the leased asset is measured at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for according to the accounting policy applicable to that asset.

Other leases are operating leases, in which the leased asset is not recognized in the consolidated financial statements (see letter s of this note).

iv. Depreciation

Depreciation is accounted for in the consolidated statement of income under the straight-line method on the estimated useful life of the assets included as property, plant and equipment. The estimated useful life of the assets is as follows:

	Useful life
Buildings	10 to 50 years
Machinery and equipment	10 to 20 years
Vehicles	10 years
Bottles and boxes	2 to 4 years
Furniture and equipment	3 to 20 years
Leasehold improvements	20 years

Notes to the Consolidated Financial Statements

h Intangible Assets

i Goodwill

Initial recognition

Goodwill that arises upon the acquisition of subsidiaries is recorded as an intangible asset. Note 3a i., describes the basis of measurement of goodwill at initial recognition.

The Group has accounted as goodwill the amounts paid in excess of the fair values of the net assets of Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. that are used to generate revenue in the southern region of Guatemala; of Livsmart Américas, S.A. de C.V. (El Salvador) (formerly Bon Appetit, S.A. de C.V.), and Ecuadorian subsidiaries. In addition, the exclusive distribution rights in the region of Los Encuentros Quiche, Guatemala, were recorded as goodwill (see note 13).

The goodwill generated in the acquisition of Embotelladora del Sur, S.A. and which is now part of the assets of Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. due to the process of merger by takeover, was amortized at a rate of 5% annually as of January 1, 2001 and up to December 31, 2004 inclusive. As of January 1, 2005, this asset is not being amortized but is subject to an analysis of impairment at each reporting date.

Subsequent measurement

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Group follows the practice of subjecting the cost of these assets to an impairment test annually and on the date of the consolidated balance sheet. In case a loss for impairment is determined, it is recognized immediately in the results of the period.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

ii. Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

iii. Subsequent expenditures

Subsequent disbursements are capitalized only when they generate an increase of future economic benefits assigned to the specific asset to which they refer. Any other disbursement, including those incurred in the internal generation of goodwill and trademarks are expensed as incurred.

Notes to the Consolidated Financial Statements

iv. Amortization

The amortization of other intangible assets is recognized in the consolidated statement of income on a straight-line basis over the estimated useful life of the asset, except in the case of goodwill, which is not amortized but is subject to an analysis of impairment at each reporting date. The estimated useful lives and methods of amortization used for other intangible assets are as follows:

	Estimated useful life	**Amortization method**
Exclusive distribution agreement for products of the brand Gatorade	10 years	Straight line
Exclusivity contracts with clients	10 years	Straight line

i Impairment of Value of Assets

i Non-financial assets

The carrying amount of the Group's non-financial assets, except inventories, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such an indication exists, the recoverable amount of the asset is estimated. In the case of goodwill, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater between the value in use and its fair value less estimated costs to sell. The value in use relates to the estimated value of future cash flows derived from the use of an asset and from its final disposition, discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

For purposes of verifying impairment, the assets are grouped in the smallest group of assets that generate cash flows from their continued use that are independent of those produced by other assets or groups of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of the asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses of the value of the cash-generating units are distributed to reduce the carrying amount of a cash generating unit in the following order: In the first place, the carrying amount of any goodwill assigned to the cash-generating unit (group of units) is reduced and then the carrying amount of the other assets in the unit is reduced on a pro rata basis.

Notes to the Consolidated Financial Statements

An impairment loss with respect to goodwill is not reversed. In respect of other non-financial assets, impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

ii. Financial Assets Measured at Amortized Cost

The Group considers evidence of impairment for financial assets measured at amortised cost (held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

j Available-for -Sale Non-Financial Assets

Non-financial assets whose value is expected to be recovered through sale instead of continued use are classified as available-for-sale. These assets are accounted for at carrying amount, which does not exceed fair value less estimated cost to sell.

k Labor Indemnities

Under the labor laws of each country in which the companies included in the consolidation are domiciled, every company has the obligation to pay its employees severance benefits for unjustified dismissal or to their beneficiaries in case of death. The Group's policies for the payment of this indemnity are described in the next page:

Notes to the Consolidated Financial Statements

i. Guatemala

The policy of the Guatemalan subsidiaries is to pay 100% of the indemnity to its employees regardless of the reason for termination, which is equivalent to one month's wages for each year of service or to their beneficiaries in case of death. For this purpose, the Guatemalan subsidiaries record a provision based on an actuarial study made by an independent actuary. In the actuarial study to determine the provision for this indemnity the variables mentioned in note 21 were considered.

The provision of the Guatemalan subsidiaries is calculated considering the amount of future benefits that the employees have earned in return for their services in the present period and previous periods. This benefit is discounted to determine present value. The cost for services not recognized previously and the fair value of any asset in the plan is deducted. The discount rate is the reference rate for calculating the price of time deposits and bonds at 10 years (9%). The calculation is made annually by a qualified actuary, using the method of projected credit unit (see actuarial assumptions in note 21).

The total amount of the provision for labor indemnities relating to the Guatemalan subsidiaries at December 31, 2012 is US$13,670,339 (US$12,855,522 in 2011).

The adjustments for variations of this provision are recorded directly against the results of the year.

ii. Honduras

Under Decree No. 150-2008 of November 5, 2008, employees dismissed without just cause must receive a severance payment equivalent to one month's wages for each year worked, with a maximum of 25 months. The Honduran subsidiaries are required to pay under this same heading 35% of the value relating to years to those employees with more than 15 years of service who decide voluntarily to end the labor relation.

They are also required to pay 75% of the value of the corresponding severance payment to the beneficiaries of employees who die and who have had six or more months working for the companies.

Under the collective bargaining agreement between Embotelladora La Reyna, S.A. de C.V. and Sindicato de Trabajadores de la Industria de la Bebida y Similares (STIBYS) [the Beverage Industry Workers Union], the Company is required, if there is a special reason, to pay unemployment relief and advance notice according to the seniority of the employee, up to 100% when the employee has been in the Company's employ for more than 20 years.

Notes to the Consolidated Financial Statements

To cover the obligation referred above, the Honduran subsidiaries records a provision considering the benefit future amount that the employees have gained in return of their worked period of services; this benefits is discounted to determined the present value of the liability using a discount rate as of December, 31 2012 and 2011 is 15 percent and 12.6 percent respectively.

The total amount of the provision for labor indemnity for the Honduran subsidiaries at December 31, 2012 is US$3,425,845 (US$4,292,516 in 2011).

The adjustments from the variations in this provision will be recorded directly against results of the year.

iii. Nicaragua

The policy of Embotelladora Nacional, S.A. is to pay severance to its employees according to the labor laws of Nicaragua, equivalent to one month's wages for each year worked for the first three years of service and proportionally to 20 days' salary for each additional year. However, no payment of indemnity may be less than one month or greater than five months' wages.

For this purpose, Embotelladora Nacional, S.A. records a provision on the basis of an actuarial study made by an independent actuary, which takes into consideration the following actuarial assumptions:

The provision of the Nicaraguan subsidiary is calculated considering the amount of the future benefit that the employees have earned in return for their services during the period worked. This benefit is discounted to determine the present value of the obligation, using a discount rate of 12 percent.

The total amount of the provision for this labor indemnity for the Nicaraguan subsidiary at December 31, 2012 is US$642,715 (US$631,959 in 2011). Adjustments for variations in this provision are recorded directly against results of the year.

iv. El Salvador

According to Salvadoran legislation in effect, employees dismissed without just cause must receive indemnity for dismissal equivalent to one month's wages for each year worked, up to a maximum of four times the legal minimum wage at the time. The Salvadoran subsidiaries record these payments directly against results of the year when made. These payments in normal terms are not significant.

Notes to the Consolidated Financial Statements

The total amount of the provision for the provision for this labor indemnity for the Salvadoran subsidiaries at December 31, 2012 is US$957,006 (US$854,160, in 2011).

v. Panama
The subsidiaries organized in Panama do not have any severance obligations because at December 31, 2012 and 2011 they did not have employees.

vi. Mexico
The Mexican subsidiary does not have the obligation nor the policy to pay labor indemnities, except in the case of unjustified dismissals, and the expense under this heading is recognized in the results of the period in which payment is made.

vii. Caribbean
The subsidiaries organized in the Caribbean have neither the obligation nor the policy to pay labor indemnities, except in the case of unjustified dismissal, and the expense under this heading is recognized in the results of the period in which payment is made.

viii. Ecuador
According to Ecuadorian legislation in effect, employees dismissed without just cause must receive indemnity for dismissal equivalent to one month's wages for each year worked, up to a maximum of three times the legal minimum wage at the time. The Ecuadorian subsidiaries record these payments directly against results of the year when made. These payments in normal terms are not significant.

The total amount of the provision for this labor indemnity for the Ecuadorian subsidiaries at December 31, 2012 is US$764,043.

l Employee Benefits
Defined contribution plans
The Puerto Rican subsidiary sponsored a contribution-based pension plan for the benefit of all employees who work full time and who are eligible for the plan. The contributions to the plan are based on a percentage of employee remunerations.

The company also sponsors a separate pension plan without salary contributions for employees paid on an hourly basis. The benefits under the plan for salaried employees are based on levels of remuneration and years of service, whereas those of the hourly plan represent a fixed amount for years of service. The costs of these plans are actually being funded.

Notes to the Consolidated Financial Statements

The company record annual provisions related to the benefits of the pension plans on the basis of calculations that incorporate several actuarial and other assumptions, including discount rates, mortality, estimated rates of returns, employee turnover rates and health care cost rate (see note 20). The company reviews these assumptions annually and modifies them on the basis of present rates and tendencies, when appropriate.

The effect of the modifications to these assumptions is recorded in other accumulated comprehensive income. On the basis of their experience and market conditions, the company considers that the assumptions used in the recording of their obligations for the pension plan are reasonable.

The subsidiaries organized in Jamaica and Trinidad & Tobago have a contribution-based pension plan for employees who meet certain minimum requirements of service. These contribution-based plans are administered by external entities. The contributions to these plans are expensed as incurred, and during the years ended December 31, 2012 and 2011 totaled US$197,512 and US$84,898, respectively. There is no obligation for these companies after having made the annual contributions to each of the plans.

m Provisions

A provision is recognized in the consolidated balance sheet if, as a result of past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated value of this provision is adjusted at the date of the consolidated balance sheet, affecting the results for the period.

n Share Capital

Dividends

Dividends for shareholders are declared on the basis of justified and realized benefits in conformity with legal provisions applicable. In addition to the net profit for each year, retained earnings may also be distributed. Dividends are declared according to the authorization of the General Meeting of Shareholders, reducing the retained earnings account and recording an account payable. Generally, payment is made in the year in which the dividend is declared.

o Legal Reserve

i. Guatemala

Under Articles 36 and 37 of the Code of Commerce of the Republic of Guatemala, the companies organized in Guatemala must separate annually a minimum of 5% of the accounting net profit of each period to form the legal reserve. This reserve may not be distributed in any form whatsoever among shareholders before liquidation of the company. However, the legal reserve may be capitalized when it exceeds 15 percent of capital at the close of the immediately preceding period, although the 5 percent mentioned above must continue to be reserved.

Notes to the Consolidated Financial Statements

ii. Honduras
Under Article 32 of the Code of Commerce of the Republic of Honduras, the legal reserve must be formed by separating annually 5 percent of net profits for the period, until one-fifth of corporate capital has been reached.

iii. El Salvador
Under the Code of Commerce of the Republic of El Salvador, companies must separate 7 percent from net profits of the period to form or increase the legal reserve. The legal limit of this reserve is one-fifth of corporate capital.

iv. Nicaragua
Under Nicaraguan legislation, companies must record a legal reserve equivalent to 5 percent of net profits for each year until 10 percent of corporate capital is reached. Two-thirds of the sum appearing in the legal reserve must be held available or invested in easily realizable Nicaraguan or Central American marketable securities, and the other third may be invested according to the company's purpose.

v. Mexico
According to Mexican legislation, the companies must record a legal reserve equivalent to 5 percent of net profits for each year, until one-fifth of corporate capital has been reached.

vi. Ecuador
According to Ecuadorian legislation, the companies must record a legal reserve not less than 10 percent of net profits for each year.

The Panamanian, North American subsidiaries and those organized in the Caribbean do not have any obligation to create a legal reserve.

p Revenue Recognition

<u>Goods sold</u>

Revenue from the sale of goods in the ordinary course of business of the Group is measured at the fair value of the consideration received or receivable, net of returns, trade discounts or volume rebates. Revenue is recognized when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) recovery of the consideration is probable; (c) the associated costs and the possible return of goods can be estimated reliably; (d) the Group does not retain any involvement in the management of the goods; and (e) the amount of revenue can be measured reliably. No revenue is recognized if there are significant uncertainties in relation to recovery of the costs incurred, related costs or possible return of goods.

Notes to the Consolidated Financial Statements

q Recognition of Costs and Expenses

Costs and expenses are recognized in the consolidated statement of income when incurred, that is by the accrual method.

r Lease Payments

Payments made under the operating lease contracts are recognized in the consolidated income statement under the straight-line method during the term of the lease.

Minimum lease payments made under finance leases are composed of two, parts, finance expenses and amortization of debt. The finance expenses are allocated to each period during the lease term so as to produce a constant periodic rate of interest to the remaining balance of the liability.

s Finance Income

Finance income comprises income from interest on cash, cash equivalents and held-to-maturity investments, which are recognized in the consolidated statement of income by the accrual method, using the effective interest method. They also include income from the exchange differential, which is recognized in the consolidated statement of income by the accrual method.

t Finance Costs

Finance costs comprise interest expenses on borrowings, bond payable and on other obligations and are recognized in the consolidated statement of income by the accrual method, using the effective interest method. They also include expenses related to the exchange differential and changes in fair value of derivative financial instruments, which are recognized in the consolidated statement of income by the accrual method.

u Income tax

The income tax expense includes current income tax and deferred income tax, which is recorded in the consolidated statement of income.

i. Current

Current income tax is the tax expected to be paid on taxable income for the year, using tax rates enacted on the date of the consolidated balance sheet, and other adjustments to tax payable in respect of previous years.

ii. Deferred

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Notes to the Consolidated Financial Statements

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or realize the assets and pay the liabilities simultaneously.

A deferred income tax asset is recognized on deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realized.

v Determination of Fair Values

Certain Group accounting policies and disclosures require the determination of fair value for financial and non-financial assets and liabilities. Fair values have been determined for purposes of measurement and/or disclosure on the basis of the methods described below:

i Trade, related party and other accounts receivable

It is estimated that the fair value of the trade, related party and other accounts receivable is equal to carrying amount because these do not earn interest and will be recovered in the short term (see note 31).

ii Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

iii Property, plant and equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on their market values. The market value of property is the estimated amount for which a property could be exchanged on date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of plant and equipment is based on market prices for similar assets or values obtained from expert studies made by independent experts.

Notes to the Consolidated Financial Statements

iv Non-derivative financial liabilities
It is estimated that the fair value of trade, related party and other accounts payable at short term is equal to carrying amount because at payment date they are short term and do not earn interest. It is also estimated that the fair value of bank loans is equal to carrying amount because these earn interest at variable market rates (see note 31).

w Financial Risk Management
The Group is exposed to risks related to the use of financial instruments, which are described below:

- Credit risk
- Liquidity risk
- Market risk (Exchange and interest rates)
- Operational risk

This note provides information on the Group's exposure to each of the above risks, the Group's objective, policies and procedures for measuring and managing the risk, as well as management of capital requirements. The consolidated financial statements include more detailed quantitative information.

The Board of Directors is responsible for establishing and supervising the Group's risk management policy. The Board of Directors has the responsibility to elaborate and monitor the Group's risk management policies.

The risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Director oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to Management and the Board of Directors.

Notes to the Consolidated Financial Statements

i. Credit risk

Credit risk is the risk to which the Group is exposed if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other accounts receivable.

Trade and other accounts receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At December 31, 2012 and 2011, there is no significant credit risk concentration as the portfolio is diluted in a high volume of customers.

Management has established a credit policy under which the credit solvency of each new customer is analyzed before offering him payment terms and credit limits. Normally, credit is granted to a customer after he has made three cash purchases and after verifying that he has no history of rejected checks. Credit limits are established for each customer on the basis of his purchasing history. Any modification to the credit limits (increase or reduction) is analyzed and approved by the Head of the Credit Department. Customers who do not meet the solvency conditions required by the Group may only make cash transactions.

When analyzing credit risks, customers are grouped according to, the age of balances, due date and previous difficulties. Customers classified as "high risk" are included in a restricted list and, in future sales made, cash payment is required, as well as payment of any balance outstanding.

Whenever necessary, the Group records an allowance for impairment, which represents the best estimate of losses incurred in relation to trade debtors and other accounts receivable. The principal estimates made are based on specific losses related to individually significant risks identified.

Cash and cash equivalents

The Group held cash and cash equivalents of US$67,928,267 at 31 December 2012 (2011 US$63,094,910), which represents its maximum credit exposure on these assets.

Held- to- maturity investments

The Group had held- to- maturity investment of US$162,041,265 at December 31, 2012 (US$21,494,918 in 2011), which represent its maximum credit exposure on these assets. The held- to- maturity investments are held with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency Moody's Investors Service and Fitch ratings.

Notes to the Consolidated Financial Statements

ii Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk is managed centrally by the Board of Directors and the Group Corporate Financial Manager, who constantly monitor cash flows, establishing dates and flows necessary to meet obligations. The Group's liquidity index (defined as: total current assets less inventories and prepaid assets divided by total current liabilities) at December 31, 2012 and 2011 was 1.33 and 1.22, respectively.

iii Market risk

Market risk is the risk that changes in market prices (foreign currency exchange rates, interest rates, prices for raw material and supplies and prices of equity instruments) may affect the Group's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control Group exposure to this risk within acceptable parameters, while optimizing the return.

Exchange rate risk

The Group is exposed to the risk of losses by fluctuations in the exchange rate because it has accounts receivable, bank loans and trade accounts payable in United States dollars. The Group does not have the practice of acquiring derivative financial instruments to protect itself from losses that might be derived from this risk.

Interest rate risk

The Group has significant financial liabilities by bank loans subject to variations in interest rates (see note 31). The Group does not have the practice of acquiring derivative financial instruments to protect itself from losses that might be derived from this risk.

Risk in raw material price

At December 31, 2012 the Group did not have derivate financial instruments measured at fair value. At December 31, 2011 had the practice of acquiring derivate financial instruments (forwards) to protect itself from the losses that could arise from the risk of losses by fluctuations of raw materials' market price, the fair value of these derivate financial instruments total US$738,511 and it is accounted for in the consolidated financial statement of financial position as accounts payable and accrued expenses, there is not a policy to perform the sensitivity analysis.

Notes to the Consolidated Financial Statements

iv Operational risk

The operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group processes, personnel, technology and infrastructure, and from external factors other than credit, liquidity and market risks. Some examples of operational risks are related to legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risk may arise in any of the Group's operational areas.

Management's objective is to control operational risk to avoid financial losses and damage to the Group's reputation, maximizing the use of resources and avoiding control procedures that might restrict initiative and creativity.

The primary responsibility for the design and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported with the issue of general standards at corporate level to administer the operational risk in the areas indicated below:

- Requirements for an appropriate segregation of duties, including authorization for transactions by personnel other than those who execute or process them.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and legal requirements.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Training and professional development.
- Ethics and business standards (code of conduct).
- Risk mitigation, including insurance where this is effective.

Compliance with corporate standards is supported by a program of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the respective managers of the business units, with summaries sent to the Board of Directors.

x Capital management

The policy of the Group's Board of Directors is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain future development of the business. The Board of Directors monitors the return on capital, which is defined by the Group as result from operating activities divided by total shareholders' equity.

Notes to the Consolidated Financial Statements

The Group's debt to adjusted capital ratio as follows:

	December 31 2012 US$	December 31 2011 US$
Total liabilities	746,759,134	360,043,584
Less: Cash and cash equivalents	(67,928,267)	(63,094,910)
Total net debt	678,830,867	296,948,674
Total shareholders' equity	259,983,862	213,383,920
Debt to adjusted capital ratio	2.61	1.39

y Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax assets and liabilities.

z New Accounting Standards and Interpretations

New standards, modifications and interpretation of existing standards have been issued. These are not effective at January 1, 2012 and have not been applied in the preparation of these consolidated financial statements.

Group Management is of the opinion that none of these standards will have a significant effect on the Group's consolidated financial statements, with exception of IFRS 9 "Financial Instruments", whose application is obligatory for financial statements prepared by the Group as of January 1, 2015, and it might modify the classification and measurement of the assets.

Notes to the Consolidated Financial Statements

4 Cash

The summary of this account is the following:

	December 31 2012 US$	December 31 2011 US$
Cash on hand	240,137	288,041
Cash in banks	67,688,130	62,806,869
	67,928,267	63,094,910

5 Held-to-Maturity Investments

The detail of this account is as follows:

	December 31 2012 US$	December 31 2011 US$
Long-term Held-to-Maturity Investments		
Mesoamerican Financial Corp		
Certificate of deposit maturing February 2017 and earning interest of 6.75% annually payable on maturity (see note 17) (a).	42,000,000	-
Short-term Held-to-Maturity Investments		
Bancolombia Panamá		
Certificate of deposit maturing February 2013 and earning interest of 4.1% annually payable on maturity (see note 17) (a).	72,000,000	-
Banco de Desarrollo Rural, S.A.		
Certificate of deposit in quetzales at 90 days maturing March 2013 and earning interest of 6.50% annually, payable on maturity.	9,895,853	-
Banco de Desarrollo Rural, S.A.		
Certificate of deposit in quetzales at 90 days maturing March 2013 and earning interest of 6.50% annually, payable on maturity.	9,895,853	-
Banco de Desarrollo Rural, S.A.		
Certificate of deposit maturing January 2013 and 2012 earned interest at 6.75% and 7% annually, payable on maturity respectively.	3,163,636	4,365,733
Carried forward	94,955,342	4,365,733

(a) These certificates of deposit are restricted and have been pledged as collateral of the bonds payable described in note 17.

Notes to the Consolidated Financial Statements

	December 31 2012 US$	2011 US$
Brought forward	94,955,342	4,365,733
Banco de Desarrollo Rural, S.A. Certificate of deposit in quetzales at 90 days maturing in March 2013 and earned interest at 6.50% annually, payable on maturity.	297,180	-
Banco de Desarrollo Rural, S.A. Certificate of deposit in quetzales at 90 days maturing March 2013 and earned interest at 6.50% annually, payable on maturity.	145,916	-
Banco G&T Continental, S.A. Certificate of deposit in quetzales at 180 days maturing March 2013 and March 2012 earning interest of 7.50% and 7.25% annually, payable on maturity respectively.	7,719,272	7,297,560
Banco G&T Continental, S.A. Certificate of deposit in quetzales at 180 days, maturing April 2013 and May 2012 earned interest at 7.50% and 7.25% annually, payable on maturity respectively.	588,436	550,518
Banco G&T Continental, S.A Certificate of deposit at fixed term in quetzales maturing February 2012 and earning interest at 7.25% annually payable on maturity.	-	26,009
Banco G&T Continental, S.A Certificate of deposit in quetzales at 180 days maturing February 2013 and May 2012 earned interest at 7.25% and 7.25% p.a. payable on maturity respectively.	39,230	742,559
Banco Reformador, S.A. Certificate of deposit in quetzales at 180 days maturing June 2013 and earning interest of 7.50% annually, payable on maturity.	5,885,628	-
Carried forward	109,631,004	12,982,379

Notes to the Consolidated Financial Statements

	December 31 2012 US$	December 31 2011 US$
Brought forward	109,631,004	12,982,379
Banco Reformador, S.A. Certificate of deposit in quetzales at 180 days maturing April 2013 and earning interest of 7.50% annually, payable on maturity.	4,935,272	-
Banco Reformador, S.A. Certificate of deposit in quetzales at 180 days maturing January 2013 and earned interest at 7 % annually, payable on maturity.	1,442,618	-
Banco Reformador, S.A. Certificate of deposit in quetzales at 180 days maturing March 2013 and earned interest at 7.25% annually, payable on maturity.	761,171	-
Banco Ficohsa, S.A. Certificate of deposit in quetzales at 180 days maturing February 2013 and earning interest of 7.75% annually, payable on maturity.	3,271,200	-
Banco Industrial, S.A. Certificate of deposit in quetzales at 182 days maturing February 2012 and earning interest at 7.25% annually, payable on maturity.	-	4,122,481
Banco Industrial, S.A. Certificate of deposit in quetzales at 182 days maturing February 2012 and earning interest at 7.25% annually, payable on maturity.	-	3,040,650
Banco Industrial, S.A. Certificate of deposit in quetzales at 182 days maturing February 2012 and earning interest at 7.25% annually, payable on maturity.	-	1,349,408
Short-term Held-to-Maturity Investments	120,041,265	21,494,918

Notes to the Consolidated Financial Statements

6 Accounts Receivable

A summary of this account is as follows:

	December 31	
	2012	**2011**
	US$	**US$**
Trade	90,912,943	65,278,998
Affiliated companies	34,192,887	29,021,571
Value added tax (VAT)	23,887,062	14,590,768
Income tax	12,975,945	11,611,225
Pre-paid taxes	10,020,204	5,116,073
Advances to suppliers	4,401,232	1,165,085
Officers and employees	683,445	790,760
Tax on mercantile enterprises	326,345	320,417
Other	10,936,687	833,340
	188,336,750	128,728,237
Less – Provision for doubtful accounts	(8,858,719)	(8,748,620)
	179,478,031	119,979,617

The movement of the provision for doubtful accounts is shown below:

	Years ended December 31	
	2012	**2011**
	US$	**US$**
Balance at beginning of year	8,748,620	4,476,781
Increases to provision	619,703	4,548,785
Receivables written off	(509,604)	(276,946)
Balance at end of year	8,858,719	8,748,620

7 Inventories

A summary of this account is the following:

	December 31	
	2012	**2011**
	US$	**US$**
Finished goods	39,191,230	32,337,709
Goods in process	9,144	-
Raw material	55,436,671	46,237,313
Supplies and spares	7,559,551	2,409,741
Product on consignment	1,389,197	562,547
Goods in transit	15,472,503	1,044,120
	119,058,296	82,591,430

Notes to the Consolidated Financial Statements

8 Prepaid Expenses

A summary of this account is as follows:

	December 31	
	2012	**2011**
	US$	**US$**
Materials and supplies	1,211,808	1,062,848
Advertising	1,467,173	1,284,005
Prepaid expenses	1,615,961	1,053,238
Prepaid insurances	312,550	207,816
	4,607,492	3,607,907

9 Available-for-Sale Non-Financial Assets

At December 31, 2011, the Group had available-for-sale non-financial assets consisting of a property with carrying amount at that date of US$1,286,122, which does not exceed market value. This property is located near Colonia Ciudad Nueva on the highway to Mateo, Tegucigalpa, Honduras, and it was decided to sell due to strategic move of the plant to another place. The Group sold this asset in 2012.

10 Investments in Equity-Accounted Investees

The detail of this account is as follows:

	Equity	**December 31**	
		2012	**2011**
	%	**US$**	**US$**
Livsmart Glad, S.A.	50 Non-controlling interest	1,750,000	1,750,000
		1,750,000	1,750,000

The movement of this account is the following:

	Years ended December 31	
	2012	**2011**
	US$	**US$**
Industrias del Atlántico, S.A.		
Balance at beginning of year	-	2,116,371
Net share of results for the year	-	(2,116,371)
Balance at end of year	-	-
Livsmart Glad, S.A.		
Balance at beginning of year	1,750,000	-
Increase of the year	-	1,750,000
Balance at end of year	1,750,000	1,750,000

Notes to the Consolidated Financial Statements

11 Acquisition of subsidiaries (Business Combinations)

Subsidiaries organized in Ecuador.

On April 30, 2012, The Central American Bottling Corporation acquired the 50% of paid-in capital of The South America Beverage Company, LLC, which is owner of Cabcorp Ecuador Beverage Company, LLC, whose is owner of The Tesalia Springs Company, S.A. and Delisoda, S.A. (see note 1 description of organization and operations of each of these companies). The cash consideration for this transaction was US$63,000,000.

The method used to determine the fair value of the consideration was multiples of EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization).

The contribution of these acquired entities in the consolidated financial statements of the Central American Bottling Corporation and Subsidiaries for the period from April 30, 2012 to December 31, 2012 was US$167.4 million of net sales of US$4.9 million in net profit. If the acquisition had been made at January 1, 2012, Management estimates that these companies would have contributed to net sales for US$231.2 million and a net loss for the year of US$ 1.07 million.

The following table shows the carrying amounts of the assets acquired and the liabilities assumed in the business combination, as well as the adjustments to bring these carrying amounts to fair values as of the date of business combination:

	Carrying amounts at acquisition date US$	Adjustments to fair value US$	Fair values recognized at acquisition US$
Cash	1,013,392	-	1,013,392
Accounts receivable, net	39,503,739	3,515,882	43,019,621
Inventories	13,450,935	(2,149,404)	11,301,531
Other receivables	473,425	416,037	889,462
Property, plant and equipment, net	69,901,795	6,072,369	75,974,164
Other assets	30,211,495	(8,501,456)	21,710,039
Loans	(57,029,545)	4,754,684	(52,274,861)
Accounts payable	(61,011,868)	(12,715,029)	(73,726,897)
Total assets and liabilities, net, identifiable	36,513,368	(8,606,917)	27,906,451
Fair value prior control acquired (50%)			(13,953,225)
Consideration transferred (see note 17)			63,000,000
Goodwill (see note 13)			49,046,775

Notes to the Consolidated Financial Statements

12 Property, Plant and Equipment

The summary and movement of this account at and for the year ended December 31, 2012 is as follow

	Buildings US$	Machinery and equipment US$	Vehicles US$	Bottles and boxes US$	Furniture and equipment US$	Leasehold improveme US$
December 31, 2012						
Historical cost:						
Balance at December 31, 2011	70,724,013	131,860,796	31,210,349	76,717,372	127,948,273	7,443,0
Additions	851,816	5,981,535	4,079,303	21,368,014	13,799,404	20,9
Transfers	1,998,858	19,068,073	2,267,969	-	4,390,655	871,1
Acquisition through business combination (see note 11)	16,527,942	31,792,577	2,840,052	7,575,409	16,445,864	-
Retirements (a)	(1,397,248)	(5,814,907)	(1,588,755)	(4,608,561)	(19,274,431)	(7
Translation effect	(863,180)	(2,207,843)	(412,007)	(580,398)	(2,281,018)	(43,0
Balance at December 31, 2012	87,842,201	180,680,231	38,396,911	100,471,836	141,028,747	8,291,4
Less accumulated Depreciation						
Balance at December 31, 2011	16,030,428	51,153,713	20,982,838	60,431,721	78,423,276	1,529,0
Additions	2,546,290	15,173,047	3,095,071	6,215,621	14,704,998	333,0
Transfers	221,188	(135,662)	39,262	1,951,118	(124,788)	-
Retirements	(685,148)	(1,541,197)	(1,462,098)	(916,631)	(18,411,764)	(2
Translation effect	(176,365)	(1,541,937)	(172,829)	(691,626)	(1,725,722)	(14,5
Balance at December 31, 2012	17,936,393	63,107,964	22,482,244	66,990,203	72,866,000	1,847,2
Net balance at December 31, 2011	54,693,585	80,707,083	10,227,511	16,285,651	49,524,997	5,914,0
Net balance at December 31, 2012	69,905,808	117,572,267	15,914,667	33,481,633	68,162,747	6,444,1

(a) Retirements includes the sale of land which belonged to the subsidiary Silf Ltd. From Trinidad y finished operation in 2012.

Notes to the Consolidated Financial Statements

The summary and movement of this account at and for the year ended December 31, 2011 is as follov

	Buildings US$	Machinery and equipment US$	Vehicles US$	Bottles and boxes US$	Furniture and equipment US$	Leasehol improveme US$
December 31, 2011						
Historical cost:						
Balance at December 31, 2010	73,971,796	128,062,060	27,264,400	69,465,328	112,835,917	3,242,7
Additions	177,454	7,744,699	3,065,332	7,432,097	13,030,873	205,6
Transfers	(3,299,047)	329,560	1,798,650	658,539	11,552,074	3,991,0
Retirements	(297,243)	(5,241,589)	(853,849)	(2,113,782)	(10,232,690)	(1,8
Translation effect	171,053	966,066	(64,184)	1,275,190	762,099	5,4
Balance at December 31, 2011	70,724,013	131,860,796	31,210,349	76,717,372	127,948,273	7,443,0
Less accumulated Depreciation						
Balance at December 31, 2010	12,971,715	52,539,965	17,720,060	52,567,389	67,323,744	109,8
Additions	2,409,059	10,035,488	2,632,274	8,473,145	13,646,318	308,5
Transfers	30,727	(5,240,384)	1,364,351	-	2,107,507	1,737,7
Retirements	(132,920)	(3,554,914)	(767,481)	(299,138)	(7,882,950)	-
Translation effect	751,847	(2,626,442)	33,634	(309,675)	3,228,657	(627,1
Balance at December 31, 2011	16,030,428	51,153,713	20,982,838	60,431,721	78,423,276	1,529,0
Net balance at December 31, 2010	61,000,081	75,522,095	9,544,340	16,897,939	45,512,173	3,132,8
Net balance at December 31, 2011	54,693,585	80,707,083	10,227,511	16,285,651	49,524,997	5,914,0

Notes to the Consolidated Financial Statements

13 Intangible Assets

The summary of this account is the following:

	December 31	
	2012	**2011**
	US$	**US$**
Goodwill		
Balance at beginning of year	35,759,374	34,991,350
Acquisition through business combinations (see note 11)	49,046,775	-
Translation effects for the year	(453,014)	768,024
Balance at end of year	84,353,135	35,759,374
Intangible assets		
Distributions rights Santizo	8,500,000	-
Distributions rights Waldemar	2,065,873	-
Exclusivity contracts with clients, net	4,480,997	4,020,414
Distribution rights Gatorade	52	495,892
Trade marks	1,007,874	756,120
	100,407,931	41,031,800

Goodwill referred to above is assignable to the following cash-generating units:

	December 31	
	2012	**2011**
	US$	**US$**
Operation in Ecuadorian region (The Tesalia Springs Company, S.A. and Delisoda S.A.) (see note 11)	49,046,775	-
Operations in the southern region of Guatemala of Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. (formerly Embotelladora del Sur, S.A.)	20,305,034	20,758,048
Livsmart Américas, S.A. de C.V. (El Salvador) (Formerly Bon Appetit, S.A. de C.V.)	15,001,326	15,001,326
	84,353,135	35,759,374

Test of impairment of cash-generating units that include goodwill

The Group has the practice of subjecting the cost of goodwill and of intangible assets with undefined useful life to tests of impairment annually or more frequently if there are indications of impairment. For purposes of the impairment test, the goodwill was distributed to operating units that represent the smallest level within the Group, in which the goodwill was distributed, and it is monitored for internal management purposes.

Notes to the Consolidated Financial Statements

An estimate was therefore made of the recoverable amount of the net assets associated with goodwill originating in the acquisition of the following cash-generating units (CGUs):

- Operation in Ecuadorian region (The Tesalia Springs Company, S.A. and Delisoda S.A.)

- Operations in the southern region of Guatemala of Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. (formerly Embotelladora del Sur, S.A.)

- Livsmart Américas, S.A. de C.V. (El Salvador) (formerly Bon Appetit, S.A. de C.V.)

- Operation in the western region of Los Encuentros, Quiche of Distributor Santizo.

- Operation of Vending Machine Waldemar (Puerto Rico).

The recoverable amount of the cash-generating units is determined by calculations of the value of use. Financial projections are made in quetzales in the case of Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. and Distributor Santizo, Los Encuentros, Quiche, and in U.S. dollars in the case of The Tesalía Springs Company, S.A. and Delisoda, S.A. (Ecuador), Livsmart Américas, S.A. de C.V. (El Salvador) and Operation of Vending Machine Waldemar (Puerto Rico).

The calculations of value in use are based on cash flow projections established on the basis of present operating results and projected. For subsequent periods, these cash flow projections are extrapolated to the end of the useful life of the essential asset of the respective CGU, using a stable long-term growth rate that does not exceed total growth of the country's economy or that of the industry in which the CGU operates.

The values assigned to the key assumptions represent the criteria and expectations of Management regarding future trends of the business and the market for carbonated and other soft drinks.

Specifically, the value in use was determined by means of discount of the cash flows estimated for the continuous use of each CGU on the basis of the key assumptions described in next page:

Notes to the Consolidated Financial Statements

	Cash Flows projected currency	Projection period cover	Increase in sales rate of the CGU	Perpetuity rate	Gross margin projected rate	Discount rate before tax	WA
Operation in Ecuadorian region (The Tesalia Springs Company, S.A. and Delisoda S.A.)	US$	2013-2017	4.2	3.50	49.70	12.50	12.
Southern region of Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A.	Quetzales	2013-2022	2.00	2.00	41.90	12.00	12.
Livsmart Américas, S.A. de C.V.	(US$)	2013-2016	7.00	4.00	21.50	10.10	10.
Operation in the western region of Los Encuentros, Quiche of Distribuitor Santizo, (CABCORP Guatemala)	Quetzales	2013-2017	11.00	2.00	41.40	11.80	11.
Operation of Vending Machine Waldemar (Puerto Rico)	US$	2013-2017	5.75	2.00	31.50	11.30	12.

Notes to the Consolidated Financial Statements

- Currency devaluation was not considered in the case of these projections of the CGUs, as the U.S. dollar is their functional currency.
- Management considers that the periods projected are justified due to the nature of the businesses acquired in each country and considers the cash flows according to recovery of the economy and the carbonated soft drink and other non-alcoholic beverage sector.
- The values of the cash flows subsequent to 2017 for the CGU of the southern region of Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A., Livsmart Américas, S.A. de C.V., operation in the western region of Los Encuentros, Quiche of Distribuidor Santizo, Operation of Vending Machine Waldermar and The Tesalía Springs Company, S.A. were extrapolated to the useful life of the essential asset, calculated on terminal value. To calculate the terminal value, free cash flow before taxes in 2017 for the southern region of Companía de Jarabes y Bebidas y Gaseosas La Mariposa, S.A., for the CGU LivSmart Americas, S.A. de C.V. operation in the western region of Los Encuentros, Quiche of Distribuidor Santizo, operation of Vending Machine Waldermar and The Tesalía Springs Company, S.A. and Delisoda, S.A. (standardized and perpetual level) was taken as the base, together with a growth rate and a discount rate before taxes.
- The cash flows estimated were discounted using the discount rates mentioned further on and calculated as the weighted average cost of capital (WACC) adjusted to exclude the effect of taxes and on the basis of an expected capital structure of 50% financing through debt and 50% financing through own resources.

According to the results of the analysis indicated above, the recoverable amount estimated for the CGUs is higher than their carrying amounts, and consequently Group's Management determined that there are no impairment losses.

14 Other Assets

The summary of this account is as follows:

	December 31	
	2012	**2011**
	US$	**US$**
Trust on brands and other asset (a)	21,710,039	-
Asociación Solidarista de Trabajadores (b)	3,396,676	3,268,410
Deposits	1,245,119	1,462,956
Other	8,322,954	2,347,370
	34,674,788	7,078,736

Notes to the Consolidated Financial Statements

(a) Trust Contracts

i. Delisoda Comercial Trust, Inc.
On June 23, 2008 it was constituted the Commercial Trust Delisoda, S.A. which has as settlor Fideicomisos Berefrescos y Profinder, as trustee Administradora de Fondos Fodevasa, S.A. and as beneficiary Delisoda, S.A. For the constitution of this Trust the constituents contributed mainly with property, machinery and equipment.

The purpose of the trust is to manage and develop the entrusted management in accordance with the written instructions provided by the beneficiary. The trust may last as long as necessary for the fulfillment of its purpose. The trust amount is of US$8,826,392.

ii. Delisoda Trademark Trust, Inc.
On January 26, 2001 it was formed the Trust of Trademarks Guaranty,which has as initial settlor Northop-North Corporation, S.A. and as current constituent Delisoda, S.A. as trustee Fiduciaria del Pacifico, S.A. and as beneficiary Banco de Guayaquil, S.A.

For constitution of the Trust, the constituents contributed mainly trademarks and slogans. The purpose of the Trust is to guarantee the payment of loans granted or to be granted in the future by the Banco de Guayaquil, S.A. The Trust may last as long as necessary for the fulfillment of its purpose. The trust amount is of US$12,883,647.

(b) The Guatemalan subsidiaries make refundable contributions to the Asociación Solidarista de Trabajadores [Workers' Solidarity Association], which are restricted to cover the payment of labor indemnities to employees (see note 21).

Notes to the Consolidated Financial Statements

15 Bank Loans

The detail of bank loans is the following:

Country	Finance Entity	Interest rate	Form of payment of capital	Amount of payment US$	Form of payment of interest	Date of maturity
	Long-terms Loans					
	With Suppliers					
Ecuador	SIPA Plastic Packaging Systems	8.00	Quaterly	155,182	Annual	Jan. 2015
Ecuador	Interimportsa S. A.	12.00	Monthly	64,042	Monthly	Jan. 2014
	Loans with fiduciary guarantee					
El Salvador	Banco Agrícola, S.A. (a)	4.50	At maturity	-	Monthly	Feb. 2016
Guatemala	Banco de Desarrollo Rural, S.A.	8.00	At maturity	One amortization to principal 632,727	Monthly	Dec. 2015
Guatemala	Banco de Desarrollo Rural, S.A.	6.75	At maturity	-	Monthly	Feb. 2017
El Salvador	Banco Agrícola, S.A. (a)	7.90	At maturity	-	Quarterly	Feb. 2015
Guatemala	Banco Industrial S.A. (Fiduciary)	7.00	At maturity	-	Monthly	Mar. 2015
Guatemala	Bancolombia, S.A. Panamá (a)	4.00	At maturity	-	Monthly	Feb. 2016
Guatemala	Mesoamerican Financial Corp. (a)	6.75	At maturity	-	Monthly	Mar. 2017
Honduras	Mesoamerican Financial Corp. (a)	6.75	At maturity	-	Monthly	Feb. 2017
Ecuador	Fideicom Titularización	8.50	At maturity	-	Monthly	Mar. 2014
Guatemala	Banco Reformador, S.A.	6.30	At maturity	-	Monthly	Oct. 2017
Trinidad and Tobago	Mesoamerican Financial Corp. (a)	6.75	At maturity	-	Monthly	Jun. 2017
Guatemala	Banco Reformador, S.A.	6.50	At maturity	-	Monthly	Oct. 2017
Nicaragua	Mesoamerican Financial Corp. (a)	6.75	At maturity	-	Monthly	Mar. 2017
	Carried forward			-		

Notes to the Consolidated Financial Statements

Country	Finance Entity	Interest rate	Form of payment of capital	Amount of payment US$	Form of payment of interest	Date of maturity
	Brought forward					
Ecuador	Banco Guayaquil (Mortgage)	8.95 to 9.33 re-adjustable every 90 days	At maturity	171,428	Monthly	Feb. 2015
Ecuador	Banco Guayaquil (Mortgage)	8.95	At maturity	137,099	Monthly	Oct. 2015
Honduras	Banco Financiera Centroamericana, S.A.	10.00	At maturity	-	Monthly	Oct. 2015
Ecuador	Banco Pichincha (Mortgage)	8.92	At maturity	94,254	Monthly	Jan. 2015
Guatemala	Mesoamerican Financial Corp (a)	6.75	At maturity	-	Monthly	Mar. 2017
Ecuador	Banco Promerica	8.95	At maturity	57,000	Monthly	Jun. 2014
Ecuador	Interimportsa S. A.	12.00	At maturity	-	Monthly	Oct. 2013
Ecuador	Banco Guayaquil (mortgage)	8.95	At maturity	-	Monthly	Marc. 201
Honduras	Banco Financiera Centroamericana, S.A.	7.50	At maturity	-	Monthly	Oct. 2019
Ecuador	Banco Bolivariano C. A.	8.33 to 8.79 indexed every 90 days.	At maturity	-	Monthly	Feb. 2013
Ecuador	Banco Promerica	8.95	At maturity	28,822	Monthly	Jan. 2014
Ecuador	Banco Guayaquil (mortgage)	8.95	At maturity	17,870	Monthly	Marc. 201
Ecuador	Banco Promerica	8.95	At maturity	6,789	Monthly	May. 2016
Ecuador	Banco de la Producción S. A.	8.95 to 9.33 indexed every 90 days.	At maturity	73,444	Monthly	Jan. 2014
Guatemala	Banco G&T Continental S.A. (Syndicated)	8.00	At maturity	-	Monthly	Jan. 2017
Nicaragua	Bancolombia, S.A. Panamá (Syndicated)	LIBOR + 5.25	Semiannual ly with grace period of 12 months	-	Quatertly	Feb. 2016
	Carried forward					

Notes to the Consolidated Financial Statements

Country	Finance Entity	Interest rate	Form of payment of capital	Amount of payment US$	Form of payment of interest	Date o maturi
	Brought forward					
Trinidad and Tobago	Citibank	3.89	At maturity	-	Monthly	Sept. 201
Honduras	Banco Financiera Comercial Hondureña, S.A.	14.00 y 15.00	At maturity	-	Monthly	2011
El Salvador	Banco Agrícola, S.A. (Syndicated)	LIBOR + 5.25	Semiannually with grace period of 12 months	-	Quarterly	Feb. 201
El Salvador	Banco Agrícola, S.A. (Syndicated)	LIBOR +5.25	Semiannually with grace period of 12 months	-	Quarterly	Feb. 201
	Short-terms Loans					
Guatemala	Banco de América Central, S.A. El Salvador	4.00	At maturity	-	Monthly	Dec. 201
Guatemala	Banco Internacional, S.A.	6.60	At maturity	-	Monthly	Apr. 201
Guatemala	Citibank (Fiduciary)	5.50	At maturity	-	Monthly	Apr. 201
Guatemala	Banco de América Central, S.A.	4.25	At maturity	-	Monthly	Dec. 201
El Salvador	Hencorp Becstone Capital	5.00	At maturity	-	Monthly	Jun. 201
Ecuador	Banco Citibank N A	8.40	At maturity	-	Monthly	Jan. 201
Ecuador	Interimportsa S. A.	12.00	At maturity	164,545	Monthly	Jul. 2013
El Salvador	Citibank (Promissory note)	0.00	At maturity	-	Monthly	Jun. 201
Ecuador	Interimportsa S. A.	12.00	At maturity	86,267	Monthly	Jan. 2014
Ecuador	Guaranty Trust Bank Limited	0.00	At maturity	-	Monthly	Dec. 201
Ecuador	Banco Guayaquil (Mortgage)	8.95	At maturity	-	Monthly	Jun. 201
Ecuador	Banco Bolivariano	8.50	At maturity	-	Monthly	May. 20
Guatemala	Bancolombia, S.A. Panamá (Syndicated)	7.90	At maturity	-	Monthly	Dec. 201
Honduras	Banco del País, S.A.	13.75	Monthly	-	Monthly	Dec. 201
	Carried forward					

Notes to the Consolidated Financial Statements

Country	Finance Entity	Interest rate	Form of payment of capital	Amount of payment	Form of payment of interest	Date matu
	Brought forward					
	Total bank loans					
	(-) Total short-term bank loans					
	(-) Current portion of long-term loans					
	Long-term bank loans, less current portion					

(a) Bank loans guaranteed by certificates of deposit. See note 5.

Notes to the Consolidated Financial Statements

The amortization table for these bank loans is shown below:

	December 31	
	2012	**2011**
	US$	**US$**
2012	-	24,661,177
2013	33,663,244	8,038,898
2014	15,577,389	8,038,898
2015	13,019,150	38,783,695
2016 and beyond	193,107,133	89,785,853
	255,366,916	169,308,521

16 Accounts Payable and Accrued Expenses

The summary of this account is the following:

	December 31	
	2012	**2011**
	US$	**US$**
Suppliers	163,338,810	103,725,389
Affiliated companies	18,972,088	16,392,717
Accounts payable (a)	44,371,585	12,747,315
Labor benefits payable	9,646,127	5,177,967
Provision for tax credits of doubtful recovery	3,912,504	3,882,180
	240,241,114	141,925,568

(a) The balance at December 31, 2012 and 2011 includes US$3,306,425 and US$3,417,493 respectively that correspond to preferred shares that should have been reacquired in each year; however, according to an agreement with the third party the amount of US$3,306,425 and US$3,417,493 will be fully cancelled in 2013 and 2012, respectively.

17 Bonds Payable

In February, 2012, The Central America Bottling Corporation issued bonds for US$200 million on the Luxembourg stock exchange through The Bank of New York Mellon, which are payable at 10 years to maturity date and are guaranteed, including to biannual interest rate of 6.75 percent, by eleven Group subsidiaries, which are described as follows: (i) Embotelladora Nacional, S.A., (ii) Comercializadora Modelos, S.A. de C.V., (iii) Comercializadora Sagitario, S.A., (iv) Embotelladora La Reyna, S.A., (v) Mariposa El Salvador, S.A. de C.V., (vi) Comercializadora Interamericana, S.A. de C.V., (vii) Pepsi-Cola Trinidad Bottling Company Limited, (viii) Companía de Jarabes y Bebidas Gaseosas La Mariposa, S.A., (ix) Pepsi-Cola Jamaica Bottling Company Limited, (x) Pepsi-Cola Puerto Rico Distributing, LLC, and (xi) LivSmart Americas, S.A. de C.V.

Notes to the Consolidated Financial Statements

As of December 31, 2012 the balance of this account is integrated by US$200 million, corresponding to the private issued and placement of admissible bonds in the international capital market on February 9, 2012, through the Bank of New York Mellon, with a fixed semiannual interest rate of 6.75% and payment at maturity in February 2022.

This financing is integrated as follow:

Company	Bank	Terms	Annual interest rate	US$
The Central American Bottling Corporation Guatemala	Mesoamerican Financial Corp. (see note 15)	Semiannual interest and principal at maturity	6.75	12,000,000
The Central American Bottling Corporation El Salvador	Mesoamerican Financial Corp. (see note 15)	Semiannual interest and principal at maturity	6.75	1,200,000
Embotelladora La Reyna, S.A. de C.V.	Mesoamerican Financial Corp. (see note 15)	Semiannual interest and principal at maturity	6.75	14,000,000
Embotelladora La Nacional, S.A.	Mesoamerican Financial Corp. (see note 15)	Semiannual interest and principal at maturity	6.75	6,800,000
Pepsi Cola Trinidad Bottling Company Limited	Mesoamerican Financial Corp. (see note 15)	Semiannual interest and principal at maturity	6.75	8,000,000
Certificate of deposit in Mesoamerican Financial Corp. (see note 5)				42,000,000
Mariposa El Salvador, S.A de C.V. and related company	Banco Agrícola, S.A. (see note 15)	Semiannual interest and principal at maturity	7.90	17,000,000
Livsmart Américas, S.A. de C.V.	Banco Agrícola, S.A. (see note 15)	Semiannual interest and principal at maturity	4.50	40,000,000
The Central America Bottling Corporation	Bancolombia Panamá (see note 15)	Semiannual interest and principal at maturity	4.0	13,000,000
Excess in held-to-maturity investments				2,000,000
Certificate of deposit in Bancolombia Panamá (see note 5)				72,000,000
Consideration transferred for business combinations (see note 11)				63,000,000
Later contributions for business combinations				15,000,000
Not distributed to any operation				8,000,000
				200,000,000

Notes to the Consolidated Financial Statements

18 Contractual Clauses Stipulated in Bond Issued and Loan Contracts

At December 31, 2012
The bonds issued for wich The New York Mellon Bank require compliance with certain clauses to be measured in line with consolidated financial statements of The Central America Bottling Corporation and Subsidiaries:

- Limitation on Incurrence of additional indebtedness the Consolidated Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries is greater than the ratio set forth below in the row opposite the time period containing the date of Incurrence; and

Time period (in each case after the Issue Date)	Ratio
From the Issue Date to December 31, 2013	2.00 to 1.0
From January 1, 2014 to December 31, 2015	2.25 to 1.0
From January 1, 2016 to February 9, 2022	2.50 to 1.0

- The consolidated total indebtedness to consolidated EBITDA Ratio of the Issuer and its Restricted Subsidiaries is less than the ratio set forth below in the row opposite the time period containing the date of Incurrence.

Time period (in each case after the Issue Date)	Ratio
From the Issue Date to December 31, 2013	3.75 to 1.0
From January 1, 2014 to December 31, 2014	3.50 to 1.0
From January 1, 2015 to December 31, 2016	3.25 to 1.0
From January 1, 2017 to February 9, 2022	3.00 to 1.0

"**Consolidated Fixed Charge Coverage Ratio**" means, for any person as of any date of determination, the ratio of the aggregate amount of consolidated EBITDA of such person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination (the "**Four Quarter Period**") to Consolidated Fixed Charges for such Person for such Four Quarter Period. For purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" will be calculated after giving effect on a pro forma basis as determined in the good faith judgment of the Issuer's chief financial officer, for the period of such calculation to:

Notes to the Consolidated Financial Statements

1) The incurrence or repayment or redemption of any Indebtedness (including Acquired Indebtedness) of such Person or any of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer), and the application of the proceeds thereof, including the Incurrence of any Indebtedness (including Acquired Indebtedness), and the application of the proceeds thereof, giving rise to the need to make such determination, occurring during such Four Quarter Period or at any time subsequent to the last day of such Four Quarter Period and on or prior to such date of determination, to the extent, in the case of an Incurrence, such Indebtedness is outstanding on the date of determination, as if such Incurrence and the application of the proceeds thereof, repayment or redemption occurred on the first day of such Four Quarter Period;

2) Any Asset Sale Transaction or Asset Acquisition by such Person or any of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer), including any Asset Sale Transaction or Asset Acquisition giving rise to the need to make such determination occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to such date of determination, as if such Asset Sale Transaction or Asset Acquisition occurred on the first day of the Four Quarter Period including any pro forma expense and cost reductions, synergies and other operating improvements that have occurred or are reasonably expected to occur and are reasonably the basis of pro forma adjustment (regardless of whether such cost savings, synergies or operating improvements could then be reflected in pro forma financial statements in accordance with Regulation S-X under the Securities Act);

3) The Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the date of determination, will be excluded;

4) The Consolidated Fixed Charges attributable to discontinued operations and operations or businesses (and ownership interests therein) disposed of prior to the date of determination, will be excluded, but only to the extent that the obligations giving rise to such Consolidated Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the date of determination;

Notes to the Consolidated Financial Statements

5) Any Person that is a Restricted Subsidiary on the date of determination or that becomes a Restricted Subsidiary on the date of determination will be deemed to have been a Restricted Subsidiary at all times during such four fiscal quarters; and

6) Any Person that is not a Restricted Subsidiary on the date of determination or would cease to be a Restricted Subsidiary on the date of determination will be deemed not to have been a Restricted Subsidiary at any time during such four fiscal quarters.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio,"

a. Interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter will be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such date of determination; provided that any interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by Hedging Obligations, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements; and

b. If interest on any Indebtedness actually Incurred on such date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate, or other rates, then the interest rate in effect on such date of determination will be deemed to have been in effect during the Four Quarter Period.

"**Consolidated Total Indebtedness to Consolidated EBITDA Ratio**" means, for any Person as of any date of determination, the ratio of Consolidated Total Indebtedness as of such date to Consolidated EBITDA for the Four Quarter Period, provided, that:

c. If the Issuer or any Restricted Subsidiary has:

Notes to the Consolidated Financial Statements

d. Incurred any Indebtedness during the Four Quarter Period that remains outstanding on the date of the transaction giving rise to the need to calculate the Consolidated Total Indebtedness to Consolidated EBITDA Ratio or if the transaction giving rise to the need to calculate the Consolidated Total Indebtedness to Consolidated EBITDA Ratio is an Incurrence of Indebtedness, Consolidated EBITDA and Consolidated Total Indebtedness for such Four Quarter Period shall be calculated on a pro forma basis as if such Indebtedness had been Incurred on the first day of such Four Quarter Period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the day of such calculation will be deemed to be: (i) the average daily balance of such Indebtedness during such Four Quarter Period or such shorter period for which such facility was outstanding, or (ii) if such facility was created after the end of such Four Quarter Period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation); or

e. Repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such Four Quarter Period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Total Indebtedness to Consolidated EBITDA Ratio,

   Consolidated EBITDA for such Four Quarter Period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such Four Quarter Period and as if the Issuer or such Restricted Subsidiary had not earned the interest income actually earned during such Four Quarter Period in respect of cash or Cash Equivalents used to repay, repurchase, defease or otherwise discharge such Indebtedness;

f. If since the beginning of such Four Quarter Period the Issuer or any Restricted Subsidiary shall have made any Asset Sale, then giving pro forma effect to such disposition during such Four Quarter Period on the Consolidated EBITDA;

Notes to the Consolidated Financial Statements

g. If since the beginning of such Four Quarter Period, the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Person that is merged with or into the Issuer or any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, then giving pro forma effect to such Investment or acquisition on the Consolidated EBITDA for such Four Quarter Period, any such pro forma calculation may include adjustments appropriate to reflect, without duplication, any such acquisition to the extent such adjustments may be reflected in the preparation of pro forma financial information in accordance with the requirements of IFRS and Article XI of Regulation S-X under the Exchange Act;

h. Provided, that such adjustments are set forth in an Officer's Certificate that states (i) the amount of such adjustment or adjustments, (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officer executing such Officer's Certificate at the time of such execution and (iii) that any related Incurrence of Indebtedness is permitted pursuant to the Indenture; and

i. If since the beginning of such Four Quarter Period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such Four Quarter Period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (2) or (3) above if made by the Issuer or a Restricted Subsidiary during such Four Quarter Period, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Asset Sale, Investment or acquisition of assets occurred on the first day of such Four Quarter Period.

j. For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets and the amount of income or earnings relating thereto, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire Four Quarter Period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of twelve months).

Notes to the Consolidated Financial Statements

The compliance of the presentation of the audited consolidated balance sheets as December 31, 2012 and 2011 and consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the years then ended and notes, comprising a summary of significant accounting policies and other explanatory information, 120 days after the close of end year.

The Group's Management considers that, at December 31, 2012, the covenants and contractual clauses described above have been fulfilled.

At December 31, 2011
The syndicated loan contract signed with Bancolombia, S.A. (Panama) and Banco Agrícola, S.A. (Panama) and the syndicated loan granted by Banco G&T Continental, S.A. (Guatemala) jointly with Banco Industrial, S.A. (Guatemala) require compliance with certain clauses to be measured in line with the consolidated financial statements of The Central America Bottling Corporation and Subsidiaries:

- The EBITDA of the entity may not be less than 1.50 times.
- The free cash flow ratio for the last 12 months plus initial cash for the period, divided by the debt services for the last 12 months, must be higher than 1.50 times.
- The ratio between gross financial debt and EBITDA for the last 12 months may not be higher than 3 times.
- The free cash flow plus initial cash for the period of the debt service for the last 12 months must be higher than or equal to 1.50 times.
- The Central America Bottling Corporation and Subsidiaries may not declare dividends without prior authorization of the bank if their payment will cause non-fulfillment of the financial ratios stipulated.
- The Group may not reduce its corporate capital during the life of the credit, save in the case of preferred shares.

The conditions described above must be measured on March and September of each year. The Group Management considers that in 2011, the contractual clauses described above has been fulfilled.

19 Accounts Payable Long Term

At December 31, the Group had long-term debts as shown below:

		December 31	
		2012	**2011**
		US$	**US$**
Accounts payable for financing of Machinery	(a)	2,551,933	696,993
Other accounts payable		3,501,607	1,961,396
		6,053,540	2,658,389

Notes to the Consolidated Financial Statements

These long-term obligations do not earn interest.

(a) Below are detailed the accounts payable for financing of machinery:

	2012 US$	2011 US$
Purchase and sale contract with title retention, financing granted without interest at a term of 7 years, counted since the sign of the aseptic test's certificate (July 1, 2011). Payable monthly with an interest rate of 6% annually, which expires in June 30, 2018.	2,144,934	-
Purchase and sale contract with title retention, signed with Tetra Pak, Panamanian company, financing granted without interest at a term of 5 years, counted as of aseptic test form certificate (April 30, 2009) payable by annual installments at a rate of US$6.60 for each 1,000 containers produced until completion of sum owed, which expires in 2014.	231,013	395,953
Purchase and sale contract of movable goods that conforms a filling and distribution equipment for a returnable bottles line, which will be paid in quarterly fees, capital plus interest, on an interest rate of 9% and 12% in 2012 and 2011 respectively .	75,260	301,040
Purchase and sale contract with title retention, financing granted without interest at a term of 2 years, counted since the sign of the aseptic test's certificate (April 13, 2011). Payable monthly whit an interest rate of 3.31%.	100,726	-
	2,551,933	696,993

20 Provision for Employee Benefits (Pension Plan)

Defined Benefit

The subsidiary organized in Puerto Rico has a defined contribution pension plan for the purpose of providing pension benefits to eligible employees. Employees may contribute amounts up to $10 for year 2011. Act No. 1 of January 31, 2011, increased the maximum contributions to $13 for year 2012 and to $15 for year 2013, and thereafter. The Company matches participant contributions at a rate of 65% of participant's pre-tax contribution, up to a maximum of 5% of participant's compensation. Contributions to the Plan amounted to US$248,000 and US$237,000 for the years ended December 31, 2012 and 2011, respectively.

Notes to the Consolidated Financial Statements

Defined Benefits
Additionally, this subsidiary has a separate noncontributory pension plan for eligible salaried employees and employees hired by the hour. The benefits under the plan for salaried employees are based upon years of service and average earnings during the last five years, while the benefits under the hourly plan represent a fixed amount for each year of service.

The Puerto Rican subsidiary makes an annual contribution to the plan as required by applicable regulations. Contributions provide benefits for services rendered by employees up to date and for services expected to be provided in future. The plans are insured by an independent agency, "Pension Benefit Guaranty Corporation". On April 16, 1997, the Puerto Rican subsidiary indefinitely suspended future participation in both plans. As a result the obligation projected is equal to the benefit obligation accumulated for each plan.

Actuarial gains and losses are generally amortized subject to the corridor method over the average remaining service life of companies' active employees.

The following table sets forth the plans' projected benefit obligation, the fair value of assets of the plan, the status of the fund and the amounts recognized in the consolidated financial statements at December 31 each year.

	December 31	
	2012	**2011**
	US$	**US$**
Present value of obligations	14,747,000	14,461,000
Fair value of plan assets	(7,980,000)	(7,448,000)
Liability recognized for obligations for defined benefits (funded status)	6,767,000	7,013,000

	Years ended December 31	
	2012	**2011**
	US$	**US$**
Movement of actuarial losses:		
Net actuarial losses at beginning of year	11,772,005	10,198,000
Net actuarial losses at end of year	11,500,000	11,772,005
Unrealized actuarial gain (loss) at end of year	272,005	(1,574,005)

Notes to the Consolidated Financial Statements

Weighted average assumptions used to determine benefit obligation at December 31, 2012 and 2011 were as follow:

	December 31	
	2012	**2011**
Discount rate	3.85%	4.13%
Expected long term return on plan assets	7%	7%

The following are weighted-average assumptions used to determine net periodic benefit cost for years ended December 31,2012 and 2011 were as follow:

	December 31	
	2012	**2011**
Discount rate	4.14%	5.08%
Expected long term return on plan assets	7%	7%

The discount rate assumption reflects the market rate for high quality fixed income debt instruments based on the expected duration of the benefit payments for the company's pension plans at reporting date, and is subject to change each year.

The expected long-term rate of return on the plan assets, should over time, approximate the actual long-term rate of return on the pension plan assets. The assumptions on the expected rate of return on plan assets are based on historical returns and on returns that are expected to be obtained in future for each class of asset, as well the target asset allocation of the asset portfolios.

The amounts of costs of benefit, the employer contributions to the plan and benefits paid in the year are shown below:

	Years ended December 31	
	2012	**2011**
	US$	**US$**
Cost of the benefits	926,000	907,000
Company contributions to the plan	996,000	718,000
Benefits paid in the year	988,000	1,257,000

Notes to the Consolidated Financial Statements

The assets allocation of the pension benefits of the subsidiaries organized in Puerto Rico were as follows:

December 31, 2012:	**Total US$**	**Quoted prices in active markets for identical assets (Level 1)**	**%**
Asset category:			
Cash	1,039,000	1,039,000	13
Equity securities	6,941,000	6,941,000	87
	7,980,000	7,980,000	100

December 31, 2011:	**Total US$**	**Quoted prices in active markets for identical assets (Level 1)**	**%**
Asset category:			
Cash	2,172,500	2,172,500	29
Equity securities	5,275,500	5,275,500	71
	7,448,000	7,448,000	100

The plan's investment objectives are to seek capital appreciation with a level of current income and long-term income growth. The investment portfolios are currently diversified by security and asset class by investing in domestic and international equity Exchange Traded Funds (ETF), a domestic ETF's fund, and money market funds. The Trust's target investment allocations are 23% to 35% in equities, 65% to 77% in fixed income. The Trust does not hold any of the company's common stock.

The company expects to contribute US$1,020,000 and US$810,000 to the pension plan in 2012 and 2011 respectively.

Notes to the Consolidated Financial Statements

The following benefit payments, which reflect expected future services, an appropriate, are expected to be paid:

Year	**US$**
2013	311,000
2014	328,000
2015	330,000
2016	349,000
2017	365,000
Thereafter	2,113,000
	3,796,000

21 Provision for Labor Indemnities

At December 31, the obligation for labor indemnities is covered as follows:

	December 31	
	2012	**2011**
	US$	**US$**
Present value of the obligations	22,856,624	21,902,567
Assets and provisions that cover the obligation:		
Asociación Solidarista de Trabajadores		
(see note 14) (a)	(3,396,676)	(3,268.410)
Provision for severance (b)	(19,459,948)	(18,634,157)
Total cover of the obligation	(22,856,624)	(21,902,567)

(a) The Guatemalan subsidiaries make refundable contributions to the Asociación Solidarista de Trabajadores de Embotelladora La Mariposa, S.A. – ASTEMSA, which are restricted to cover payment of labor indemnities to employees.

The movement of the contributions made to Asociación Solidarista to cover the labor indemnity obligations is shown below:

	Years ended December 31	
	2012	**2011**
	US$	**US$**
Balance at beginning of year	3,268,410	2,851,979
Contributions made	879,119	901,287
Reimbursements for the year	(604,269)	(597,857)
Translation effect	(146,584)	113,001
Balance at end of year	3,396,676	3,268,410

Notes to the Consolidated Financial Statements

(b) This provision is determined on the basis of an actuarial study carried out by an independent actuary, considering the following assumptions and calculation methodology:

	December 31 2012	December 31 2011
Discount rate used	9.5% and 15%	9.0% and 12%
Future salary increases	6.0% and 8%	6.0% and 8%
Increase in turnover rate	0.0%	0.0%
Retirement age	55-65	60

The assumptions on future mortality are based on GAM 1983 MF mortality statistics and tables. The turnover rate is based on the Watson Wyatt 355 table.

The movement of the provision for labor indemnities and related accumulated balance is shown below:

	Years ended December 31 2012 US$	Years ended December 31 2011 US$
Balance at beginning of year	18,634,157	15,087,090
Increase to the provision	1,570,988	4,925,314
Payments in the year	(378,522)	(1,439,424)
Translation effect	(366,675)	61,177
Balance at end of year	19,459,948	18,634,157

22 Preferred Shares

In April 2000, Embotelladora del Sur, S.A. (Guatemalan subsidiary absorbed in 2010 by Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A.) issued 1,705,010 preferred shares with a nominal value of Q100 each, which generate preferred dividends of 6% and 5% annually. Embotelladora del Sur, S.A. (Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. as of September 29, 2010) is required to repurchase 47,606 shares in March and September each year.

Notes to the Consolidated Financial Statements

The movement of this account is the following:

	Years ended December 31	
	2012	**2011**
	US$	**US$**
Balance at beginning of year	5,066,990	9,111,176
Treasury stocks	(1,520,168)	(4,044,186)
Balance at end of year	3,546,822	5,066,990

During the year ended December 31, 2012 there were repurchased shares by an amount equivalent to US$4,836,250 of which US$1,488,946 were paid in cash and US$3,347,304 against accounts payable. In 2011 the outstanding preferred shares correspond to 392,185 Type “B” preferred shares with a nominal value of Q100 each, earning preferred dividends of 5%.

The repurchase of shares Type “A” was paid in quetzals and the repurchase of shares Type ‘B’ has been paid and will be paid in U.S. dollars.

At December 31, 2012 and 2011, the outstanding shares are only Type ‘B’ preferred shares 274,524 with a nominal value of Q100 each and 392,185 Type “B” preferred shares with a nominal value of Q100 each earning preferred dividends of 5%, respectively.

During the years ended December 31, 2012 and 2011, Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. and Embotelladora del Sur, S.A. paid preferred dividends for US$172,977 and US$395,869, respectively. As of March 2011 and until repurchase of preferred shares, Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. will make payment of the preferred dividends.

23 Shareholders’ Equity

Paid-in capital

The Group’s paid-in capital at December 31, 2012 is made up of 304,878 common and nominative shares with face value of US$100 each.

Notes to the Consolidated Financial Statements

24 Other Income

The summary of these accounts is as follows:

	Years ended December 31		
	2012	**2011**	**2010**
	US$	**US$**	**US$**
Other Income:			
Gain on sale on sale and/or by write-offs of property, plant and equipment	10,197,031	1,080,279	25,208
Royalties	2,182,143	5,294,888	1,277,912
Others	3,398,797	1,336,015	2,602,638
	15,777,971	7,711,182	3,905,758

25 Selling, General and Administrative Expenses

The summary of these accounts is as follows:

	Years ended December 31		
	2012	**2011**	**2010**
	US$	**US$**	**US$**
Sales expenses:			
Personnel expenses	83,494,900	62,637,790	64,644,404
General expenses	97,881,842	63,148,293	56,684,208
Sales and promotions	38,057,876	27,222,609	24,132,066
Other	6,405,397	10,288,749	5,788,375
	225,840,015	163,297,441	151,249,053
General and administrative:			
Personnel expenses	27,967,900	32,865,108	23,108,482
General expenses	29,933,106	20,843,467	20,956,878
Provision for tax credits of doubtful recovery	-	-	3,831,287
Other	8,850,821	8,285,565	4,380,078
	66,751,827	61,994,140	52,276,725

Notes to the Consolidated Financial Statements

26 Net Finance Cost

The summary of this account is as follows:

	Years ended December 31		
	2012	**2011**	**2010**
	US$	**US$**	**US$**
Finance costs:			
Interest	(28,264,497)	(13,296,527)	(17,632,642)
Exchange loss	(13,935,585)	(4,705,232)	(5,408,899)
Changes in the fair value of derivative financial instruments	-	(738,511)	-
	(42,200,082)	(18,740,270)	(23,041,541)
Finance income:			
Exchange gain	9,095,732	2,612,393	6,524,980
Interest	10,072,541	2,378,073	2,441,566
	19,168,273	4,990,466	8,966,546
Net finance costs	(23,031,809)	(13,749,804)	(14,074,995)

27 Income Tax

Current

The current income tax shown in the consolidated statements of income for the years ended December 31, 2012, 2011 and 2010 is the sum of the taxes determined by the subsidiaries organized in Guatemala, El Salvador, Honduras, Nicaragua, Puerto Rico, Jamaica, Trinidad & Tobago and Mexico. The Central America Bottling Corporation and the Panamanian subsidiaries are exempt from income tax.

The income tax returns of the subsidiaries of The Central America Bottling Corporation are open for review by the tax authorities of each country for the following periods:

	Periods open to review	**Statute of limitation for review**
Guatemalan subsidiaries	2009 to 2012	4 years
Salvadoran subsidiaries	2008 to 2012	5 years, extended to 10 years
Honduran subsidiaries	2008 to 2012	5 years
Nicaraguan subsidiary	2009 to 2012	4 years
Puerto Rican subsidiaries	2006 to 2012	7 years
Subsidiary organized in Jamaica	2006 to 2012	7 years
Subsidiary organized in Trinidad & Tobago	2009 to 2012	4 years
Mexican subsidiary	2008 to 2012	5 years
Ecuadorian subsidiary	2007 to 2012	6 years

Notes to the Consolidated Financial Statements

Total income tax expenditure for the year ended December 31, 2012 totaled US$13,586,964 (US$9,333,741 in 2011 and US$7,898,146 in 2010), which represent an effective rate of 25.7% (44.6% in 2011 and 35% in 2010).

Reconciliation of effective tax rate

	Years ended December 31					
	2012 %	**2012 US$**	**2011 %**	**2011 (Restated, notes 33) US$**	**2010 %**	**2010 (Restated, notes 33) US$**
Profit before income tax		52,801,519		20,924,783		22,544,006
Tax using the Group's domestic tax rate		-		-		-
Effect on tax rate in foreign jurisdictions	25.9	13,697,171	39.5	8,266,823	36.5	8,220,195
Taxation effect of:						
Exempt income	(1.5)	(807,072)	(12.1)	(2,534,535)	(1.8)	(398,642)
Non-deductible expenses	1.3	696,865	17.2	3,601,453	0.3	76,593
Capital gains		-		-	0.2	48,016
Income tax expense	25.7	13,586,964	44.6	9,333,741	35	7,946,162

Deferred Income Tax Benefit (Expense), Net

Net deferred income tax is broken down as follows:

	Years ended December 31		
	2012 US$	**2011 US$**	**2010 US$**
Deferred income tax:			
Expense	1,150,427	(223,920)	(2,323,828)
Benefit	447,889	1,647,742	971,131
Benefit (expense), net	1,598,316	1,423,822	(1,352,697)

Asset:

The movement of the deferred tax assets and the balance at end of the year is as follows:

	Years ended December 31		
	2012 US$	**2011 US$**	**2010 US$**
Balance at beginning of year	5,318,549	3,581,927	4,197,137
Tax effect of the differences of the period	447,889	1,647,742	(1,559,686)
Translation effect	(31,480)	88,880	944,476

Balance at end of year	5,734,958	5,318,549	3,581,927

Notes to the Consolidated Financial Statements

Liability:

The movement and the balance at end of year of the deferred tax liabilities are shown below:

	Years ended December 31		
	2012	**2011**	**2010**
	US$	**US$**	**US$**
Balance at beginning of year	(14,025,421)	(13,554,169)	(13,363,017)
Tax effect of the differences of the period	1,150,427	(223,920)	206,989
Translation effect	315,529	(247,332)	(398,141)
Balance at end of year	(12,559,465)	(14,025,421)	(13,554,169)

The nature of the deductible and taxable items that generate asset and liability deferred income tax at December 3, 2012 and 2011 as well as movement and effect on the results for the years ended on those dates is shown below:

December 31, 2012	**December 31, 2011 US$**	**Recognized in the results of 2012 US$**	**Translation effect US$**	**December 31, 2012 US$**
Asset:				
Valuation of foreign currency	(103,963)	212,608	(632)	108,013
Provision for indemnities	4,116,670	340,264	(48,729)	4,408,205
Stock and valuation of inventories	20,724	(20,724)	-	-
Operating losses deductible in future years and other	1,285,118	(84,259)	17,881	1,218,740
Total deferred tax assets	5,318,549	447,889	(31,480)	5,734,958
Liability:				
Depreciation of machinery, equipment and vehicles	10,490,301	(1,202,761)	(274,810)	9,012,730
Recognition of bottles and boxes	415,701	(415,142)	(576)	(17)
Amortization of goodwill	3,119,419	467,476	(40,143)	3,546,752
Total deferred tax liability	14,025,421	(1,150,427)	(315,529)	12,559,465
Net deferred tax liability	(8,706,872)	1,598,316	284,049	(6,824,507)

Notes to the Consolidated Financial Statements

December 31, 2011	December 31, 2010 US$	Recognized in the results of 2011 US$	Translation effect US$	December 31, 2011 US$
Asset:				
Valuation of foreign currency	78,240	(184,732)	2,529	(103,963)
Provision for indemnities	3,360,963	670,135	85,572	4,116,670
Stock and valuation of inventories	20,724	-	-	20,724
Operating losses deductible in future years and other	122,000	1,162,339	779	1,285,118
Total deferred tax assets	3,581,927	1,647,742	88,880	5,318,549
Liability:				
Depreciation of machinery, equipment and vehicles	10,315,817	-	174,484	10,490,301
Recognition of bottles and boxes	654,862	(246,216)	7,055	415,701
Amortization of goodwill	2,583,490	470,136	65,793	3,119,419
Total deferred tax liability	13,554,169	223,920	247,332	14,025,421
Net deferred tax liability	(9,972,242)	1,423,822	(158,452)	(8,706,872)

28 Commitments, Contingencies, Endorsements and Guarantees

Commitments

Guatemalan subsidiaries

– To guarantee the payment of the bank loans recognized by Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. (up to September 28, 2010 recognized in the financial statements of Embotelladora del Sur, S.A.) in the year 2000 (date on which the assets and liabilities of Embotelladora del Pacifico, S.A. were acquired), a trust was formed with the finance entities involved and 999,726 preferred shares of Q100 each with limited vote and preferred dividends of 6% and 5% annually, paid semiannually were pledged as guarantee.

Notes to the Consolidated Financial Statements

– In respect of the shares pledged as guarantee to the finance entities involved in the trust, Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. has the commitment to repurchase them, and it has agreed with the finance entities to repurchase 47,606 shares in March and September each year starting in March 2001.

– In 2012 and 2011 exclusivity contracts were signed and renewed with clients for the sale of beverages, which obligate to distribute and sell in the facilities of third contractors, with exclusivity, the actual and future products manufactured, represented and/or sold by Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A.; as well as to obtain marketing advantages in respect of advertising. As consideration, the company undertakes to pay for such right, during ten years, a value in proportion to the sales made by the establishments, counting as of 2008, and to supply the level of boxes of product committed, with the quality standards necessary for human consumption and on the basis of the list price of the market.

Salvadoran subsidiary
In October 2005, Livsmart Américas, S.A. de C.V. (Bon Appetit, S.A. de C.V. in 2009) signed with Pepsi-Cola de Uruguay, S.R.L. a contract for the manufacture and supply of beverages of the mark “Gatorade”. This contract is in effect as of January 1, 2005 and will continue during a period of five years as of that date, with basis on compliance of the clauses of the contract and prior written agreement of the parties before the end of the term.

According to this contract, Livsmart Américas, S.A. de C.V. is to obtain the materials and ingredients for manufacture of the products in its plant in El Salvador and send to and invoice at authorized prices the bottlers and distributors in the countries approved by Pepsi-Cola de Uruguay, S.R.L. The manufacturing prices include basic fees for manufacture, cost of materials and price of concentrate.

Honduran subsidiary
In the year 1995, the subsidiary Embotelladora La Reyna, S.A. de C.V., entered into an agreement with Comercializadora Modelo, S.A. de C.V., and in the year 2002 with Comercializadora Sagitario, S.A., for the exclusive distribution of the products elaborated and distributed by Embotelladora La Reyna, S.A. de C.V. as part of the agreement, Embotelladora La Reyna, S.A. de C.V. render services of product distribution, marketing, management and others, to Comercializadora Modelo, S.A. de C.V. and to Comercializadora Sagitario, S.A.

Nicaraguan subsidiary
Embotelladora Nacional, S.A. is party to a framework contract for the supply of PET performs with the supplier Plastiglas Holding Co. for a period of 8 years starting June 16, 2010. Under this contract, the supplier must supply the requirements of Embotelladora Nacional, S.A. with the quality specifications laid down.

Notes to the Consolidated Financial Statements

The sale prices of the pre-form are established on the basis of the costs of resin. If there is an extraordinary situation, Embotelladora Nacional, S.A. and the supplier will meet to analyze it and increases the prices, if necessary. Invoices will be paid in U.S. dollars, with a credit period of 60 days as of date of issue. The supplier will deliver performs to Embotelladora Nacional, S.A. according to quality specifications and parameters established in the contract.

Jamaican subsidiary
On August 4, 2008, Pepsi-Cola Jamaica Bottling, Company Limited signed an agreement with Red Stripe to build a waste treatment plant to meet the environmental standards implemented by the National Environment and Planning Agency (NEPA). The company was required to contribute 20% of the cost of the project, for which reason it has obtained the right to treat the liquids in its production plant. The agreement was in effect up to June 30, 2011. Amortization is included in general and administrative expenses.

Puerto Rican subsidiary
The company has three collective bargaining agreements covering three hundred seventy six (399) employees. Two of the agreements are for a five year period with automatic renewable options of one year and expire on February 28, 2015. The other agreement is for a three year period with automatic renewable options of one year and expires on June 16, 2013. Under the provision of the agreements, the company must comply with specific requirements regarding to compensation, fringe benefits and other related matters. Employees covered by the agreements represent 71% of the Company's employees.

Operating Leases

Guatemalan subsidiary
Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. leases facilities under the modality of operating leases. The lease contracts are usually agreed for a period of one year with option to renew after that date. The leases are negotiated and payable in quetzales. None of the leases includes contingent rent. During the years ended December 31, 2012 and 2011, operating leases were recognized in the statement of income as for US$3,541,904 and US$3,106,608, respectively.

Salvadoran subsidiary
Mariposa El Salvador, S.A. de C.V. at December 31, 2012 and 2011 has operating lease contracts signed for 11 mini warehouses where some retail distribution centers are installed, the monthly installment for the lease contract not being higher than US$3,500 monthly, and a center of wholesale distribution whose monthly lease payment is US$10,000.

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LivSmart Americas, S.A. de C.V., leases assets under operating lease agreements. The leasing contracts are signed usually for one year period with the option of renew the lease after that date. The leases are negotiated and payable in dollars. None of the leases includes contingency rents. During the year ended December 31, 2012 and 2011 operating leases were recognized as expense in the consolidated income statement, for US$257,512 and US$332,433 respectively.

Nicaraguan subsidiary
Embotelladora Nacional, S.A. has lease contracts signed for premises in which it has installed warehouses and foreign deposits for one year extendable for equal periods with a monthly installment of US$13,308. The operating lease expense for the year ended December 31, 2012 and 2011 was US$111,371 and US$105,760 respectively.

Puerto Rican subsidiary
The Puerto Rican subsidiary has lease agreements signed for office premises and other facilities under the modality of operating leases, which expire in 2015. The expense under this heading for the years ended December 2012 and 2011 was US$169,759 and US$157,000, respectively.

The Group´s commitment in the coming years for operating lease contracts is detailed below:

	Guatemala US$	**Nicaragua US$**	**Puerto Rico US$**	**Total US$**
2012	2,451,615	159,696	158,000	2,769,311
2013	2,478,989	159,696	158,000	2,796,685
2014	2,490,305	159,696	158,000	2,808,001
2015	2,577,503	159,696	118,000	2,855,199
2016	1,779,068	159,696	-	1,938,764
2017 and beyond	2,778,030	-	-	2,778,030
	14,555,510	798,480	592,000	15,945,990

Notes to the Consolidated Financial Statements

Franchise Agreements

The Group carries out transactions and has franchise agreements with PepsiCo International (PepsiCo) and expects to make additional transactions and sign agreements in the future. The significant transactions and agreements signed between the Group and PepsiCo are described below:

The franchise agreements are signed with PepsiCo periodically, subject to termination only for noncompliance with the terms by the Group. Termination of the franchise agreements may occur for the following causes: Bankruptcy or insolvency of the Group, change in control of more than 15% of any class of shares with right to vote of the Group; delay in payments for purchases of concentrate to manufacture soft drinks and other beverages; failures in quality control or failure to carry out the business plan approved by and communicated to PepsiCo.

Bottling Agreements and Purchases of Concentrate and Finished Goods

The Group buys raw material (concentrate for the manufacture of soft drinks and other beverages) from PepsiCo and manufactures, distributes and sells carbonated and non-carbonated beverages under several bottling agreements with PepsiCo. These agreements give the Group the right to manufacture, pack, sell and distribute beverages of the PepsiCo trade mark in bottles, in cans and in dispensing sources. Also provide the right to bottle and distribute products that are not from Cola. These agreements provide to Pepsico the right to set the prices of the concentrates, and as for the payment and other terms and conditions under which the Group buys the concentrates.

Incentives for the Bottler

PepsiCo and other owners of trademark, at their sole discretion, provide the Group with different forms of marketing support. Marketing support seeks to cover a variety of initiatives, including direct marketing, share media considerations and advertising support to promote volume and growth in the market. This support may be received by means of refunds of costs or by means of direct payments made by PepsiCo to third parties for account of the Group. There are no conditions or requirements that could result in payment for the support received by the Group.

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Contingencies

Guatemalan subsidiaries

At December 31, 2012, there were claims brought by the Guatemalan tax authorities, requiring the payment of additional income tax, value added tax and customs duties, according to the detail shown in the below these amounts do not include interest charges.

Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A.

Adjusted period	Adjusted Tax	Tax US$	Fine US$	Total US$
2000	Income tax	156,703	156,703	313,406
2002	Value added tax	143,979	143,979	287,958
2002	Customs duties	34,946	34,946	69,892
2002	Value added tax	122,574	122,574	245,148
2002	Customs duties	31,101	31,101	62,202
	Income tax	35,035	35,035	70,070
2005	Income tax (a)	272,796	272,796	545,592
	Total	797,134	797,134	1,594,268

(a) Contingencies assumed in merger takeover of Embotelladora del Norte, S.A.

– At December 31, 2012, there is still pending resolution of the adjustment to the income tax declared for the January 1 to December 31, 2000 (Process SCA 2003-27) in the Adversarial-Administrative Court for reporting as deductible expense the value added tax (VAT) for the sales invoices emissions of sales introducing bottles and boxes, consumption and breakage for an amount of US$ 313,406

– At March 1, 2010, the Adversarial-Administrative Court notified the resolution with the final allegations of (Process 01013-2008-0008) of customs duties for the amount of (US$69,893) and value added tax (VAT) for (US$288,042) in the period from April 1 to June 30 of 2002. It´s still pending that the Court issue the decision.

– At September 1, 2011, the Adversarial-Administrative Court notified the resolution with the final allegations of (Process 01012-2010-00135) of customs duties for the amount of (US$62,202) and value added tax (VAT) for (US$245,147) in the period from February 1 to March 31 of 2002. It is still pending that the Court issue the respectively sentence.

Notes to the Consolidated Financial Statements

– At October 24, 2012 the filing of an action to declare unconstitutionality presented by Embotelladora del Norte, S.A. (Process 01144-2009-00204) in the Contentious-Administrative Court correspond to cost and expenses adjustment declared the January 1 to December 3, 2005 for the amount (US$545,592). The Superintendencia de Adminstración Tributaria (SAT) argues that they exceed the 97 % of taxable income, as well, the adjusted a book value which was declared as donation. At November 2012 the Court allowed the appeal and heard to the parties. It is still pending that the Court issue a decision.

– At December 31, 2012, it is still pending resolution of the filing of unconstitutionality in the case of Process 370-00 in the Second Contentious-Administrative Court for income tax of Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. for annual quotas of mercantile enterprises for US$70,071.

– As of December 31, 2012 there are adjustment from the fiscal Guatemalan authorities to the income tax returns, which in case of unfavorable resolution for the Company, would not imply disbursement of cash, but the decrease of fiscal credits from income and other taxes. The summary of these adjustment is shown below:

Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A.
Potential effect on tax credits

Adjusted period	Adjusted tax	US$
2001	Income tax	1,555,258
2004	Tax on Mercantile and Farm Enterprises – IEMA	337,657
2005	Extraordinary and temporary peace agreement Tax (ISO)	558,349
2005	Income tax	707,454

Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A.
(Embotelladora del Norte, S.A. in 2009)
Potential effect on tax credits

Adjusted period	Adjusted tax	US$
2007	Income Tax	458,888
		3,617,607

Notes to the Consolidated Financial Statements

Group Management has presented defense arguments in hearings granted to it, and both Management and its legal advisers consider that there are possibilities that the appeals filed will be decided in their favor.

Honduran subsidiaries
At December 31, 2012 and 2011, the subsidiary Embotelladora La Reyna, S.A. de C.V. has labor suits and suits for damages to third parties for US$1,243,676 (L23,856,200) and US$744,979 (L14,174,943), respectively, which the company has contested and for which the lawyers expect favorable outcome to the company.

In 2010, the Honduran tax authorities reviewed the income tax returns and sales returns of Comercializadora Modelo, S.A. de C.V. for the years 2007 and 2008, with adjustments to income tax for US$150,827 (L2,869,855). The tax authorities must still issue the corresponding resolution to make the adjustment final. The tax authorities reviewed the income tax returns and sales returns of Comercializadora Sagitario, S.A. for these same periods, with adjustments to income tax for US$92,158 (L1,767,777) provisioned by the company.

Nicaraguan subsidiary
Embotelladora Nacional, S.A. has an appeal for constitutional protection in the Supreme Court against the Directorate General of Revenue arising of a tax audit of the selective consumer tax (ISC) and the value added tax (VAT) for the years 2003 and 2004 for a value of US$587,910 (C$12,863,466) (including taxes and fines). The appeal for constitutional protection brought by Embotelladora Nacional, S.A. is due to the fact that the Directorate General of Revenue did not pronounce in time and in form on the collection of the taxes, with the company alleging Positive Administrative Silence under Articles 45 and 188 of the Political Constitution of Nicaragua and Article 23 of the Constitutional Protection Law. The company was notified by means of March 17, 2010 decision No. 78 that the Court had resolved that the appeal was accepted, for which reason Management and its lawyers consider that the case will be resolved in the Company's favor.

At December 31, 2012 and 2011, Embotelladora Nacional, S.A. has labor suits for US$113,034 (C$2,721,012) and US$77,241 (C$1,774,758), respectively, arising out of rights claimed by former employees in respect of vacations, thirteenth-month bonus and overtime The company estimates that in case of an unfavorable ruling, the total amount to be paid would be 40% of that claimed.

Puerto Rican subsidiary
The Puerto Rican subsidiaries are subject to various suits and claims brought in the normal course of business. Management considers that the final resolution of these matters, individually or collectively, will not have any adverse material effect on the financial position or the results of operations of the companies.

Notes to the Consolidated Financial Statements

Subsidiary organized in Jamaica

At December 31, 2012 and 2011 are three claims alleging negligence brought against Pepsi Cola Jamaica Bottling Company Ltd., and to date there had been negotiations between the Company and the claimants in respect of one of the claims. The insurance companies are carrying out investigations into another two claims. At December 31, 2012 and 2011, the company did not record any provision in its financial statements to cover potential losses from these claims as the amount of the obligation, if any, cannot be fairly estimated.

Endorsements and Guarantees

- At December 31, 2012, The Central America Bottling Corporation was guarantor for a loan contracted by Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. with Banco Industrial, S.A. for US$16,805,234 (see note 15).

- At December 31, 2012, The Central America Bottling Corporation was guarantor for a loan contracted by Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. with Banco de América Central, S.A. for US$3,000,0000 (see note 15).

- At December 31, 2012, The Central America Bottling Corporation was guarantor for a loan contracted by Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. with Banco Internacional, S.A. for US$5,061,817 (Q40,000,000) (see note 15).

- At December 31, 2012, The Central America Bottling Corporation was guarantor for a fiduciary loan contracted by Compañía de Jarabes y Bebidas Gaseosas La Mariposa, S.A. with Banco Reformador, S.A. for US$7,845,818 (Q40,000,000) (see note 15).

- At December 31, 2012 and 2011 the loans to be paid to Banco Financiera Centroamericana, S.A. and Banco Financiera Comercial Hondureña, S.A., correspond to a co-financing with a guarantee behavior of two brackets up to US$20,000,000 (L380,548,000), subscribed by Embotelladora La Reyna, S.A. de C.V. and its subsidiary Comercializadora Modelo, S.A. de C.V., being also Embotelladora La Reyna, S.A. de C.V. the collateral and Comercializadora Modelo, S.A. the guarantor, as for The Central America Bottling Corporation, The Central America Bottling Corporation Honduras e Inmobiliaria y Arrendamientos, S.A. de C.V., act like mortgage collateral and/or joint and unconditional surety.

Notes to the Consolidated Financial Statements

- In tranche A of up to US$13,000,000 (L247,356,200) the sum of US$9,872,051 (L187,839,463) will be disbursed in favor of Embotelladora La Reyna, S.A. de C.V. with funds from Banco Hondureño de la Producción y la Vivienda (BANHPROVI) and the difference with own funds of the co-financing banks for up to US$7,000,000 (L133,191,800) will be disbursed in favor of Comercializadora Modelo, S.A. de C.V. with funds of BANHPROVI for up to US$5,812,953 (L110,605,378) and the difference with own funds of the co-financing banks, the destination of such funds being the construction of the distribution center and fixed investments in machinery and infrastructure.

- At December 31, 2012 and 2011, The Central America Bottling Corporation is joint and unconditional guarantor for a fiduciary loan relating to a line of credit granted to Embotelladora La Reyna, S.A. de C.V. by Banco Financiera Comercial Hondureña, S.A. for up toUS$13,000,000.

- At December 31, 2012 and 2011, The Central America Bottling Corporation is joint and unconditional guarantor for two fiduciary loan for up to US$20,000,000 (L380,548,000), signed with Comercializadora Modelo, S.A. de C.V. as well Embotelladora La Reyna, S.A. de C.V. as pledge guarantor and Comercializadora Modelo, S.A. as the surety, The Central America Bottling Corporation Honduras e Inmobiliaria y Arrendamientos, S.A. de C.V., act like mortgage collateral and/or joint and unconditional surety.

29 Transactions with Related Parties

Below are summarized the transactions with unconsolidated related companies for the years ended December 31, 2012, 2011 and 2010.

	Years ended December 31		
	2012	**2011**	**2010**
	US$	**US$**	**US$**
Purchases of raw material and finished goods	199,438,857	154,213,378	106,987,002
Brand support agreements	26,179,843	26,084,492	25,368,136
Acquisition of freight services	5,448,311	1,782,219	1,982,947
Payments to directors and principal executives	4,329,845	3,742,902	3,943,518

Notes to the Consolidated Financial Statements

30 Information by Geographic Segment

The carbonated soft drinks and other beverages segment operates in the Central American and Caribbean regions and Mexico. In the presentation of information by geographic segment, revenue by segment is based on geographic location of the assets.

Net Sales:

	Years ended December 31		
	2012	**2011**	**2010**
	US$	**US$**	**US$**
Central American Region			
Guatemala	393,899,665	351,104,294	298,475,749
El Salvador	141,929,839	126,997,796	122,476,087
Honduras	116,251,600	109,245,632	97,974,257
Nicaragua	62,038,580	59,067,662	53,128,352
	714,119,684	646,415,384	572,054,445
Caribbean Region			
Puerto Rico	128,149,495	128,432,575	129,224,501
Jamaica	96,842,611	83,903,101	58,405,555
Trinidad & Tobago	12,820,095	10,786,599	15,957,383
	237,812,201	223,122,275	203,587,439
North American Region			
México	16,892,014	11,886,758	6,592,327
South American Region			
Ecuador	123,771,497	-	-
Total net sales	1,092,595,396	881,424,417	782,234,211

Notes to the Consolidated Financial Statements

Non-current assets:
Non-current assets detailed below include (a) investments in shares, (b) property, plant and equipment, (c) intangible assets and (d) other non-current assets. They exclude deferred tax assets.

	December 31		
	2012	**2011**	**2010**
	US$	**US$**	**US$**
Non-Current Assets:			
Central American Region			
Guatemala	232,212,690	119,390,028	111,315,455
El Salvador	50,142,912	42,534,305	39,285,100
Honduras	25,693,028	25,445,029	28,404,091
Nicaragua	11,788,836	13,308,388	12,599,679
	319,837,466	200,677,750	191,604,325
Caribbean Region			
Puerto Rico	49,833,512	47,798,546	50,485,948
Jamaica	27,610,450	17,888,278	18,996,287
Trinidad & Tobago	7,810,800	9,522,325	9,246,595
	85,254,762	75,209,149	78,728,830
North American Region			
Mexico	617,030	167,152	816
South American Region			
Ecuador	104,185,429	-	-
Total consolidated non-current assets	509,894,687	276,054,051	270,333,971

Notes to the Consolidated Financial Statements

31 Financial Instruments

Credit Risk

Exposure to Credit Risk

The value of financial assets recorded represents the maximum credit risk exposure. The maximum credit risk exposure at reporting date is shown below:

		December 31	
		2012	**2011**
	Note	**US$**	**US$**
Cash	4	67,928,267	63,094,910
Held-to-maturity investments	5	162,041,265	21,494,918
Accounts receivable – trade	6	90,912,943	65,278,998
Accounts receivable – affiliates	6	25,509,298	21,880,603
Other accounts receivable	6	71,914,509	41,568,636
		418,306,282	213,318,065

The maximum exposure to credit risk for trade accounts receivable is shown below:

	December 31	
	2012	**2011**
	US$	**US$**
Accounts receivable		
Central American Region		
Guatemala	21,200,415	18,260,217
El Salvador	16,132,031	13,498,725
Honduras	4,799,101	5,106,920
Nicaragua	2,546,664	2,714,965
	44,678,211	39,580,827
Caribbean Region		
Puerto Rico	12,485,140	11,621,724
Jamaica	11,393,508	10,387,898
Trinidad & Tobago	2,351,477	2,187,252
	26,230,125	24,196,874
North American Region		
Mexico	2,937,635	1,501,297
South American Region		
Ecuador	17,066,972	-
Total trade accounts receivable	90,912,943	65,278,998

Notes to the Consolidated Financial Statements

Impairment Losses
The age of trade accounts is as follows:

	December 31, 2012		December 31, 2011	
	Carrying amount US$	**Impair-ment US$**	**Carrying amount US$**	**Impair-ment US$**
0-30 days	59,377,308	-	55,800,876	-
31-60 days	22,441,424	-	1,871,586	(1,186,988)
61-90 days	915,021	(679,529)	545,730	(545,730)
More than 90 Days	8,179,190	(8,179,190)	7,060,806	(7,060,806)
	90,912,943	(8,858,719)	65,278,998	(8,793,524)

On the basis of the historic percentage of uncollectibility, the Group estimates that the provision to cover credits with impairment at December 31, 2012 and 2011 is reasonable.

Liquidity Risk
The following are the contractual maturities of the financial liabilities:

December 31, 2012:

	Total US$	**1-12 months US$**	**2-3 years US$**	**More than 3 years US$**
Bank loans	255,366,916	33,663,244	28,596,539	193,107,133
Bonds payable	200,000,000	-	-	200,000,000
Preferred shares	3,546,822	954,066	1,908,132	684,624
Other accounts payable	3,306,425	3,306,425	-	-
	462,220,163	37,923,735	30,504,671	393,791,757

December 31, 2011:

	Total US$	**1-12 months US$**	**2-3 years US$**	**More than 3 years US$**
Bank loans	169,308,521	24,661,177	16,077,795	128,569,549
Preferred shares	5,066,990	954,066	1,908,134	2,204,790
Other accounts payable	3,417,493	3,417,493	-	-
	177,793,004	29,032,736	17,985,929	130,774,339

Notes to the Consolidated Financial Statements

Contractual cash flow
The following are the remaining contractual maturities at the end of the reporting period of finar estimated interest payments and excluding the impact of netting agreements:

December 31, 2012:

	Carryng amount US$	Total US$	Contractual cash flows 1-12 months US$	2-3 years US$
Bank loans	255,366,916	(301,835,679)	(46,205,736)	(110,387,153)
Bonds payable	200,000,000	(321,500,000)	(13,500,000)	(27,000,000)
Preferred shares	3,546,822	(3,759,631)	(1,011,310)	(2,022,620)
Other accounts payable	3,306,425	(3,306,425)	(3,306,425)	-
	462,220,163	(630,401,735)	(64,023,471)	(139,409,773)

December 31, 2011:

	Carryng amount US$	Total US$	Contractual cash flows 1-12 months US$	2-3 years US$
Bank loans	169,308,521	(205,993,114)	(67,248,273)	(16,931,752)
Preferred shares	5,066,990	(5,371,009)	(1,611,378)	(2,022,620)
Other accounts payable	3,417,493	(3,417,493)	(3,417,493)	-
	177,793,004	(214,781,616)	(72,277,144)	(18,954,372)

Notes to the Consolidated Financial Statements

Currency Risk
The Group's exposure to currency risk is shown below:

December 31, 2012

	Balances in Quetzales	Balances in Lempiras	Balances in Cordobas	Balances in JAM$	Balances in TT$
Financial assets					
Cash	140,542,750	62,911,249	45,142,150	276,845,242	15,197,326
Held-to-maturity investments	379,636,488	-	-	-	-
Accounts receivable – trade	48,331,562	96,471,536	61,439,550	1,059,341,019	15,125,408
Accounts receivable affiliates	18,333,672	-	-	-	-
Other accounts receivable	149,985,710	6,189,717	22,892,895	317,866,942	6,270,857
Financial liabilities					
Bank loans	(724,031,898)	(64,438,718)	-	-	-
Bonds payable	-	-	-	-	-
Accounts payable and accrued expenses	(568,566,249)	(169,067,702)	(60,587,818)	(813,165,582)	(15,928,808)
Accounts payable affiliates	(73,505,283)	-	(8,103,520)	-	(8,906,859)
Net exposure of the Group	(629,273,248)	(67,933,918)	60,783,257	840,887,621	11,757,924

Notes to the Consolidated Financial Statements

The Group's exposure to currency risk is shown below:

December 31, 2011

	Balances in Quetzales	**Balances in Lempiras**	**Balances in Cordobas**	**Balances in JAM$**	**Balances in TT$**
Financial assets					
Cash	105,436,295	40,532,390	45,793,336	666,184,141	6,383,86
Held-to-maturity investments	167,893,150	-	-	-	-
Accounts receivable – trade	136,271,030	97,960,942	62,380,938	899,600,297	14,065,12
Accounts receivable affiliates	14,715,859	-	2,861,802	57,156,258	478,84
Other accounts receivable	121,821,746	24,123,424	13,437,893	185,513,407	1,906,52
Financial liabilities					
Bank loans	(496,750,000)	(337,110,044)	-	-	(15,990,30
Accounts payable and accrued expenses	(498,617,906)	(118,785,011)	(103,833,558)	(850,779,847)	(12,849,061
Accounts payable affiliates	(58,391,663)	-	(12,445,735)	-	(2,873,90
Net exposure of the Group	(507,621,489)	(293,278,299)	8,194,676	957,674,256	(8,878,90

Notes to the Consolidated Financial Statements

The following exchange rates were used during the year:

	Average 2012	Average 2011	Close 2012	Close 2011
Quetzales per US$1.00	7.8341	7.7898	7.90230	7.8108
Lempiras per US$1.00	19.6379	19.0485	20.102	19.1820
Cordobas per US$1.00	23.5467	22.4243	24.1255	22.9770
Jamaican dollars per US$1.00	88.9976	86.076	92.9776	86.6010
Trinidad & Tobago dollars per US$1.00	6.4348	6.4261	6.4323	6.4305
Mexican pesos per US$1.00	13.1599	12.4308	12.988	13.9787

Interest Rate Risk

At reporting date, the profile of financial instruments that generate interest is the following:

	December 31 2012 US$	December 31 2011 US$
Financial instruments		
Financial assets	162,041,265	21,494,918
Financial liabilities	(462,220,163)	(177,793,004)
	(300,178,898)	(156,298,086)

The detail of maturities is the following:

December 31, 2012:

Instruments with fixed interest rate:

	Total US$	1-6 months US$	6-12 months US$	2-3 years US$	More than 3 years US$
Held-to-maturity investments	162,041,265	120,041,265	-	-	42,000,000
Bonds payable	(200,000,000)	-	-	-	(200,000,000)
Bank loans at long term	(42,000,000)	-	-	-	(42,000,000)
Preferred shares	(3,546,822)	(477,033)	(477,033)	(1,908,132)	(684,624)
Other accounts payable	(3,306,425)	(3,306,425)	-	-	-
	(86,811,982)	116,257,807	(477,033)	(1,908,132)	(200,684,624)

Notes to the Consolidated Financial Shares

Instruments with variable interest rate:

	Total US$	1-6 months US$	6-12 months US$	2-3 years US$	More than 3 years US$
Current bank loans	(31,054,579)	(17,421,498)	(13,633,081)	-	-
Bank loans at long term	(182,312,337)	(2,608,000)	-	(31,205,204)	(148,499,133)
	(213,366,916)	(20,029,498)	(13,633,081)	(31,205,204)	(148,499,133)

December 31, 2011:
Instruments with fixed interest rate:

	Total US$	1-6 months US$	6-12 months US$	2-3 years US$	More than 3 years US$
Cash	21,494,918	21,494,918	-	-	-
Preferred shares	(5,066,990)	(477,033)	(477,033)	(1,908,134)	(2,204,790)
Other accounts payable	(3,417,493)	(3,417,493)	-	-	-
	13,010,435	17,600,392	(477,033)	(1,908,134)	(2,204,790)

Instruments with variable interest rate:

	Total US$	1-6 months US$	6-12 months US$	2-3 years US$	More than 3 years US$
Current bank loans	(12,000,000)	(2,000,000)	(10,000,000)	-	-
Bank loans at long term	(157,308,521)	(8,454,609)	(4,289,568)	(16,077,795)	(128,486,549)
	(169,308,521)	(10,454,609)	(14,289,568)	(16,077,795)	(128,486,549)

Notes to the Consolidated Financial Statements

Sensitivity Analysis on Exchange Rates

The strengthening or weakening of the United States of America dollar related to the quetzal, lempira, córdobas, Jamaican dollar, Trinidad and Tobago dollar and Mexican pesos at December 31, 2012 and 2011 had been increased (decreased) the equity and the results in the amounts shown below:

	December 31, 2012		December 31, 2011	
	Increase (a) US$	Decrease (a) US$	Increase (a) US$	Decrease (a) US$
Results of the year	(1,659,889)	1,946,100	(720,233)	810,534
Equity	(4,610,890)	5,892,464	(4,610,742)	5,858,005
	(6,270,779)	7,838,564	(5,330,975)	6,668,539

(a) Variation of a unit of the different foreign currencies other than the U.S. dollar.

Sensitivity Analysis of Cash Flows for Instruments with Variable Interest Rate

A 100 basis point variation in the interest rates at the reporting date had been increased (decreased) the results in the amounts shown in the table below. This analysis assumes that all other variables, in particular the exchange rate are constant. The analysis is done on the same base for 2012 and 2011.

	December 31, 2012		December 31, 2011	
Instruments with variable interest rate	Increase 100 pb US$	Decrease 100 pb US$	Increase 100 pb US$	Decrease 100 pb US$
Results of the year	(1,795,545)	1,795,545	(1,693,085)	1,693,085
Equity	-	-	-	-
Sensitivity of cash flows	(1,795,545)	1,795,545	(1,693,085)	1,693,085

Fair Value

Carrying amounts and Fair Value

The carrying amounts of the assets and liabilities and their fair value at December 31 are shown in the next page:

Notes to the Consolidated Financial Statements

	December 31, 2012		December 31, 2011	
	Carrying amount US$	**Fair value US$**	**Carrying amount US$**	**Fair value US$**
Assets at amortized cost				
Cash	67,928,267	67,928,267	63,094,910	63,094,910
Held –to-maturity investments	162,041,265	154,694,692	21,494,918	21,494,918
Accounts receivable - trade	90,912,943	90,912,943	65,278,998	65,278,998
Accounts receivable related companies	25,509,298	25,509,298	21,880,603	21,880,603
Other accounts receivable	71,914,509	71,914,509	41,568,636	41,568,636
	418,306,282	418,306,282	213,318,065	213,318,065
Liabilities at amortized cost				
Bank loans	(255,366,916)	(246,040,147)	(169,308,521)	(169,308,521)
Accounts payable and accrued expenses	(240,241,114)	(240,241,114)	(141,925,568)	(141,925,568)
Bond payable	(200,000,000)	(182,398,977)	-	-
Preferred shares	(3,546,822)	(3,667,523)	(5,066,990)	(6,090,986)
	(699,154,852)	(672,347,761)	(316,301,079)	(317,325,075)

Interest rates used for determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the end of the reporting period plus appropriate credits spread and were follows:

	2012 %	**2011** %
Bond payable	2.97	-
Bank loans	9.25	-
Preferred shares	9.25	12

The fair value of a financial instrument represents the amount at which it can be negotiated in a present transaction without pressure between the interested parties.

The methods and assumptions described in the following page were used in estimating the fair value of each class of financial instrument:

Notes to the Consolidated Financial Statements

Cash: The fair value is equal to carrying amount due to their immediate demandability.

Held-to-maturity investments: The fair value approximates their carrying amount due to the short term for their recovery and because they earn interest rates that are comparable to market rates.

Trade accounts receivable, accounts receivable from related parties and other accounts receivable: The carrying amount approximates fair value due to the short term for recovery and because they do not earn interest.

Bank loans: The fair value approximates carrying amount because they have been contracted at variable market rates of interest.

Bonds payable: Bonds payable fair value is determined with the method of discounted cash flows using the market rate at December 31, 2012.

Suppliers, accounts payable to related parties and accrued expenses: Carrying amount approximates their fair value due to their short term of maturity.

Preferred shares: Fair value approximates carrying amount because they earn rates of interest that are comparable to market rates.

32 Reconciliation between Tax Books and those Reported According to International Financial Reporting Standards

For purposes of presentation of the financial statements according to International Financial Reporting Standards (IFRS), adjustments were included that, although not accounted for in the tax books, are considered in the financial statements prepared according to IFRS at December 31, 2012, according to the detail shown below:

December 31, 2012	**Assets US$**	**Liabilities and preferred shares US$**	**Equity US$**	**Net profit for the year US$**
Balances according to tax books	1,487,852,790	1,080,547,422	407,305,368	34,327,292
Adjustment to accumulated depreciations to bring them to estimated useful lives	21,988,879	-	21,988,879	-
Recording of provision for doubtful accounts	(4,264,962)	-	(4,264,962)	572,057
Carried forward	17,723,917	-	17,723,917	572,057

(Continues)

Notes to the Consolidated Financial Statements

December 31, 2012	Assets US$	Liabilities and preferred shares US$	Equity US$	Net profit for the year US$
Brought forward	17,723,917	-	17,723,917	572,057
Adjustments to the indemnity provision	3,423,666	13,616,270	(10,192,604)	(225,890)
Introduction of containers and boxes	23,143,158	-	23,143,158	(305,473)
Amortization of containers and boxes	(22,831,350)	-	(22,831,350)	(623,832)
Goodwill acquisition	49,046,775	-	49,046,775	-
Sales of land	(1,000,000)	-	(1,000,000)	(1,000,000)
Goodwill amortization reversal	11,031,698	-	11,031,698	1,603,596
Valuation of foreign currency	13,092	406,527	(393,435)	(731,941)
Recording of consolidation eliminations	(568,573,551)	(361,210,503)	(207,363,048)	-
Reclassifications	(106,177)	(108,021)	1,844	(91,091)
Other	1,284,020	947,975	336,045	4,091,521
Subtotal financial entries with effect on current income tax	(486,844,752)	(346,347,752)	(140,497,000)	3,288,947
Deferred income tax, net	5,734,958	12,559,464	(6,824,506)	1,598,316
Total financial entries for translation to IFRS	(481,109,794)	(333,788,288)	(147,321,506)	4,887,263
Balances according to IFRS	1,006,742,996	746,759,134	259,983,862	39,214,555

Notes to the Consolidated Financial Statements

33 Adjustments to Results of Previous Periods

The Group recorded two adjustments against retained earnings: (i) relating to the recognition of the amortization of bottles and boxes in the Jamaican operation and, (ii) the contribution for future capital increases in a subsidiary that should have been eliminated upon consolidation. The effect of such adjustments in the financial statements as of and for the years ended December 31, 2011 and 2010 is as follows:

Year ended December 31, 2011:

	Balances previously reported US$	**Adjustment of previous years US$**	**Restated balances US$**
Depreciation and amortization	26,517,486	2,581,617	29,099,103
Property, plant and equipment, Net	231,128,198	(4,934,683)	226,193,515
Cumulative translation adjustment	23,277,561	20,754	23,298,315
Contributions for future capital Increases	(64,432,670)	7,215,155	(57,217,515)
Retained earnings at December 31, 2011	(132,105,843)	(2,301,226)	(134,407,069)
Net profit for the year	14,172,659	(2,581,617)	11,591,042

Year ended December 31, 2010:

	Balances previously reported US$	**Adjustment of previous years US$**	**Restated balances US$**
Depreciation and amortization	29,074,625	2,332,312	31,406,937
Property, plant and equipment, Net	223,497,306	(2,375,552)	221,121,754
Cumulative translation adjustment	24,927,160	43,240	24,970,400
Contributions for future capital Increases	(64,432,670)	7,215,155	(57,217,515)
Retained earnings at December 31,2010	(134,347,206)	(4,882,843)	(139,230,049)
Net profit for the year	16,930,156	(2,332,312)	14,597,844

Given the immateriality of the adjustments that affect the figures at and the year ended December 31, 2009, no complete restated financial statements were presented for that year.

Notes to the Consolidated Financial Statements

34 Reclassification of Financial Statements

For better presentation and comparison of the financial information, the following reclassifications were made to the consolidated balance sheet at December 31, 2011:

	Balances previously reported US$	Adjustment of previous years US$	Restated balances US$
Income tax payable	5,005,460	(3,593,922)	1,411,538
Deferred tax liability	10,431,499	3,593,922	14,025,421

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The Central America Bottling Corporation

6.750% Senior Guaranteed Notes due 2022

OFFERING MEMORANDUM

May 23, 2013

Citigroup