



- **Domestic sales grew 3.4%**
- **Export sales increased 4.1%**
- **Net majority income grew 17.4%**

Mexico City, April 27, 2010 – Grupo Modelo, S.A.B. de C.V. and Subsidiaries (BMV:GMODELO) (“Grupo Modelo” or “the Company”), the leading brewer in Mexico and producer of the best-selling Mexican beer in the world, today announced its financial and operating results for the first quarter of 2010.

During the first quarter, total volume sold in the domestic market totaled 7.8 million hectoliters, which represents a 5.7% reduction. This figure is comprised of a 5.2% decline in the domestic brands volume and a 24.5% decrease in the imported brand portfolio. These results reflect the marked slowdown in consumption and the adverse weather observed in the first two months of the year. Further, domestic brands were affected by the price increase implemented in the market at the end of 2009 with the purpose of compensating the expected inflation rate for the current year and tax increases.

Export volume increased 0.6% compared to 2009, reaching 3.1 million hectoliters. The regions which registered a better performance during the quarter were Europe and Asia. It is important to mention that the volume in the US remained stable during the quarter, fueled by the recovery observed in the month of March, due to the positive results of the recently launched packages which offer a better value proposition to consumers and for specific occasions. Additionally, Crown Imports is optimizing its promotional activity and media support in order to continue to enhance the efforts implemented in both sales and marketing during those periods when consumers buy more. Exports represented 28.5% of the total sales mix, compared with the 27.2% registered in 2009.

Net sales increased 3.6% totaling 17,572 million pesos. Domestic sales showed a 3.4% growth driven by the solid 9.6% increase in price per hectoliter, which reflects the adjustments in prices carried out in April and in December of last year. Export sales grew 4.1% driven by the 3.6% price per hectoliter increase in pesos as a consequence of the effect of the depreciation of the Mexican peso against the dollar. Export sales for the quarter in dollars totaled 525 million, maintaining the same level as the prior year.

During the quarter, Crown Imports, LLC, registered net sales of 462 million dollars and an operating profit of 78 million dollars.



Cost of goods sold grew 9.3% as a consequence of a larger proportion of non returnable presentations in the mix, due to a better performance of the export volume with respect to the domestic volume. Gross profit totaled 9,385 million pesos, a 1.0% decrease with respect to the prior year. Gross margin stood at 53.4%, a reduction of 2.5 percentage points.

Operating expenses increased 2.6%, below the net sales increase, due to the control of distribution and sales expenses. Operating profit totaled 4,294 million pesos, which represents a 4.9% decline and a margin of 24.4%.

EBITDA (Operating income + Depreciation – Equity income of Associates included in COGS) totaled 5,120 million pesos, a 3.9% decrease compared to same period of 2009. As a result, the EBITDA margin was 29.1%.

The Comprehensive Financing Result showed a cost of 214 million pesos, as a consequence of the exchange rate loss due to the appreciation of the peso versus the dollar during the period. This result is unfavorable compared to the 237 million pesos gain registered in 2009 when a depreciation of the peso was recorded.

Other expenses and profit line registered an expenditure of 127 million pesos, a lower figure than the 460 million pesos of the previous year, which included the severance payments that resulted from the restructure in Cervecería Modelo México.

Taxes decreased 37.0% due in part to the fiscal deduction for inflation adjustments in the monetary assets.

Minority interest totaled 1,060 million pesos. This figure includes the 50% share of Barton Beers, a subsidiary of Constellation Brands, in Crown Imports.

Consequently, net majority profit was 2,093 million pesos, a 17.4% increase. Therefore, the net margin expanded 1.4 percentage points to 11.9%.



Financial Position

As of March 31, 2010, Grupo Modelo's cash and marketable securities accounted for 19.8% of total assets, which totaled 120,499 million pesos, representing an 11.3% increase over the last twelve months. The company's financial position remained strong with no long-term debt, and short-term operational liabilities totaling 11,655 million pesos. Majority stockholders' equity totaled 75,928 million pesos, representing an 18.9% growth compared to the prior year.

Financial Ratios	March 2010	March 2009
Inventory Turnover	2.8 times	2.4 times
Receivables Turnover	25 days	28 days
Leverage	17.9%	23.2%
Current	4.2 times	4.0 times
EPS (LTM)	2.8 pesos	2.7 pesos

Capital Expenditures

During the first quarter of 2010, Grupo Modelo invested 765 million pesos of internally generated resources, allocated to different areas of the organization as shown in the following table:

Area	March 2010
Cía. Cervecera de Coahuila	31.6%
Breweries and other facilities	38.2%
Sales	30.2%

Dividend Payment

On April 19, 2010, at the Annual Shareholders' Meeting a dividend of 6,651 million pesos was declared, which corresponds to 2.057 pesos per share for each of the 3,233,360,332 outstanding shares. The dividend payout ratio was 77.1%. The dividend will be paid in full, in one single payment, on April 27, 2010.

Anheuser-Busch International Holdings, Inc. received a dividend directly from DIBLO for 2,015 million pesos as a result of its 23.25% stake in this company. Consequently, Grupo Modelo's cash and marketable securities declined by 8,666 million pesos due to the total dividend payment made in April of the current year.



Grupo Modelo S.A.B. de C.V. y Subsidiaries

Sales of beer

Millions of hectoliters

Market	1Q10	%	1Q09	%	Var. (%)
Domestic	7.634	70.2%	8.054	71.1%	-5.2%
Import	0.148	1.4%	0.196	1.7%	-24.5%
Total Domestic	7.782	71.5%	8.251	72.8%	-5.7%
Export	3.097	28.5%	3.080	27.2%	0.6%
Total	10.879	100.0%	11.331	100.0%	-4.0%

Grupo Modelo S.A.B. de C.V. y Subsidiaries

Consolidated Income statements for the First Quarter of 2010 and 2009

Figures in millions of nominal pesos

	1Q10	%	1Q09	%	Var. %
Domestic Sales	9,366	53.3%	9,061	53.4%	3.4%
Export Sales	6,698	38.1%	6,433	37.9%	4.1%
Other Income	1,508	8.6%	1,471	8.7%	2.5%
Total Net Sales	17,572	100.0%	16,965	100.0%	3.6%
Cost of Goods Sold	8,187	46.6%	7,490	44.1%	9.3%
Gross Profit	9,385	53.4%	9,475	55.9%	-1.0%
Operating Expenses	5,091	29.0%	4,960	29.2%	2.6%
Operating Income	4,294	24.4%	4,516	26.6%	-4.9%
Comprehensive Financing Result	214	1.2%	-237	-1.4%	-190.3%
Other Expense (Income) – Net	127	0.7%	460	2.7%	-72.4%
Profit Before Tax	3,952	22.5%	4,292	25.3%	-7.9%
Income Tax	1,223	7.0%	1,641	9.7%	-25.5%
Deferred Income Tax	-424	-2.4%	-373	-2.2%	13.7%
Consolidated Net Income	3,153	17.9%	3,024	17.8%	4.3%
Net Majority Income	2,093	11.9%	1,783	10.5%	17.4%
Depreciation	1,027	5.8%	942	5.6%	9.0%
Equity Income of Associates (COGS)	200	1.1%	130	0.8%	53.8%
EBITDA	5,120	29.1%	5,327	31.4%	-3.9%



Grupo Modelo S.A.B. de C.V. y Subsidiaries Consolidated Balance Sheets as of March 31, 2010 and 2009

Figures in millions of nominal pesos

	<u>2010</u>	<u>2009</u>	<u>Var.%</u>
Cash & Marketable Securities	23,800	14,010	69.9%
Total Current Assets	48,634	41,020	18.6%
Non – Current Assets	71,865	67,285	6.8%
Total Assets	120,499	108,305	11.3%
Current Liabilities	11,655	10,291	13.3%
Long Term Debt	0	0	N/A
Other Long Term Liabilities without Cost	9,922	14,789	-32.9%
Total Liabilities	21,577	25,080	-14.0%
Minority Stockholders' Equity	22,994	19,356	18.8%
Majority Stockholders' Equity	75,928	63,869	18.9%
Total Liabilities and Stockholders' Equity	120,499	108,305	11.3%

Highlights - Quarter

Figures in millions of nominal pesos

	1Q10	1Q09	Var.%
Price / Domestic HI. (pesos)	1,203.6	1,098.2	9.6%
Price / Export HI. (pesos)	2,162.9	2,088.5	3.6%
Price /Export HI. (dls.)	169.5	170.6	-0.6%
Cost / Total HI. (pesos)	752.6	661.0	13.9%
Expenses / Total HI. (pesos)	468.0	437.7	6.9%
Export Revenues (mill. dls.)	524.9	525.3	-0.1%



Grupo Modelo Conference Call

Grupo Modelo will host a conference call to discuss the first quarter 2010 financial results on Tuesday, April 27, 2010, at 10:00 a.m. (central) / 11:00 a.m. (eastern). The conference call can be accessed by dialing 1-877-941-4774 within the U.S., or from international locations by dialing into the U.S. at 1-480-629-9760 with conference ID: "4285444", beginning 10 minutes prior to the start of the call. A live listen only webcast of the conference call, together with a copy of this press release will be available on the Internet at Grupo Modelo's Web site: www.gmodelo.com under "Investor Relations," prior to the call.

Forward-Looking Statements

This press release may include certain expectations regarding the financial and operating performance of Grupo Modelo and its Subsidiaries. Such forward-looking statements are based on management's best estimates using current and known information. However, such statements and expectations may vary due to facts, circumstances and events beyond the control of Grupo Modelo and its Subsidiaries.

Grupo Modelo, founded in 1925, is the leader in Mexico in beer production, distribution and marketing, with 63.3% of the total (domestic and export) market share, as of December 31, 2009. It has a total annual installed capacity in Mexico of 60 million hectoliters. Currently, it brews and distributes 13 brands, including Corona Extra, the number one Mexican beer sold in the world, Modelo Especial, Victoria, Pacífico and Negra Modelo. It exports five brands and is present in 160 countries. It is the importer of Anheuser-Busch InBev's products in Mexico, including Budweiser, Bud Light and O'Doul's. It also imports the Chinese Tsingtao brand and the Danish beer Carlsberg. Through a strategic alliance with Nestlé Waters, it produces and distributes in Mexico the bottled water brands Sta. María and Nestlé Pureza Vital, among others. Grupo Modelo trades in the Mexican Stock Exchange since 1994 with the ticker symbol GMODELOC. It also quotes as an ADR under the ticker GPMCY in the OTC markets and in Latibex in Spain as XGMD.

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