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GRUPO MODELO, S.A. DE C.V. OFFICE OF INTERNATIONAL CORPORATE FINANCE



06012108

March 9, 2006.

Rule 12g3-2(b) File No. 82-34766

Office of International Corporate Finance
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.
ATTN: Mr. Michael Pressman

SUPPL

Grupo Modelo S.A. de C.V.
Rule 12g3-2(b) File No. 82-34766

The enclosed information is being furnished to the Securities and Exchange Commission (the "SEC") on behalf of Grupo Modelo S.A. de C.V. (the "Company") pursuant to the exemption from the Securities Exchange Act of 1934, as amended (the "Act") afforded by Rule 12g3-2(b) thereunder.

This information is being furnished under paragraph (1) of Rule 12g3-2(b) with the understanding that such information and documents will not be deemed to be "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Act.

Very truly yours,

For and on behalf of
Grupo Modelo S.A. de C.V.

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FINANCIAL

Name: Margarita Hugues Vélez
Title: General Counsel

Enclosure[s] : Press Release



Grupo Modelo, S.A. de C.V.

March 9, 2006

Grupo Modelo prevails in the arbitration against Gambrinus

MEXICO CITY. Grupo Modelo —Mexico's leading company in the brewing, distribution and sale of beer— received notice today that it has prevailed in the arbitration initiated by The Gambrinus Company, its current importer for the Eastern territory of the United States. The arbitral award confirms that the importer agreement with Gambrinus will expire on December 31, 2006.

Mr. Carlos Fernández, Chairman and CEO of Grupo Modelo stated: "The arbitral award, in our favor, will allow us to seek the best available options with the aim of enhancing the value of our export business and create more value for our shareholders." Mr. Fernández further added: "We are very confident that the transition process ahead of us will in no way harm or disrupt our export operations into the U.S. market and we will take all necessary measures to assure that the supply of our products to the distribution network in the east will continue".

Founded in 1925, Grupo Modelo is the leader in the production, distribution, and sale of beer in Mexico. In the year ending December 31, 2005 it held a 62.8% share of the domestic and export markets. Modelo has seven breweries in Mexico, with an installed capacity of 52 million hectoliters of beer per year. At present it has ten brands, among them Corona Extra, "the best selling Mexican beer in the world", Modelo Especial, Victoria, Pacifico, and Negra Modelo as well as other regional brews. It exports five brands to more than 150 countries and is the exclusive importer in Mexico of the beers produced by the US brewer Anheuser-Busch, including Budweiser, Bud Light and O'Douls. Grupo Modelo has been listed on Mexican Stock Exchange since 1994 (GMODELOC).

* * * *

Contact:
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2006-3 A 953

GRUPO MODELO, S.A. DE C.V. OFFICE OF INTERNATIONAL CORPORATE FINANCE

March 22, 2006.

Rule 12g3-2(b) File No. 82-34766

Office of International Corporate Finance
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.
ATTN: Mr. Michael Pressman

Grupo Modelo S.A. de C.V.
Rule 12g3-2(b) File No. 82-34766

The enclosed information is being furnished to the Securities and Exchange Commission (the "SEC") on behalf of Grupo Modelo S.A. de C.V. (the "Company") pursuant to the exemption from the Securities Exchange Act of 1934, as amended (the "Act") afforded by Rule 12g3-2(b) thereunder.

This information is being furnished under paragraph (1) of Rule 12g3-2(b) with the understanding that such information and documents will not be deemed to be "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Act.

Very truly yours,

For and on behalf of
Grupo Modelo S.A. de C.V.

Name: Margarita Hugues Vélez
Title: General Counsel

Enclosure[s] : Financial Information

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: GMODELO

Quarter: 4 Year: 2005

GRUPO MODELO, S.A. DE C.V.

CONSOLIDATED FINANCIAL STATEMENT
AT DECEMBER 31 OF 2005 AND 2004
(Thousands of Pesos)

Consolidated
Final Printing

| REF S | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|---|--------------------|------------|---------------------|------------|
| | | Amount | % | Amount | % |
| 1 | TOTAL ASSETS | 80,281,259 | 100 | 75,914,114 | 100 |
| 2 | CURRENT ASSETS | 28,755,861 | 36 | 26,022,686 | 34 |
| 3 | CASH AND SHORT-TERM INVESTMENTS | 17,633,734 | 22 | 16,377,740 | 22 |
| 4 | ACCOUNTS AND DOCUMENTS RECEIVABLE (NET) | 2,020,498 | 3 | 1,396,785 | 2 |
| 5 | OTHER ACCOUNTS AND DOCUMENTS RECEIVABLE | 1,125,775 | 1 | 598,870 | 1 |
| 6 | INVENTORIES | 5,762,102 | 7 | 5,697,891 | 8 |
| 7 | OTHER CURRENT ASSETS | 2,213,752 | 3 | 1,953,400 | 3 |
| 8 | LONG-TERM | 3,904,801 | 5 | 3,892,060 | 5 |
| 9 | ACCOUNTS AND DOCUMENTS RECEIVABLE (NET) | 1,156,582 | 1 | 1,092,766 | 1 |
| 10 | INVESTMENT IN SHARES OF SUBSIDIARIES AND NON-CONSOLIDATED ASSOCIATED | 2,641,944 | 3 | 2,681,932 | 4 |
| 11 | OTHER INVESTMENTS | 106,275 | 0 | 117,362 | 0 |
| 12 | PROPERTY, PLANT AND EQUIPMENT | 45,800,271 | 57 | 44,218,108 | 58 |
| 13 | PROPERTY | 22,243,485 | 28 | 20,271,995 | 27 |
| 14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 33,762,596 | 42 | 30,261,638 | 40 |
| 15 | OTHER EQUIPMENT | 8,715,658 | 11 | 8,189,679 | 11 |
| 16 | ACCUMULATED DEPRECIATION | 21,550,741 | 27 | 20,381,482 | 27 |
| 17 | CONSTRUCTION IN PROGRESS | 2,629,273 | 3 | 5,876,278 | 8 |
| 18 | DEFERRED ASSETS (NET) | 386,903 | 0 | 387,701 | 1 |
| 19 | OTHER ASSETS | 1,433,423 | 2 | 1,393,559 | 2 |
| 20 | TOTAL LIABILITIES | 12,169,264 | 100 | 13,075,293 | 100 |
| 21 | CURRENT LIABILITIES | 4,541,811 | 37 | 4,400,669 | 34 |
| 22 | SUPPLIERS | 1,532,087 | 13 | 1,347,136 | 10 |
| 23 | BANK LOANS | 0 | 0 | 0 | 0 |
| 24 | STOCK MARKET LOANS | 0 | 0 | 0 | 0 |
| 25 | TAXES TO BE PAID | 1,447,541 | 12 | 1,259,543 | 10 |
| 26 | OTHER CURRENT LIABILITIES | 1,562,183 | 13 | 1,793,990 | 14 |
| 27 | LONG-TERM LIABILITIES | 0 | 0 | 0 | 0 |
| 28 | BANK LOANS | 0 | 0 | 0 | 0 |
| 29 | STOCK MARKET LOANS | 0 | 0 | 0 | 0 |
| 30 | OTHER LOANS | 0 | 0 | 0 | 0 |
| 31 | DEFERRED LOANS | 7,627,453 | 63 | 8,674,624 | 66 |
| 32 | OTHER LIABILITIES | 0 | 0 | 0 | 0 |
| 33 | CONSOLIDATED STOCK HOLDERS' EQUITY | 68,111,995 | 100 | 62,838,821 | 100 |
| 34 | MINORITY INTEREST | 15,746,751 | 23 | 14,555,780 | 23 |
| 35 | MAJORITY INTEREST | 52,365,244 | 77 | 48,283,041 | 77 |
| 36 | CONTRIBUTED CAPITAL | 16,179,467 | 24 | 16,179,467 | 26 |
| 37 | PAID-IN CAPITAL STOCK (NOMINAL) | 2,839,652 | 4 | 2,839,652 | 5 |
| 38 | RESTATEMENT OF PAID-IN CAPITAL STOCK | 12,329,578 | 18 | 12,329,578 | 20 |
| 39 | PREMIUM ON SALES OF SHARES | 974,804 | 1 | 974,804 | 2 |
| 40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 35,433 | 0 | 35,433 | 0 |
| 41 | CAPITAL INCREASE (DECREASE) | 36,185,777 | 53 | 32,103,574 | 51 |
| 42 | RETAINED EARNINGS AND CAPITAL RESERVE | 28,951,080 | 43 | 25,703,278 | 41 |
| 43 | REPURCHASE FUND OF SHARES | 638,100 | 1 | 638,100 | 1 |
| 44 | EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK HOLDERS' EQUITY | (694,678) | (1) | (626,772) | (1) |
| 45 | NET INCOME FOR THE YEAR | 7,291,275 | 11 | 6,388,968 | 10 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4 YEAR: 2005

CONSOLIDATED FINANCIAL STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

Consolidated
Final Printing

| REF | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----|---|-----------------------------------|-------|------------------------------------|-------|
| | | Amount | % | Amount | % |
| 3 | CASH AND SHORT-TERM INVESTMENTS | 17,633,734 | 100 | 16,377,740 | 100 |
| 46 | CASH | 982,048 | 6 | 687,641 | 4 |
| 47 | SHORT-TERM INVESTMENTS | 16,651,686 | 94 | 15,690,099 | 96 |
| 18 | DEFERRED ASSETS (NET) | 386,903 | 100 | 387,701 | 100 |
| 48 | AMORTIZED OR REDEEMED EXPENSES | 173,201 | 45 | 172,154 | 44 |
| 49 | GOODWILL | 213,702 | 55 | 215,547 | 56 |
| 50 | DEFERRED TAXES | 0 | 0 | 0 | 0 |
| 51 | OTHERS | 0 | 0 | 0 | 0 |
| 21 | CURRENT LIABILITIES | 4,541,811 | 100 | 4,400,669 | 100 |
| 52 | FOREIGN CURRENCY LIABILITIES | 402,484 | 9 | 427,370 | 10 |
| 53 | MEXICAN PESOS LIABILITIES | 4,139,327 | 91 | 3,973,299 | 90 |
| 24 | STOCK MARKET LOANS | 0 | 100 | 0 | 100 |
| 54 | COMMERCIAL PAPER | 0 | 0 | 0 | 0 |
| 55 | CURRENT MATURITIES OF MEDIUM TERM NOTES | 0 | 0 | 0 | 0 |
| 56 | CURRENT MATURITIES OF BONDS | 0 | 0 | 0 | 0 |
| 26 | OTHER CURRENT LIABILITIES | 1,562,183 | 100 | 1,793,990 | 100 |
| 57 | OTHER CURRENT LIABILITIES WITH COST | 0 | 0 | 0 | 0 |
| 58 | OTHER CURRENT LIABILITIES WITHOUT COST | 1,562,183 | 100 | 1,793,990 | 100 |
| 27 | LONG-TERM LIABILITIES | 0 | 100 | 0 | 100 |
| 59 | FOREIGN CURRENCY LIABILITIES | 0 | 0 | 0 | 0 |
| 60 | MEXICAN PESOS LIABILITIES | 0 | 0 | 0 | 0 |
| 29 | STOCK MARKET LOANS | 0 | 100 | 0 | 100 |
| 61 | BONDS | 0 | 0 | 0 | 0 |
| 62 | MEDIUM TERM NOTES | 0 | 0 | 0 | 0 |
| 30 | OTHER LOANS | 0 | 100 | 0 | 100 |
| 63 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| 64 | OTHER LOANS WITHOUT COST | 0 | 0 | 0 | 0 |
| 31 | DEFERRED LOANS | 7,627,453 | 100 | 8,674,624 | 100 |
| 65 | NEGATIVE GOODWILL | 0 | 0 | 0 | 0 |
| 66 | DEFERRED TAXES | 7,599,108 | 100 | 8,022,737 | 92 |
| 67 | OTHERS | 28,345 | 0 | 651,887 | 8 |
| 32 | OTHER LIABILITIES | 0 | 100 | 0 | 100 |
| 68 | RESERVES | 0 | 0 | 0 | 0 |
| 69 | OTHERS LIABILITIES | 0 | 0 | 0 | 0 |
| 44 | EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK HOLDERS' EQUITY | (694,678) | 100 | (626,772) | 100 |
| 70 | ACCUMULATED INCOME DUE TO MONETARY POSITION | 4,161,443 | 599 | 4,161,443 | 664 |
| 71 | INCOME FROM NON-MONETARY POSITION ASSETS | (4,856,121) | (699) | (4,788,215) | (764) |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4 YEAR: 2005

CONSOLIDATED FINANCIAL STATEMENT
OTHER CONCEPTS
(Thousands of Pesos)

Consolidated
Final Printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--------------------------------------|--------------------------------------|---------------------------------------|
| | | Amount | Amount |
| 72 | WORKING CAPITAL | 24,214,050 | 21,622,017 |
| 73 | PENSIONS FUND AND SENIORITY PREMIUMS | 4,700,478 | 3,980,812 |
| 74 | EXECUTIVES (*) | 0 | 0 |
| 75 | EMPLOYERS (*) | 20,151 | 22,416 |
| 76 | WORKERS (*) | 20,466 | 22,175 |
| 77 | CIRCULATION SHARES (*) | 3,251,759,632 | 3,251,759,632 |
| 78 | REPURCHASED SHARES (*) | 0 | 0 |

(*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS.

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4 YEAR: 2005

CONSOLIDATED EARNING STATEMENT
FROM JANUARY THE 1st TO DECEMBER 31 OF 2005 AND 2004
(Thousands of Pesos)

Consolidated
Final Printing

| REF. R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|--|--------------------------------------|-----|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| 1 | NET SALES | 49,550,487 | 100 | 46,307,331 | 100 |
| 2 | COST OF SALES | 22,774,644 | 46 | 20,225,130 | 44 |
| 3 | GROSS INCOME | 26,775,843 | 54 | 26,082,201 | 56 |
| 4 | OPERATING EXPENSES | 13,002,818 | 26 | 12,494,366 | 27 |
| 5 | OPERATING INCOME | 13,773,025 | 28 | 13,587,835 | 29 |
| 6 | TOTAL FINANCING COST | (765,386) | (2) | (198,964) | 0 |
| 7 | INCOME AFTER FINANCING COST | 14,538,411 | 29 | 13,786,799 | 30 |
| 8 | OTHER FINANCIAL OPERATIONS | (108,154) | 0 | (199,320) | 0 |
| 9 | INCOME BEFORE TAXES AND WORKERS' PROFIT SHARING | 14,646,565 | 30 | 13,986,119 | 30 |
| 10 | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING | 5,143,570 | 10 | 5,609,501 | 12 |
| 11 | NET INCOME AFTER TAXES AND WORKERS' PROFIT SHARING | 9,502,995 | 19 | 8,376,618 | 18 |
| 12 | SHARE IN NET INCOME OF SUBSIDIARIES AND NON-CONSOLIDATED ASSOCIATES | 0 | 0 | 0 | 0 |
| 13 | CONSOLIDATED NET INCOME OF CONTINUOUS OPARATION | 9,502,995 | 19 | 8,376,618 | 18 |
| 14 | INCOME OF DISCONTINUOUS OPERATIONS | 0 | 0 | 0 | 0 |
| 15 | CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS | 9,502,995 | 19 | 8,376,618 | 18 |
| 16 | EXTRAORDINARY ITEMS NET EXPENSES (INCOME) | 0 | 0 | 0 | 0 |
| 17 | NET EFFECT AT THE BEGINNING OF THE YEAR BY CHANGES IN ACCOUNTING PRINCIPLES | 0 | 0 | 0 | 0 |
| 18 | NET CONSOLIDATED INCOME | 9,502,995 | 19 | 8,376,618 | 18 |
| 19 | NET INCOME OF MINORITY INTEREST | 2,211,720 | 4 | 1,987,650 | 4 |
| 20 | NET INCOME OF MAJORITY INTEREST | 7,291,275 | 15 | 6,388,968 | 14 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE
GRUPO MODELO, S.A. DE C.V.

GMODELO

QUARTER 4

YEAR 2005

CONSOLIDATED EARNING STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

CONSOLIDATED
FINAL PRINTING

| REF RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|--|--------------------------------------|-------|---------------------------------------|-------|
| | | Amount | % | Amount | % |
| 1 | NET SALES | 49,550,487 | 100 | 46,307,331 | 100 |
| 21 | DOMESTIC | 35,641,025 | 72 | 33,171,580 | 72 |
| 22 | FOREIGN | 13,909,462 | 28 | 13,135,751 | 28 |
| 23 | TRANSLATED INTO DOLLARS (***) | 1,253,712 | 3 | 1,094,162 | 2 |
| 6 | TOTAL FINANCING COST | (765,386) | 100 | (198,964) | 100 |
| 24 | INTREST PAID | 56 | 0 | 136 | 0 |
| 25 | EXCHANGE LOSSES | 236,822 | 31 | 122,513 | 62 |
| 26 | INTEREST EARNED | 1,483,274 | 194 | 993,108 | 499 |
| 27 | EXCHANGE PROFITS | 138,662 | 18 | 119,482 | 60 |
| 28 | GAIN DUE TO MONETARY POSITION | 619,672 | 81 | 790,977 | 398 |
| 42 | LOST IN UDIS UPGRADE | 0 | 0 | 0 | 0 |
| 43 | GAIN IN UDIS UPGRADE | 0 | 0 | 0 | 0 |
| 8 | OTHER FIANCIAL OPERATIONS | (108,154) | (100) | (199,320) | (100) |
| 29 | OTHER NET EXPENSES (INCOME) NET | (108,154) | (100) | (199,320) | (100) |
| 30 | (PROFIT) LOSS ON SALE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 31 | (PROFIT) LOSS ON SALE OF SHORT-TERM INVESTMENTS | 0 | 0 | 0 | 0 |
| 10 | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING | 5,143,570 | 100 | 5,609,501 | 100 |
| 32 | INCOME TAX | 4,427,080 | 86 | 4,515,001 | 80 |
| 33 | DEFERED INCOME TAX | (109,867) | (2) | (449,050) | (8) |
| 34 | WORKERS' PROFIT SHARING | 985,754 | 19 | 1,242,463 | 22 |
| 35 | DEFERED WORKERS' PROFIT SHARING | (159,397) | (3) | 301,087 | 5 |

(***) FIGURES IN THOUSANDS OF US DOLLARS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4 YEAR: 2005

CONSOLIDATED EARNING STATEMENT
OTHER CONCEPTS
(Thousands of Pesos)

Consolidated
Final Printing

| REF R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR Amount | QUARTER OF PREVIOUS FINANCIAL YEAR Amount |
|----------|-------------------------------------|--|---|
| 36 | TOTAL SALES | 53,328,415 | 50,560,764 |
| 37 | NET INCOME OF THE YEAR | 9,533,246 | 5,015,362 |
| 38 | NET SALES (**) | 49,550,487 | 46,307,331 |
| 39 | OPERATION INCOME (**) | 13,773,025 | 13,587,835 |
| 40 | NET INCOME OF MAYORITY INTEREST(**) | 7,291,275 | 6,388,968 |
| 41 | NET CONSOLIDATED INCOME (**) | 9,502,995 | 8,376,618 |

(**) THE RESTATED INFORMATION ON THE LAST TWELVE MONTHS SHOULD BE USED

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE
GRUPO MODELO, S.A. DE C.V.

GMODELO

QUARTER 4

YEAR 2005

CONSOLIDATED EARNING STATEMENT
FROM OCTOBER THE 1ST TO DECEMBER 31, 2005 AND 2004
(Thousands of Pesos)

CONSOLIDATED
FINAL PRINTING

| REF RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|--|--------------------------------------|-----|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| 1 | NET SALES | 12,133,536 | 100 | 11,360,439 | 100 |
| 2 | COST OF SALES | 5,658,104 | 47 | 4,858,963 | 43 |
| 3 | GROSS INCOME | 6,475,432 | 53 | 6,501,476 | 57 |
| 4 | OPERATING EXPENSES | 3,416,746 | 28 | 3,267,606 | 29 |
| 5 | OPERATING INCOME | 3,058,686 | 25 | 3,233,870 | 28 |
| 6 | TOTAL FINANCING COST | 10,463 | 0 | (4,924) | 0 |
| 7 | INCOME AFTER FINANCING COST | 3,048,223 | 25 | 3,238,794 | 29 |
| 8 | OTHER FIANCIAL OPERATIONS | 145,170 | 1 | 255,305 | 2 |
| 9 | INCOME BEFORE TAXES AND WORKERS' PROFIT SHARING | 2,903,053 | 24 | 2,983,489 | 26 |
| 10 | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING | 1,150,655 | 9 | 707,031 | 6 |
| 11 | NET INCOME AFTER TAXES AND WORKERS' PROFIT SHARING | 1,752,398 | 14 | 2,276,458 | 20 |
| 12 | SHARE IN NET INCOME OF SUBSIDIARIES AND NON-CONSOLIDATED ASSOCIATES | 0 | 0 | 0 | 0 |
| 13 | CONSOLIDATED NET INCOME OF CONTINUOUS OPERATION | 1,752,398 | 14 | 2,276,458 | 20 |
| 14 | INCOME OF DISCONTINUOUS OPERATION | 0 | 0 | 0 | 0 |
| 15 | CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS | 1,752,398 | 14 | 2,276,458 | 20 |
| 16 | EXTRAORDINARY ITEMS NET EXPENSES (INCOME) | 0 | 0 | 0 | 0 |
| 17 | NET EFFECT AT THE BEGINNING OF THE YEAR BY CHANGES IN ACCOUNTING PRINCIPLES | 0 | 0 | 0 | 0 |
| 18 | NET COSOLIDATED INCOME | 1,752,398 | 14 | 2,276,458 | 20 |
| 19 | NET INCOME OF MINORITY INTEREST | 404,258 | 3 | 540,357 | 5 |
| 20 | NET INCOME OF MAJORITY INTEREST | 1,348,140 | 11 | 1,736,101 | 15 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE
GRUPO MODELO, S.A. DE C.V.

GMODELO

QUARTER 4

YEAR 2005

CONSOLIDATED EARNING STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

CONSOLIDATED
FINAL PRINTING

| REF RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|--|--------------------------------------|------------|---------------------------------------|------------|
| | | Amount | % | Amount | % |
| 1 | NET SALES | 12,133,536 | 100 | 11,360,439 | 100 |
| 21 | DOMESTIC | 9,180,107 | 76 | 8,621,526 | 76 |
| 22 | FOREIGN | 2,953,429 | 24 | 2,738,913 | 24 |
| 23 | TRANSLATED INTO DOLLARS (***) | 272,838 | 2 | 231,323 | 2 |
| 6 | TOTAL FINANCING COST | 10,463 | 100 | (4,924) | 100 |
| 24 | INTREST PAID | 45 | 0 | 66 | 1 |
| 25 | EXCHANGE LOSSES | 104,286 | 997 | 32,367 | 657 |
| 26 | INTEREST EARNED | 357,299 | 3,415 | 330,656 | 6,715 |
| 27 | EXCHANGE PROFITS | 42,952 | 411 | 28,245 | 574 |
| 28 | GAIN DUE TO MONETARY POSITION | 306,383 | 2,928 | 321,544 | 6,530 |
| 42 | LOST IN UDIS UPGRADE | 0 | 0 | 0 | 0 |
| 43 | GAIN IN UDIS UPGRADE | 0 | 0 | 0 | 0 |
| 8 | OTHER FIANCIAL OPERATIONS | 145,170 | 100 | 255,305 | 100 |
| 29 | OTHER NET EXPENSES (INCOME) NET | 145,170 | 100 | 255,305 | 100 |
| 30 | (PROFIT) LOSS ON SALE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 31 | (PROFIT) LOSS ON SALE OF SHORT-TERM INVESTMENTS | 0 | 0 | 0 | 0 |
| 10 | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING | 1,150,655 | 100 | 707,031 | 100 |
| 32 | INCOME TAX | 678,916 | 59 | 457,493 | 65 |
| 33 | DEFERED INCOME TAX | 309,243 | 27 | (284,276) | (40) |
| 34 | WORKERS' PROFIT SHARING | 189,647 | 16 | 232,727 | 33 |
| 35 | DEFERED WORKERS' PROFIT SHARING | (27,151) | (2) | 301,087 | 43 |

(***) FIGURES IN THOUSANDS OF US DOLLARS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4/EAR: 2005

CONSOLIDATED FINANCIAL STATEMENT
FROM JANUARY THE 1st TO DECEMBER 31 OF 2005 AND 2004
(Thousands of Pesos)

Consolidated
Final Printing

| REF C | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--|--------------------------------------|---------------------------------------|
| | | Amount | Amount |
| 1 | CONSOLIDATED NET INCOME | 9,502,995 | 8,376,618 |
| 2 | +(-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING CASH | 2,216,392 | 3,068,384 |
| 3 | CASH FLOW FROM NET INCOME OF THE YEAR | 11,719,387 | 11,445,002 |
| 4 | CASH FLOW FROM CHANGE IN WORKING CAPITAL | (1,427,294) | (959,388) |
| 5 | CASH GENERATED (USED) IN OPERATING ACTIVITIES | 10,292,093 | 10,485,614 |
| 6 | CASH FLOW FROM EXTERNAL FINANCING | (105,742) | 1,481,994 |
| 7 | CASH FLOW FROM INTERNAL FINANCING | (4,591,144) | (3,958,945) |
| 8 | CASH FLOW GENERATED (USED) BY FINANCING | (4,696,886) | (2,476,951) |
| 9 | CASH FLOW GENERATED (USED) IN INVESTMENT ACTIVITIES | (4,339,213) | (4,817,773) |
| 10 | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS | 1,255,994 | 3,190,890 |
| 11 | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD | 16,377,740 | 13,186,850 |
| 12 | CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD | 17,633,734 | 16,377,740 |

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE
GRUPO MODELO, S.A. DE C.V.

GMODELO

QUARTER 4

YEAR 2005

CONSOLIDATED FINANCIAL STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

CONSOLIDATED
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| REF C | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|---|--------------------------------------|---------------------------------------|
| | | Amount | Amount |
| 2 | + (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING CASH | | |
| | | 2,216,392 | 3,068,384 |
| 13 | DEPRECIATION AND AMORTIZATION FOR THE YEAR | 2,477,921 | 2,185,199 |
| 14 | + (-) NET INCREASE (DECREASE) IN PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| 15 | + (-) NET LOSS (PROFIT) IN MONEY EXCHANGE | 0 | 0 |
| 16 | + (-) NET LOSS (PROFIT) IN ASSETS AND LIABILITIES ACTUALIZATION | 0 | 0 |
| 17 | + (-) OTHER ITEMS | 15,050 | 85,021 |
| 40 | + (-) ITEMS ADDED TO INCOME WICH DO NOT REQUIRE USING CASH | (276,579) | 798,164 |
| 4 | CASH FLOW FROM CHANGE IN WORKING CAPITAL | (1,427,294) | (959,388) |
| 18 | + (-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE | (1,216,432) | (392,979) |
| 19 | + (-) DECREASE (INCREASE) IN INVENTORIES | (91,650) | (362,808) |
| 20 | + (-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE | (260,352) | 99,220 |
| 21 | + (-) DECREASE (INCREASE) IN SUPPLIER ACCOUNT | 184,948 | 307,877 |
| 22 | + (-) DECREASE (INCREASE) IN OTHER LIABILITIES | (43,808) | (610,698) |
| 6 | CASH FLOW FROM EXERNAL FINANCING | (105,742) | 1,481,994 |
| 23 | + SHORT-TERM BANK AND STOCK MARKET FINANCING | 0 | 0 |
| 24 | + LONG-TERM BANK AND STOCK MARKET FINANCING | 0 | 0 |
| 25 | + DIVIDEND RECEIVED | 0 | 0 |
| 26 | + OTHER FINANCING | (105,742) | 1,481,994 |
| 27 | (-) BANK FINANCING AMORTIZATION | 0 | 0 |
| 28 | (-) STOCK MARKET AMORTIZATION | 0 | 0 |
| 29 | (-) OTHER FINANCING AMORTIZATION | 0 | 0 |
| 7 | CASH FLOW FROM INTERNAL FINANCING | (4,591,144) | (3,958,945) |
| 30 | + (-) INCREASE (DECREASE) IN CAPITAL STOCKS | 0 | 0 |
| 31 | (-) DIVIDENDS PAID | (4,591,144) | (3,958,945) |
| 32 | + PREMIUM ON SALE OF SHARES | 0 | 0 |
| 33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES | 0 | 0 |
| 9 | CASH FLOW GENERATED (UTILIZED) IN INVESTMENT ACTIVITIES | (4,339,213) | (4,817,773) |
| 34 | + (-) INCREASE (DECREASE) IN STOCK INVESTMENTS OF A PERMANENT NATURE | (6,189) | (157,869) |
| 35 | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT | (7,023,580) | (3,935,067) |
| 36 | (-) INCREASE IN CONSTRUCTIONS IN PROGRESS | 2,996,698 | (508,925) |
| 37 | + SALE OF OTHER PERMNET INVESTMENTS | 0 | 0 |
| 38 | + SALE OF TANGIBLE FIXED ASSETS | 0 | 0 |
| 39 | + (-) OTHER ITEMS | (306,142) | (215,912) |

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QUARTER 4

YEAR 2005

RATIOS
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| REF P | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|--|--------------------------------------|-------|---------------------------------------|-------|
| | YIELD | | | | |
| 1 | NET INCOME TO NET SALES | 19.18% | | 18.09% | |
| 2 | NET INCOME TO STOCK HOLDERS' EQUITY (**) | 13.92% | | 13.23% | |
| 3 | NET INCOME TO TOTAL ASSETS (**) | 11.84% | | 11.03% | |
| 4 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 55.02% | | 56.56% | |
| 5 | INCOME DUE TO MONETARY POSITION TO NET INCOME | -6.52% | | -9.44% | |
| | ACTIVITY | | | | |
| 6 | NET SALES TO NET ASSETS (**) | 0.62 | times | 0.61 | times |
| 7 | NET SALES TO FIXED ASSETS (**) | 1.08 | times | 1.05 | times |
| 8 | INVENTORIES ROTATION (**) | 3.95 | times | 3.55 | times |
| 9 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 13 | days | 9 | days |
| 10 | PAID INTEREST TO TOTAL LIABILITIES WITH COST (**) | 0.00% | | 0.00% | |
| | LEVERAGE | | | | |
| 11 | TOTAL LIABILITIES TO TOTAL ASSETS | 15.16% | | 17.22% | |
| 12 | TOTAL LIABILITIES TO STOCK HOLDERS' EQUITY | 0.18 | times | 0.21 | times |
| 13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 3.31% | | 3.27% | |
| 14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 0.00% | | 0.00% | |
| 15 | OPERATING INCOME TO INTEREST PAID | 245,946.88 | times | 99,910.55 | times |
| 16 | NET SALES TO TOTAL LIABILITIES (**) | 4.07 | times | 3.54 | times |
| | LIQUIDITY | | | | |
| 17 | CURRENT ASSETS TO CURRENT LIABILITIES | 6.33 | times | 5.91 | times |
| 18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 5.06 | times | 4.62 | times |
| 19 | CURRENT ASSETS TO TOTAL LIABILITIES | 2.36 | times | 1.99 | times |
| 20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 388.25% | | 372.16% | |
| | CASH FLOW | | | | |
| 21 | CASH FLOW FROM NET INCOME TO NET SALES | 23.65% | | 24.72% | |
| 22 | CASH FLOW FROM CHANGES IN WORKING CAPITAL TO NET SALES | -2.88% | | -2.07% | |
| 23 | CASH GENERATED (USED) IN OPERATING TO INTEREST PAID | 183,787.38 | times | 77,100.10 | times |
| 24 | EXTERNAL FINANCING TO CASH GENERATED (USED) IN FINANCING | 2.25% | | -59.83% | |
| 25 | INTERNAL FINANCING TO CASH GENERATED (USED) IN FINANCING | 97.75% | | 159.83% | |
| 26 | ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO CASH GENERATED (USED) IN INVESTMENT ACTIVITIES | 161.86% | | 81.68% | |

(**) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE MONTHS.

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STOCK EXCHANGE CODE
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GMODELO

QUARTER 4

YEAR 2005

DATA PER SHARE
CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED
FINAL PRINTING

| REF D | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|---|--------------------------------------|---------------------------------------|
| | | Amount | Amount |
| 1 | BASIC PROFIT PER ORDINARY SHARE (**) | \$2.24 | \$1.96 |
| 2 | BASIC PROFIT PER PREFERENT SHARE (**) | \$0.00 | \$0.00 |
| 3 | DILUITED PROFIT PER ORDINARY SHARE (**) | \$2.24 | \$1.96 |
| 4 | CONTINUOUS OPERATING PROFIT PER COMUN SHARE(**) | \$2.92 | \$2.58 |
| 5 | EFFECT OF DISCONTINUOUS OPERATING ON CONTINUOUS OPERATING PROFIT PER SHARE (**) | \$0.00 | \$0.00 |
| 6 | EFFECT OF EXTRAORDINARY PROFIT AND LOSS ON CONTINUOUS OPERATING PROFIT PER SHARE (**) | \$0.00 | \$0.00 |
| 7 | EFFECT BY CHANGES IN ACCOUNTING POLICIES ON CONTINUOUS OPERATING PROFIT PER SHARE (**) | \$0.00 | \$0.00 |
| 8 | CARRYING VALUE PER SHARE | \$16.10 | \$14.85 |
| 9 | CASH DIVIDEND ACUMULATED PER SHARE | \$1.08 | \$0.91 |
| 10 | DIVIDEND IN SHARES PER SHARE | 0.00 shares | 0.00 shares |
| 11 | MARKET PRICE TO CARRYING VALUE | 2.39 times | 2.13 times |
| 12 | MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**) | 17.19 times | 16.18 times |
| 13 | MARKET PRICE TO BASIC PROFIT PREFERENT SHARE (**) | 0.00 times | 0.00 times |

(**) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE MONTHS.

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: MODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4 YEAR: 2005

FINANCIAL STATEMENT NOTES (1)

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R06: THE COMPANY DOES NOT HAVE CREDITS OR INVESTMENTS IN UDIS (UNIDADES DE INVERSION = INVESTMENT UNITS), AND THEREFORE WITH THIS COMMENT THE COMMUNICATION DATE DECEMBER 27, 1999, IS COMPLIED WITH.

THE CHANGE FROM APPLICATION OF THE INITIAL EFFECT OF THE DEFERRED TAX ON SHAREHOLDERS' EQUITY OF THE MAJORITY INTEREST WAS MADE IN THE ACCUMULATED PROFITS ACCOUNT WITH REFERENCE S42 FOR AN AMOUNT OF PS. 5,069,105, THIS BASED ON THE PROVISION OF BULLETIN D-4 INDICATING THAT THE INITIAL EFFECT OF THE APPLICATION OF THIS PRINCIPLE IS PRESENTED IN ONLY ONE ACCOUNT. THIS LINE WAS USED, SINCE IN THE SIFIC THERE IS NO REFERENCE IN WHICH WE CAN SHOW SAID EFFECT.

REFERENCE R37 "TAX RESULT FOR THE PERIOD" CORRESPONDS TO THAT OF GRUPO MODELO, DETERMINED ON THE BASIS OF THE TAX CONSOLIDATION REGIME.

THE CONTRIBUTIONS MADE TO PENSION PLANS (INCLUDES IN 2004 THE EFFECT OF THE RESTRUCTURING OF THE MINORITY INTEREST CAPITAL) ARE CONSIDERED IN REFERENCE C26 "OTHER FINANCING" THIS IS BECAUSE IN REFERENCE C7 "FLOW FROM OWN FINANCING" THERE IS NO ITEM THAT ALLOWS NOTING THOSE MATTERS.

REFERENCE C31 COLUMN INCLUDES THE PAYMENT OF DIVIDENDS IN THE FOLLOWING MANNER:

| | | 2005 | 2004 |
|-----------------------|-----|-----------|-----------|
| MAJORITY SHAREHOLDERS | PS. | 3,488,098 | 2,961,569 |
| MINORITY SHAREHOLDERS | | 1,103,046 | 997,376 |
| | | ----- | ----- |
| TOTAL (REFERNCE C-31) | | 4,591,144 | 3,958,945 |
| | | ===== | ===== |

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STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.

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DIRECTOR REPORT (1)

ANNEX 1

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Mexico City, February 27, 2006 – Grupo Modelo, S.A. 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 fourth quarter and full year ended December 31, 2005.

In the fourth quarter of 2005, total beer volume grew 3.8% compared to the same period of last year. In the domestic market, a 0.5% increase in volume reflected the high basis of comparison as well as adverse weather conditions. Export volume, however, registered an increase of 14.6%, based on the Company’s higher sales in North America, Europe and Oceania. As a result, the share of exports in the total sales volume mix rose from 23.8% in 2004 to 26.2% in 2005.

Net sales totaled 12,133 million pesos, a 6.8% increase over the same quarter of 2004. This figure reflects increases of 3.4% in domestic sales and 7.8% in exports. Net sales in the domestic market benefited from the 2.9% rise in the price per hectoliter in real terms. In exports, while the price per hectoliter in dollars rose 3.0%, it declined 5.9% in peso terms due to that currency’s appreciation against the U.S. dollar. Total export revenues increased 17.9% year over year, to 273 million dollars.

The cost of goods sold totaled 5,658 million pesos, an increase of 16.4%. This resulted from pressures in packaging costs, mainly in glass bottles, as well as a higher proportion of exports in the sales mix. Therefore, gross profit declined 0.4%, equaling 6,475 million pesos. The gross margin was 53.4%, or a 3.8 percentage point decline compared with 2004.

Operating expenses grew 4.6% during the quarter and represented 28.2% of net sales, a 60 basis point decline compared to last year. Total operating expenses per domestic hectoliter increased 4.1% during the quarter, reflecting the Company’s diverse initiatives to strengthen distribution channels, as well as higher marketing support in Mexico and abroad. The operating margin of 25.2% was 3.3 percentage points lower than the 2004 figure.

The comprehensive cost of financing was 10 million pesos, primarily resulting from the exchange loss posted during the period.

The effective tax rate (including profit sharing) was 39.6%, higher than the figure registered in the fourth quarter of the prior year. It is important to note that in 2004 Grupo Modelo registered a fiscal benefit in deferred taxes due to regulations regarding the gradual reduction in the corporate rate.

Net majority income was 1,348 million pesos, a decrease of 22.4% from the year ago period. This reflects the operating result and the aforementioned tax effect.

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GRUPO MODELO, S.A. DE C.V.

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DIRECTOR REPORT (1)

ANNEX I

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Grupo Modelo S.A. de C.V. and Subsidiaries
Sales of beer in million hectoliters

| Market | Q4 2005 | % | Q4 2004 | % | Var. (%) |
|----------|------------|-------|------------|-------|-------------|
| Domestic | 8.318 | 73.8 | 8.278 | 76.2 | 0.5 |
| Export | 2.960 | 26.2 | 2.584 | 23.8 | 14.6 |
| Total | 11.278 | 100.0 | 10.862 | 100.0 | 3.8 |

Full Year 2005 Results

Total beer volume grew 6.4% in 2005 compared to the year ago period, totaling 45.5 million hectoliters. Volumes in the domestic market rose 4.0%, while exports increased 12.3%.

Exports represented 30.2% of total volume, with the U.S. as the main market. In the U.S., Modelo Especial sales outperformed other imports, and the brand now represents the fourth leading import in that market, rising two positions compared to 2004. Furthermore, total volumes in Europe increased at a double-digit pace during the year.

Grupo Modelo's import brand portfolio headed by Bud Light and Budweiser grew 35.1%, leading the category by an estimated market share of 36.5%. The import segment in Mexico represents approximately 2.0% of the industry.

Net sales in 2005 totaled 49,551 million pesos, an increase of 7.0%. Domestic sales grew 4.7%, boosted by strong volume and price. In exports, revenues rose 5.9%, reflecting the impact of the strong peso. Total export revenues were 1,254 million dollars, which represented an increase of 14.6% compared with the previous year. In dollar terms, the price per hectoliter increased 2.0%, however, it dropped 5.7% in peso terms.

The cost of goods sold rose 12.6% as a result of pressures in bottle costs and a shift in mix towards exports. Consequently, the gross margin was 54.0%, compared to the 56.3% posted in 2004.

Operating expenses were up 4.1%, rising at lower rate than net sales growth. Therefore, total expenses as a percentage of net sales declined 80 basis points over the previous year, equaling 26.2%. Total expenses per domestic hectoliter remained stable, growing a minimal 0.1% compared with the same period of the prior year. Similarly, total expenses per total hectoliter fell 2.2%.

Operating profit registered an increase of 1.4%, totaling 13,773 million pesos. Thus, operating margin was 27.8%, a 1.5 percentage point decline from the 2004 figure.

Depreciation and amortization totaled 2,478 million pesos, a 13.4% increase compared to last year, and represented 5.0% of net sales. This increase was due to the utilization of new equipment and ongoing

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ANNEX 1

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modernization of assets in different areas of the organization. In 2005, EBITDA (Operating income + Depreciation – Equity income of Associates included in COGS) totaled 15,817 million pesos, a 2.6% increase from the previous year. Consequently, EBITDA margin was 31.9%.

Below the operating results line, the comprehensive cost of financing resulted in a positive gain of 765 million pesos. This compares favorably with the 199 million pesos posted in the previous year, reflecting the benefit of higher real interest rates and lower inflation.

In terms of taxes, the effective tax rate (including profit sharing) was 35.1% compared to the 40.1% in 2004. This tax rate fluctuation is primarily due to the lower corporate tax rate in force as of January 1, 2005.

Net majority income increased 14.1% in the year, contributing to the 90 basis point expansion in net margin, which rose to 14.7%. On a cumulative basis, earnings per share totaled 2.24 pesos, higher than the 1.96 pesos posted in 2004.

Financial Position

As of December 31, 2005, Grupo Modelo's cash and marketable securities represented 22.0% of total assets. In the last twelve months, total assets grew 5.8%. The financial position of the Company remained strong with a debt-free capital structure and short-term operational liabilities of 4,542 million pesos. The majority stockholders' equity totaled 52,365 million pesos, representing an 8.5% increase compared to the prior year.

Capital Expenditures

Grupo Modelo invested 4,027 million pesos of its internal cash flow in 2005 to continue its modernization and expansion projects throughout the organization. The funds were allocated as follows:

| Area | December 2005 |
|-----------------------------|---------------|
| Tuxtepec Brewery | 17.6% |
| Breweries & Other Factories | 37.1% |
| Sales | 45.3% |

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DIRECTOR REPORT (1)

ANNEX 1

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Grupo Modelo, S.A. de C.V. and Subsidiaries
Sales of beer in million hectoliters
Figures as of December 31, 2005 and 2004

| Market | 2005 | % | 2004 | % | Var. (%) |
|----------|--------|-------|--------|-------|----------|
| Domestic | 31.806 | 69.8 | 30.588 | 71.4 | 4.0 |
| Export | 13.737 | 30.2 | 12.232 | 28.6 | 12.3 |
| Total | 45.543 | 100.0 | 42.820 | 100.0 | 6.4 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (1)

ANNEX 2

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GRUPO MODELO, S. A. DE C. V. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2005 AND 2004

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

1. INCORPORATION AND CORPORATE PURPOSE:

- a) Grupo Modelo, S. A. de C. V. and Subsidiaries (Group) is mainly engaged in the production and sale of beer, which began in 1925.
- b) The main activity of Grupo Modelo, S. A. de C. V. is holding 76.75% of the common stock of Diblo S.A. de C.V., whose business purpose is holding real estate and investing in shares of subsidiaries mainly involved in the production, distribution and sale of beer in Mexico and abroad. The most important companies, on the basis of their operations and stockholders' equity, are as follows:

| <u>Breweries:</u> | <u>Percentage of shareholding</u> |
|--|-----------------------------------|
| Cervecería Modelo, S. A. de C. V. | 100 |
| Compañía Cervecera de Zacatecas, S. A. de C. V. | 100 |
| Compañía Cervecera del Trópico, S. A. de C. V. | 100 |
| Cervecería Modelo de Guadalajara, S. A. de C. V. | 100 |
| Cervecería Modelo del Noroeste, S. A. de C. V. | 100 |
| Cervecería Modelo de Torreón, S. A. de C. V. | 100 |
| Cervecería del Pacífico, S. A. de C. V. | <u>100</u> |

Transformation of barley to malt:

| | |
|----------------------------------|-----------|
| Cebadas y Maltas, S. A. de C. V. | 100 |
| Extractos y Maltas, S. A. | <u>98</u> |

Machinery manufacturers:

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Inamex de Cerveza y Malta, S. A. de C. V. 100

Manufacturer of beer cans and crowns:

Envases y Tapas Modelo, S. A. de C. V. 100

Agencies distributing beer and other products:

Percentage
of shareholding

| | |
|---|------------|
| Las Cervezas Modelo en el Pacífico, S.A. de C.V. | 100 |
| Las Cervezas Modelo del Noreste, S.A. de C.V. | 100 |
| Las Cervezas Modelo en Morelos, S.A. de C.V. | 100 |
| Las Cervezas Modelo del Sureste, S.A. de C.V. | 100 |
| Las Cervezas Modelo en San Luis Potosí, S.A. de C.V. | 100 |
| Distribuidora de Cervezas Modelo en Chihuahua, S.A. de C.V. | 100 |
| Las Cervezas Modelo del Altiplano, S.A. de C.V. | 100 |
| Las Cervezas Modelo en Baja California, S.A. de C.V. | 100 |
| Las Cervezas Modelo en Guerrero, S.A. de C.V. | 100 |
| Las Cervezas Modelo en Sonora, S.A. de C.V. | 100 |
| Las Cervezas Modelo del Centro, S.A. de C.V. | 100 |
| Las Cervezas Modelo del Occidente, S.A. de C.V. | 100 |
| Las Cervezas Modelo en Nuevo León, S.A. de C.V. | 100 |
| Distribuidora de Cervezas Modelo en el Norte, S.A. de C.V. | 100 |
| Las Cervezas Modelo en Campeche S.A. de C.V. | 100 |
| Las Cervezas Modelo del Estado de México S.A. de C.V. | <u>100</u> |

Company controlling distributors of beer and other products abroad:

Procermex, Inc. 100

The Group is in the process of merging its distribution agencies in order to improve its operations.

2. ACCOUNTING POLICIES:

The main accounting policies applied by the Group in the preparation of these consolidated financial statements are in accordance with generally accepted accounting principles in Mexico. These accounting principles require that Group's Management makes estimates based on circumstances and applies certain assumptions in determining the valuation of some items included in the consolidated financial statements.

The main accounting policies are summarized as follows:

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- a) Consolidation - The Group prepares consolidated financial statements, which include the financial situation and the results of the companies in which Diblo, S.A. de C.V. has control and direct or indirect participation of more than 50% of the common stock; significant intercompany operations have been eliminated in consolidation.
- b) Basis for preparation - The consolidated financial statements of the Group include the effects of inflation on the financial information, as required by integrated Statement B-10, issued by the Mexican Institute of Public Accountants (MIPA).
- c) Comparability - The figures shown in the consolidated financial statements and its notes are stated consistently in Mexican pesos at the purchasing power of December 31, 2005, by applying factors derived from the National Consumer Price Index (NCPI).
- d) Translation of the financial information of subsidiaries located abroad - Translation of the financial information of the subsidiaries abroad to Mexican pesos, required for consolidation, was conducted in accordance with the guidelines of Statement B-15 "Transactions in Foreign Currency and Translation of the Financial Statements of Operations Abroad", issued by MIPA, through the method of integrated foreign operations. The purchase exchange rate of \$10.63 (\$11.00 in 2004) per U.S. dollar, was used in translating monetary items; non-monetary items and the income statement were translated into Mexican pesos at the exchange rates prevailing on the dates on which the transactions that originated them were carried out. The effects derived from this translation are shown in the integral result from financing.
- e) Marketable securities - The market securities correspond to financial securities related to the business purpose and financial securities available for sale and are valued at their fair value, which is similar to their market value. The fair value is the amount of money used to change a financial asset to liquidate a financial liability among interested and willing parties, in a free market transaction.
- f) Derivative financial instruments - Investments in derivative financial instruments held for trading or to hedge the risk of adverse movements in consumables are recognized as assets and liabilities at their fair value. Gains or losses on those instruments are recorded in income (See Note 16). Beginning 2005, the Group adopted Statement C-10, "Derivative Financial Instruments and Coverage Operations". Adoption of this statement did not have a significant effect on the profit of the year.
- g) Inventories - They are valued by the replacement cost method, not exceeding their fair value.
- h) Cost of sales - It is determined based on the restated value of inventories.
-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (1)

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-
- i) Investment in shares of associates - Permanent investment in shares are recorded at acquisition cost and are valued by applying the equity method. The participation in the profits of associated companies which manufacture items necessary for the production of beer, is included in the income statement reducing the cost of sales.
- j) Property, plant and equipment - These items are recorded at acquisition cost, and are restated by applying the inflation factors derived from the NCPI, to the net replacement value determined by independent expert appraisers at December 31, 1996, and in accordance with their acquisition cost, in the case of subsequent purchases to that date.
- k) Construction in progress and advances to suppliers - These items are recorded at the value at which the expenditures are made, and are restated through the application of the inflation factors derived from the NCPI, according to the ageing of the expenditure.
- l) Depreciation - This item is calculated based on the restated values of property, plant and equipment, based on the probable useful life as determined by independent appraisers, and the technical department of the Group. Annual depreciation rates are shown in Note 6.
- m) Unamortized expenses - These items are recorded at the value of acquisition, considering they are identifiable, provide expected economic benefits and the company has control over such benefits. These items are restated, applying factors derived from the NCPI, as per the ageing of expenditures. Licenses and permits are recorded at their acquisition cost, which, at the date of the consolidated financial statements, is similar to their market value.
- n) Amortization - The original amount and restatement of installation, organization expenses and intangible assets are amortized by the straight-line method. The rate used for accounting purposes (between 5% and 10%) is determined in accordance with the expected future economic benefits.
- o) Long-lived assets -The Group's Management has carried out a study to determine the fair value in their long-lived assets, tangibles and intangibles, in order to determine if exist or not a significant impairment on these assets. At the date of consolidated financial statements, there was not required any adjustment by this item.
- p) Foreign currencies - The assets and liabilities that represent rights and obligations receivable or payable in foreign currency, are translated to Mexican pesos at the exchange rate in effect on the transaction date (See Note 14). Balances at the end of the year are valued at the rate of exchange in effect at the end of the year, and the resulting differences are recorded directly in the income statement, forming part of the integral result from financing.
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- q) Estimates, liabilities and provisions – These items are recorded based on Management’s Group best estimate, although this estimates could differ from their final effect.
- r) Labor obligations upon retirement - Labor obligations for projected benefits were determined in accordance with the guidelines established in Statement D-3, “Labor Obligations”, issued by the MIPA. Until December 2004, severances and voluntary retirement payments were recorded in the income statement at the moment of their exigency. Contributions to the trusts that handle the plan assets correspond to the pension plans approved by the Mexican Tax Authorities. (See Note 8).
- s) Deferred income tax and employees’ profit sharing.- In recognizing deferred income tax, the Group uses the method of comprehensive asset and liabilities, which consists of determining the aforementioned tax by applying the income tax rate corresponding to temporary differences between the accounting and fiscal values of assets and liabilities at the date of the consolidated financial statements. Regarding deferred employees’ profit sharing, is only generated by not recurrent temporary differences. Fiscal dispositions effective on January, 2005, make the Group recorded a liability for this item, amounting \$145,902 (\$301,087 in 2004) (See Note 12c).
- t) Restatement of stockholders’ equity - This account is restated by applying inflation factors derived from the NCPI, according to their ageing or contribution date. The effects of that restatement are presented in the consolidated financial statements, in each of the accounts that gave rise to them.
- u) Insufficiency in the restatement of stockholders’ equity - The balance of this account is represented by the algebraic sum of the items “Result from holding non-monetary assets” and “Accumulated equity monetary result” which are described below:
- Result from holding non-monetary assets - This item represents the change in the value of non-monetary assets due to causes other than inflation. It is determined only when the specific cost method is used, since these costs are compared with restatements determined through the NCPI. If the specific costs are higher than the indexes, there will be a gain from with holding; otherwise, a loss will occur. The result from holding non-monetary assets generated until 1996, due to the restatement of fixed assets, is restated as the other stockholders’ equity accounts.
- Accumulated equity monetary result - This item is the result originated in the initial restatement of the financial statement figures.
- v) Result from monetary position - This account represents the effect of inflation on monetary assets and liabilities, even though they continue to have the same nominal value. When monetary assets exceed monetary liabilities, a monetary position loss is generated, since when use of these is made, an amount equal to the nominal value will be at the Group's disposal, but with a lower purchasing power. When liabilities are greater, a gain will be obtained, since they are settled
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with money of lower purchasing power. Those effects are charged or credited to income, forming part of the integral result from financing.

w) Comprehensive income - Statement B-4 "Comprehensive Income" requires that items making up the gained equity during the period be shown in the statement of changes in stockholders' equity, under the item of comprehensive income.

x) Earnings per share - Earnings per share attributable to the majority interest, were calculated based on the average of common outstanding shares.

3. ACCOUNTS AND NOTES RECEIVABLE:

The balance of this account is made up as follows:

| <u>Item</u> | <u>2005</u> | <u>2004</u> |
|--|--------------------|--------------------|
| Trade accounts receivable | \$3,412,282 | \$2,793,390 |
| Sundry debtors | 449,438 | 251,622 |
| Sellers | <u>18,206</u> | <u>53,089</u> |
| | 3,879,926 | 3,098,101 |
| Less - Allowance for doubtful accounts | <u>(378,168)</u> | <u>(370,433)</u> |
| | 3,501,758 | 2,727,668 |
| Recoverable taxes | 743,989 | 290,128 |
| Non-consolidated related companies (See Note 13) | 26,178 | 35,129 |
| Officers and employees | <u>30,930</u> | <u>33,496</u> |
| | 4,302,855 | 3,086,421 |
| Less - Short-term accounts and notes receivable | <u>(3,146,273)</u> | <u>(1,993,655)</u> |
| Long- Term accounts and notes receivable | <u>\$1,156,582</u> | <u>\$1,092,766</u> |

4. INVENTORIES:

The balance of this account is made up as follows:

| <u>Item</u> | <u>2005</u> | <u>2004</u> |
|--------------------------|-------------|-------------|
| Containers and packaging | \$1,838,552 | \$1,801,236 |

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| Finished goods and work in process | 1,411,884 | 1,078,885 |
| Raw materials | 1,406,284 | 1,733,793 |
| Spare parts and accessories | 604,538 | 636,136 |
| Merchandise in transit and advances to suppliers | 527,031 | 510,535 |
| Advertising articles | <u>112,264</u> | <u>106,578</u> |
| | 5,900,553 | 5,867,163 |
| Less- Allowance for slow-moving inventories | <u>(138,451)</u> | <u>(169,272)</u> |
| | <u>\$5,762,102</u> | <u>\$5,697,891</u> |

5. INVESTMENT IN SHARES OF ASSOCIATES:

a) The balance of this account is made up as follows:

| <u>Companies</u> | Percentage of shares composing the capital stock | <u>2005</u> | <u>2004</u> |
|---|--|--------------------|--------------------|
| Dirección de Fábricas, S. A. de C. V. (holding company of glass container manufacturing companies) | 41 | \$2,514,997 | \$2,495,896 |
| Gondi, S. A. de C. V. | 7 | 181,818 | 196,579 |
| Foreign investments | <u>40-81</u> | <u>133,467</u> | <u>131,653</u> |
| | | 2,830,282 | 2,824,128 |
| Others | | <u>50,145</u> | <u>44,918</u> |
| | | 2,880,427 | 2,869,046 |
| Less - Allowance for decline in book value | | <u>(132,208)</u> | <u>(69,752)</u> |
| | | <u>\$2,748,219</u> | <u>\$2,799,294</u> |

-b) The amount of the investment in shares of associates includes the shareholding in the results of those entities, amounting to \$433,984 (\$355,059 in 2004) of profit.

6. PROPERTY, PLANT AND EQUIPMENT, NET:

a) The balance of this account is made up as follows:

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| Item | Depreciation annual rate | Net historical cost | 2005 | | 2004 |
|---|-----------------------------|------------------------|----------------------|----------------------|----------------------|
| | | | Net restatement | Net total value | Net total value |
| Land | - | \$ 1,502,140 | \$ 3,106,019 | \$ 4,608,159 | \$ 4,452,500 |
| Machinery and equipment | 5 % | 13,631,210 | 7,362,791 | 20,994,001 | 18,380,073 |
| Transportation equipment | 12 a 25 % | 2,287,791 | 438,824 | 2,726,615 | 2,432,491 |
| Building and other structures | 2 % | 6,438,810 | 6,480,152 | 12,918,962 | 11,474,653 |
| Computer equipment | 25 % | 507,772 | 30,434 | 538,206 | 352,015 |
| Furniture and other equipment | 7 % | 396,640 | 109,008 | 505,648 | 548,458 |
| Antipollution equipment | 5 % | 594,346 | 285,061 | 879,407 | 701,640 |
| Construction in progress and Advances to suppliers | - | <u>2,490,191</u> | <u>139,082</u> | <u>2,629,273</u> | <u>5,876,278</u> |
| | | <u>\$ 27,848,900</u> | <u>\$ 17,951,371</u> | <u>\$ 45,800,271</u> | <u>\$ 44,218,108</u> |

Depreciation for the year amounted to \$2,394,064 (\$2,122,584 in 2004).

- b) The Group's Management estimates that completion of works in process and advances to suppliers will require an additional investment of approximately \$3,540,000 (\$6,135,898 in 2004), to be applied to the construction of warehouses, offices and the acquisition and installation of new production lines and the expansion of factory production capacity. This work is to be completed during the exercise of 2006 and 2007.

7. OTHER ASSETS:

The balance of this account is made up as follows:

| Item | 2005 | 2004 |
|--------------------------------------|------------------|------------------|
| Unamortized expenses | \$1,832,424 | \$1,695,291 |
| Goodwill and other intangible assets | <u>355,810</u> | <u>218,388</u> |
| | 2,188,234 | 1,913,679 |
| Less- Acumulated amortization | <u>(709,232)</u> | <u>(628,729)</u> |
| | 1,479,002 | 1,284,950 |

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| | | |
|---|--------------------|--------------------|
| Intangible assets of labor obligations upon retirement (See Note 8) | <u>341,324</u> | <u>496,310</u> |
| | <u>\$1,820,326</u> | <u>\$1,781,260</u> |

8. LABOR OBLIGATIONS UPON RETIREMENT:

The Group has a pension and seniority premium plan to cover obligations established by its labor contracts and the Mexican Federal Labor Law. These compensations are claimed only after having worked a certain number of years.

- As of the date of the consolidated financial statements the amount of the accrued liability for labor obligations upon retirement of the personnel is analyzed as follows:

| <u>Description</u> | <u>2005</u> | <u>2004</u> |
|--|--------------------|--------------------|
| Obligations for current benefits | \$4,842,306 | \$4,813,508 |
| Additional amount for projected benefits | <u>397,758</u> | <u>409,378</u> |
| Obligations for projected benefits | 5,240,064 | 5,222,886 |
| Plan assets (trust fund) | <u>(4,607,672)</u> | <u>(3,955,403)</u> |
| Items to be amortized over a period of 15 to 21 years: | 632,392 | 1,267,483 |
| For adjustments to variances | (1,035,640) | (1,607,307) |
| For past services | <u>(556,567)</u> | <u>(516,766)</u> |
| Projected net assets | (959,815) | (856,590) |
| Additional liability made of: | | |
| Intangible assets | 341,324 | 496,310 |
| Adjustment to capital | <u>646,837</u> | <u>1,012,167</u> |
| Accrued liability | <u>\$ 28,346</u> | <u>\$ 651,887</u> |

- The intangible assets and the adjustment to capital are created for those subsidiaries in which the trust funds and the net current liability are less than the obligations for current benefits.

- Contributions to the trusts that manage the plan assets, in the period amounted to \$450,785 (\$473,775 in 2004). During the year payments made by the trusts to beneficiaries, amounted to \$253,384 (\$205,502 in 2004).

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- The net cost for the period amounted to \$355,000 (\$365,077 in 2004), and was determined in the same manner as projected benefits obligations at an estimated real rate of return of 5%, and on average increase in salaries of 1.5% in both periods.

- During the year severances were paid by \$398,106 (\$276,075 in 2004). In January 1° 2005, Statement D-3, "Labor Obligations" become effective, which provide additional valuation and disclosure rules for recognizing severance payments due to this new dispositions, the Group recorded a Labor relationship termination liability that amounts to \$79,478, which will be amortized in the remanent average labor life of the employees. The effect of this item in the income statement represented an expense by \$16,538.

- The tax provisions related to pension plan and retirement funds stipulate that investments in securities issued by the Company itself or by related parties must not exceed 10% of the overall reserve for these funds, when the securities in question are approved by the National Banking and Securities Commission. Should this percentage exceed the limit, the Company will have until December 31, 2006 to comply with this requirement.

9. CONTINGENCIES AND COMMITMENTS:

- a) Groups' Management recorded in 2004 a reserve of \$191,950 in order to support expenses from its restructuring Group plan, which mainly involves mergers among Agencies. During the year expenses have reduced this reserve by \$126,941.
- b) There are lawsuits filed before the authorities for different reasons. In the opinion of the Group's officers and lawyers, these matters will be resolved favorably. In any case, the result of the lawsuits will not substantially affect the consolidated financial situation, nor the consolidated results of its operations.
- c) As of the date of the consolidated financial statements, there are purchasing commitments for the purchase of inventories, machinery and equipment in the amount of approximately 122 millions of U.S. dollars (164 millions of U.S. dollars in 2004).
- d) In 2000 and 2001, straight-leasing agreements were signed for air transportation equipment, establishing mandatory terms of 10 and 7 years and monthly rent of 170,000 U.S. dollars and 24,000 U.S. dollars, respectively.

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10. COMMON STOCK:

As of December 31, 2005 and 2004, common stock is comprised of 3,251,759,632 shares, with no par value, divided as follows:

| <u>Description</u> | <u>Amount</u> |
|--|---------------------|
| Fixed capital: | |
| Series A Class I shares - Without withdrawal rights, represented by 1,459,389,728 fully subscribed and paid-in common voting shares; these shares must always represent 56.10% of the total shares of the common stock with voting rights; and may be acquired directly or indirectly only by Mexican individuals or corporations (historical value) | \$ 785,996 |
| Variable capital: | |
| Series B Class II shares - Represented by 1,142,017,984 fully subscribed and paid-in common voting shares, which in no case may represent more than 43.90% of the total voting shares of the common stock, and will be subject to no subscription limitations (historical value) | 1,085,855 |
| Series C Class II shares - Represented by 650,351,920 fully subscribed and paid-in nonvoting shares; which in no case may represent more than 20% of the common stock (historical value) | <u>967,801</u> |
| | 2,839,652 |
| Effect of restatement | <u>12,329,578</u> |
| | <u>\$15,169,230</u> |

b) Composition of updating of some shareholder's equity accounts:

| ITEM | NET HISTORICAL COST | NET RESTATEMENT | NET RESTATEMENT |
|---------|------------------------|--------------------|--------------------|
| CAPITAL | 2,839,652 | 12,329,578 | 15,169,230 |

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|--|---------------------|---------------------|--------------------------------|
| SHARE PREMIUM | 193,388 | 816,848 | 1,010,236 |
| ACCUMULATED PROFITS: | | | |
| LEGAL RESERVE | 1,615,768 | 587,075 | 2,202,843 |
| RESERVE FOR ACQUISITION OF OWN SHARES | 150,000 | 488,100 | 638,100 |
| TO BE APPLIED | 21,239,132 | 11,071,545 | 32,310,677 |
| PROFIT FOR THE PERIOD | <u>7,103,558</u> | <u>187,717</u> | <u>7,291,275</u> |
| TOTAL | <u>\$33,141,498</u> | <u>\$25,480,863</u> | <u>\$58,622,361</u> |

11. COMPREHENSIVE INCOME:

The Grupo's comprehensive income for the year is made up as follows:

| <u>Description</u> | <u>2005</u> | <u>2004</u> |
|---|--------------------|--------------------|
| Consolidated net profit for the year | \$9,502,995 | \$8,376,618 |
| Adjustment to capital for labor obligations upon retirement | 357,518 | 18,662 |
| Result from holding non-monetary assets | <u>3,804</u> | <u>25,854</u> |
| Comprehensive income | <u>\$9,864,317</u> | <u>\$8,421,134</u> |

12. INCOME TAX, ASSET TAX, EMPLOYEES' PROFIT SHARING AND RESTRICTIONS ON PROFITS:

a) The income tax and asset tax provision as of December 31 is made up as follows:

| <u>Item:</u> | <u>2005</u> | <u>2004</u> |
|---------------------|--------------------|--------------------|
| Income tax incurred | \$4,377,179 | \$4,477,917 |
| Asset tax | 49,901 | 37,084 |
| Deferred income tax | <u>(109,867)</u> | <u>(449,050)</u> |
| | <u>\$4,317,213</u> | <u>\$4,065,951</u> |

b) On January 1, 2005, amendments to Income Tax Law were made regarding the annual reduction of the tax rate until it reaches the nominal rate of 28% in 2007. The current income tax of the year was determined applying the rate of 30% to the fiscal result (33% in 2004). The rate used to calculate deferred income tax was 28%.

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- c) Deferred taxes and employee's profit sharing – The main temporary items giving rise to this liability at the date of these consolidated financial statements are analyzed as follows:

| <u>Item:</u> | <u>2005</u> | <u>2004</u> |
|---|--------------------|--------------------|
| Fixed assets and other assets | \$5,827,878 | \$5,589,035 |
| Inventories | 934,304 | 1,485,682 |
| Labor obligations upon retirement | 268,567 | 257,741 |
| Others | <u>571,701</u> | <u>494,101</u> |
| Subtotal | 7,602,450 | 7,826,559 |
| <u>Tax credits corresponding to:</u> | | |
| Asset tax recoverable | (149,244) | (96,092) |
| Tax losses, net of valuation allowance | <u>-</u> | <u>(8,817)</u> |
| Total deferred tax liability | 7,453,206 | 7,721,650 |
| Deferred employees' profit sharing | <u>145,902</u> | <u>301,087</u> |
| Total deferred income tax and employees' profit sharing | <u>\$7,599,108</u> | <u>\$8,022,737</u> |

- d) Asset tax is calculated by applying the rate of 1.8% over the net amount of certain assets and liabilities and is paid only when asset tax exceeds income tax of the year.

- e) Employees' profit sharing is calculated by applying the rate of 10% over the amount determined in accordance with the special rules set forth in the Income Tax Law.

Fiscal regulations in effect since January 2005, establish that the contributors could decide whether to consider the inventory stock as a taxable income as of December 31, 2004, approving them follow the valuation method in use, or not to deduct the final inventory balance at the date mentioned, when it will be consumed or sold. For this reason, the Group recorded in 2004 a deferred employees' profit sharing liability against income of the year for \$301,087.

Employees' profit sharing provision as of December 31, is made up as follows:

| <u>Item</u> | <u>2005</u> | <u>2004</u> |
|-------------|-------------|-------------|
|-------------|-------------|-------------|

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| | | |
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| Current employees' profit sharing | \$ 985,753 | \$1,242,462 |
| Deferred employees' profit sharing | <u>(159,397)</u> | <u>301,087</u> |
| | <u>\$ 826,356</u> | <u>\$1,543,549</u> |

f) As of December 31, 2005, the legal rates for Income tax and Employee's profit sharing reach 40% (43% in 2004), which differ them the effective rate, 35.12% (40.11% in 2004), due to the effects of the fiscal consolidation and non deductible expenses, mainly.

g) At the date of the consolidated financial statements, there is asset tax in the amount of \$274,476 (\$218,123 in 2004) which can be refunded in the following ten years, after restatement, provided income tax exceeds asset tax in any of those periods.

- Certain companies incurred no income tax, and therefore, the asset tax for the year is considered as an account receivable for those companies when there is certainty that said amount can be credited against income tax in future periods; this is shown in the consolidated balance sheet, together with deferred tax, as provided by Statement D-4. The accumulated balance of this item amounts \$149,244 (\$96,092 en 2004).
- Asset tax incurred by the controlled companies, where there is no certainty that the tax can be recovered and it exceeds income tax, was charged directly to results for the period, and amounted to \$49,901(\$37,084 in 2004).

h) Grupo Modelo S.A. de C.V., together with its direct and indirect subsidiaries, is authorized to determine income tax as per the tax consolidation regime, as specified in the Income Tax Law. The main points of the consolidated tax result are as follows:

- The consolidation percentage of shareholding is the average shareholding, which is applied to each of the controled companies, and for the controlling company since 2005 100% must be applied. Controlled companies unamortized prior years tax losses included in the determination of the consolidated tax result, which correspond from 1999 to 2004 fiscal years, and wich are to be amortized against tax profits generated in the year, are considered at the shareholding percentage multiplying by a factor of 0.60.
- Those companies, in which the direct or indirect participation through another controlled company does not exceed 50%, must not be included in the consolidation process.

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- Tax losses of the controlling or controlled companies arising on an individual basis may not be amortized under current tax dispositions, but must be added to the consolidated profit from the consolidated tax result of the period in which the right is lost.

i) At the date of the consolidated balance sheet, there are tax losses, generated by subsidiaries before the incorporation to the fiscal consolidation date, that will affect the consolidated tax result by \$29,599 (\$26,809 in 2004), at the moment that aforementioned companies will generate positive fiscal results, these tax losses can be amortized against future tax profits after restatement. In this year prior year's tax losses in the amount of \$12,165 (\$11,573 in 2004), at historical values have been amortized.

j) In the event of capital distribution (in cash or assets), retained earnings are subject to income tax payable by the company which is considered to be a final payment, on the basis of the following:

- Dividends paid out from the Net Tax Income Account (CUFIN) are not subject to income tax. Any amount paid in excess is subject to 30% income tax in 2005 on the result of multiplying the dividend paid by the factor of 1.4286 (1.4925 in 2004); the corresponding tax may be credited against the company's income tax determined in the current year or over the following two years. Dividends paid are not subject to any withholding tax.

- In this period, dividends in the amount of \$3,414,348 (\$2,771,475 in 2004) at historical value, have been decreed. The amount of \$2,496,777 comes from the CUFINRE and caused income tax for distribution of reinvested earnings in the amount of \$191,939, figure that was reserved in prior years, and the amount of \$274,698 was distributed from CUFIN.

- As of the date of the consolidated financial statements, the balances of the net tax income account are as follows:

| <u>Item</u> | <u>2005</u> | <u>2004</u> |
|-------------|----------------------|----------------------|
| CUFIN | <u>\$ 23,280,858</u> | <u>\$ 19,626,634</u> |
| CUFINRE | <u>\$ 136,902</u> | <u>\$ -</u> |

k) In the event of a capital reduction, the excess of stockholders' equity over the Tax Account of Contributed Capital, the latter restated in accordance with the procedures established in the Income Tax Law, is accorded the same tax treatment as dividends.

l) In 2004, minority interest was purchased in some subsidiaries. This purchase represented 4.4% of its total. Contributions related to changes in prior years retained earnings, representing 3.4% net of tax, were also received from minority stockholders.

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13. TRANSACTIONS WITH NON-CONSOLIDATED RELATED COMPANIES:

The main transactions entered into with non-consolidated related companies are analyzed as follows:

| <u>Description</u> | <u>2005</u> | <u>2004</u> |
|------------------------------------|--------------------|--------------------|
| Purchases of: | | |
| Containers and packaging | \$5,123,485 | \$4,665,933 |
| Raw materials | 164,699 | 366,513 |
| Machinery | <u>74,566</u> | <u>175,169</u> |
| | <u>\$5,362,750</u> | <u>\$5,207,615</u> |
| Sales of: | | |
| Recyclable materials | \$ 209,043 | \$ 146,038 |
| Machinery and maintenance services | 22,547 | 4,442 |
| Freights and services charges | <u>-</u> | <u>121</u> |
| | <u>\$ 231,590</u> | <u>\$ 150,601</u> |

14. FOREIGN-CURRENCY POSITION AND TRANSACTIONS:

a) As of the consolidated balance-sheet date, the Group has the following position in thousands of U.S. dollars:

| <u>Description</u> | <u>2005</u> | <u>2004</u> |
|--------------------|----------------|----------------|
| Assets | <u>349,386</u> | <u>117,534</u> |
| Liabilities | <u>37,863</u> | <u>37,053</u> |

b) These currencies are valued at the following exchange rates:

| <u>Assets</u> | <u>Liabilities</u> |
|---------------|--------------------|
|---------------|--------------------|

At the market exchange rate of \$10.63 pesos for

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (1)

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assets and \$10.63 pesos for liabilities per U.S. dollar \$3,713,973 \$402,484

-The market exchange rate as of the date of the consolidated financial statements, is \$10.55 for assets and liabilities.

c) At the date of the consolidated financial statements, there were inventories amounting to 60,805 thousand U.S. dollars (59,071 thousand U.S. dollars in 2004), which, for the most part can only be acquired abroad.

d) During the year, the following operations were carried out in thousands of U.S. dollars:

| <u>Description</u> | <u>2005</u> | <u>2004</u> |
|---|------------------|------------------|
| Exportation of finished goods | 1,260,637 | 1,135,841 |
| Collection of royalties | 149,125 | 132,442 |
| Exportation of packaging and other materials | <u>44,082</u> | <u>18,534</u> |
| | <u>1,453,844</u> | <u>1,286,817</u> |
| Purchase of inventories | 221,453 | 134,270 |
| Freight, advertising, taxes and duties, and other items | 287,899 | 185,067 |
| Purchase of machinery and payment of other services | 84,617 | 119,556 |
| Purchase of spare parts | <u>8,646</u> | <u>20,802</u> |
| | <u>602,615</u> | <u>459,695</u> |
| Net | <u>851,229</u> | <u>827,122</u> |

15. INFORMATION PER SEGMENT:

Segment data is analyzed as follows:

| <u>2005</u> | <u>Income</u> | <u>Consolidated net profit</u> | <u>Identifiable assets</u> |
|-------------|---------------------|--------------------------------|----------------------------|
| Domestic | \$35,641,025 | \$6,956,192 | \$77,183,217 |
| Exports | <u>13,909,462</u> | <u>2,546,803</u> | <u>3,098,042(1)</u> |
| | <u>\$49,550,487</u> | <u>\$9,502,995</u> | <u>\$80,281,259</u> |

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| <u>2004</u> | <u>Income</u> | <u>Consolidated net profit</u> | <u>Identifiable assets</u> |
|-------------|---------------------|------------------------------------|--------------------------------|
| Domestic | \$33,171,580 | \$5,980,905 | \$73,358,526 |
| Exports | <u>13,135,751</u> | <u>2,395,713</u> | <u>2,555,588(1)</u> |
| | <u>\$46,307,331</u> | <u>\$8,376,618</u> | <u>\$75,914,114</u> |

(1) This amount solely includes assets related with beer distribution abroad.

16. FINANCIAL INSTRUMENTS:

- a) Financial instruments potentially subject to risk concentration consist mainly of accounts receivable and temporary investments. The Group places cash surpluses at prestigious credit institutions. Credit risk concentration concerning accounts receivable is limited, due mainly to the large number of customers and their geographic distribution. The Group considers that the allowance for doubtful accounts properly covers those that could represent a risk of recovery, and continually monitors their behavior. When necessary, the estimation is adjusted.
- b) The Group has made some transactions with derivative financial instruments, which have been set as a hedge, due to them mitigate the exposure to volatility in the price of some consumables.

17. NEW ACCOUNTING PRONOUNCEMENTS:

Beginning January 1, 2006 it is effective the (NIF'S), issued by a new body Mexican Council for the Research and Development of Financial Report Standards (CINIF). Management considers that the adoption of these standards will not have a significant effect on the financial information of the Group.

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RELATIONS OF SHARES INVESTMENTS

ANNEX 3

CONSOLIDATED
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| COMPANY NAME (1) | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERS (2) | TOTAL AMOUNT (Thousands of Pesos) | |
|---|------------------------|------------------|------------|--------------------------------------|-------------------|
| | | | | ACQUISITION COST | PRESENT VALUE (3) |
| SUBSIDIARIES | | | | | |
| DIBLO, S.A. DE C.V. | | 243,229,213 | 76.75 | 2,912,876 | 51,574,839 |
| TOTAL INVESTMENT IN SUBSIDIARIES | | | | 2,912,876 | 51,574,839 |
| ASSOCIATES | | | | | |
| 1 DIRECCION DE FABRICAS, S.A. DE C.V. | HOLDING | 165,000,000 | 41.05 | 65,824 | 2,514,997 |
| 2 GONDI, S.A. DE C.V. | HOLDING | 202,489,721 | 7.16 | 195 | 181,818 |
| 3 SEEGER INDUSTRIAL, S.A. | MACHINERY MANUFACTURES | 248,000 | 81.30 | 9,274 | 77,337 |
| 4 RESERVE FOR IMPAIRMENT | | 1 | 0 | 0 | (132,208) |
| TOTAL INVESTMENT IN ASSOCIATEDS | | | | 75,293 | 2,641,944 |
| OTHER PERMANENT INVESTMENTS | | | | | 106,275 |
| TOTAL | | | | | 54,323,058 |

NOTES

GRUPO MODELO, S.A. DE C.V. IS A HOLDING COMPANY THAT OWNS 76.75% OF THE CAPITAL STOCK OF DIBLO, S.A. DE C.V. WHOSE MAIN BUSINESS IS REAL STATE AND INVESTMENT IN SHARES OF SUBSIDIARIES RELATED TO THE PRODUCTION, DISTRIBUTION AND SALE OF BEER IN MEXICO AND ABROAD. THE MOST IMPORTANT COMPANIES ARE LISTED IN ANNEX 2 " COMPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS".

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MONETARY POSITION IN FOREIGN EXCHANGE
(Thousands of Pesos)
ANNEX 6

CONSOLIDATED
FINAL PRINTING

| TRADE BALANCE | DOLARS (1) | | OTHER CURRENCIES | | TOTAL THOUSANDS OF PESOS |
|----------------------|------------------------|-----------------------|------------------------|-----------------------|--------------------------------|
| | THOUSANDS OF DOLARS | THOUSANDS OF PESOS | THOUSANDS OF DOLARS | THOUSANDS OF PESOS | |
| TOTAL ASSETS | 347,388 | 3,692,734 | 1,998 | 21,239 | 3,713,973 |
| LIABILITIES POSITION | 36,873 | 391,960 | 990 | 10,524 | 402,484 |
| NET BALANCE | 310,515 | 3,300,774 | 1,008 | 10,715 | 3,311,489 |

NOTES:

THE U.S. DOLLAR IS VALUED AT THE EXCHANGE RATE OF \$10.63 PESOS FOR ASSETS AND LIABILITIES PER U.S. DOLLAR

THE POSITION IN FOREIGN CURRENCY HELD IN OTHER CURRENCIES WITH ITS EQUIVALENT IN DOLLARS, THE LIABILITIES CORRESPONDS MAINLY TO EUROS

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INTEGRATION AND INCOME
CALCULATION BY MONETARY POSITION (1)
(Thousands of Pesos)

ANNEX 7

CONSOLIDATED
FINAL PRINTING

| MONTH | MONETARY ASSETS | MONETARY LIABILITIES | (ASSET) LIABILITIES MONETARY POSITION | MONTHLY INFLATION | MONTHLY (PROFIT) AND LOSS |
|-----------------|-----------------|----------------------|---|-------------------|---------------------------|
| JANUARY | 21,220,861 | 4,258,737 | (16,962,124) | 0.00 | (603) |
| FEBRUARY | 20,887,793 | 3,906,724 | (16,981,069) | 0.00 | (56,576) |
| MARCH | 21,560,147 | 4,045,915 | (17,514,232) | 0.00 | (78,941) |
| APRIL | 23,179,977 | 4,874,740 | (18,305,237) | 0.00 | (65,193) |
| MAY | 20,016,197 | 5,118,878 | (14,897,319) | 0.00 | 37,426 |
| JUNE | 20,091,469 | 4,557,807 | (15,533,662) | 0.00 | 14,910 |
| JULY | 21,014,184 | 4,551,571 | (16,462,613) | 0.00 | (64,430) |
| AUGUST | 21,794,981 | 4,483,314 | (17,311,667) | 0.00 | (20,672) |
| SEPTEMBER | 22,534,506 | 4,758,241 | (17,776,265) | 0.00 | (71,244) |
| OCTOBER | 23,259,008 | 4,758,241 | (18,500,767) | 0.00 | (45,410) |
| NOVEMBER | 23,652,137 | 4,483,236 | (19,168,901) | 0.01 | (137,965) |
| DECEMBER | 24,462,084 | 4,532,295 | (19,929,789) | 0.01 | (122,416) |
| ACTUALIZATION: | 0 | 0 | 0 | 0 | (8,558) |
| CAPITALIZATION: | 0 | 0 | 0 | 0 | 0 |
| FOREIGN CORP. | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | | | | (619,672) |

NOTES

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BONDS AND MEDIUM TERM NOTES LISTING IN STOCK MARKET (1)

ANNEX 8

CONSOLIDATED
FINAL PRINTING

FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

===== NOT APPLY =====

ACTUAL SITUATION OF FINANCIAL LIMITED

===== NOT APPLY =====

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PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

ANNEX 9

CONSOLIDATED
FINAL PRINTING

| PLANT OR CENTER | ECONOMIC ACTIVITY | PLANT CAPACITY (1) | UTILIZATION (%) |
|--|------------------------------------|--------------------------|--------------------|
| CERVECERIA MODELO, S.A. DE C.V. | BREWERY | 11,100 | 100 |
| CERVECERIA MODELO DE GUADALAJARA, S.A. DE C.V. | BREWERY | 5,050 | 99 |
| CIA CERVECERA DEL TROPICO, S.A. DE C.V. | BREWERY | 8,000 | 100 |
| CERVECERIA DEL PACIFICO, S.A. DE C.V. | BREWERY | 2,000 | 76 |
| CERVECERIA MODELO DE TORREON, S.A. DE C.V. | BREWERY | 2,850 | 73 |
| CERVECERIA MODELO DEL NOROESTE, S.A. DE C.V. | BREWERY | 3,000 | 78 |
| CIA CERVECERA DE ZACATECAS, S.A. DE C.V. | BREWERY | 20,000 | 79 |
| CEBADAS Y MALTAS, S.A. DE C.V. | TRANSFORMATION OF BARLEY INTO MALT | 150 | 100 |
| EXTRACTOS Y MALTAS, S.A. | TRANSFORMATION OF BARLEY INTO MALT | 90 | 100 |

NOTES:

THE INSTALLED CAPACITY IN THE BREWERIES IS MEASURED IN THOUSANDS OF HECTOLITERS AND FOR THE TRANSFORMATOR OF BARLEY INTO MALT, IN THOUSANDS OF TONS.

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MAIN RAW MATERIALS

ANNEX 10

CONSOLIDATED
FINAL PRINTING

| DOMESTIC | MAIN SUPLIERS | FOREIGN | MAIN SUPLIERS | DOM. SUBST. | COST PRODUCTION |
|----------|--------------------------------|--------------|---|----------------|--------------------|
| MALT | CEBADAS Y MALTAS, S.A. DE C.V. | MALT | CARGILL MALT | SI | |
| MALT | EXTRACTOS Y MALTAS, S.A. | MALT MALT | PRAIRIE MALT LIMITE INTERNATIONAL MALTING COMPANY | SI SI | 8.81 |
| CORN | ARANCIA COC, S.A. DE C.V. | | | | 3.59 |
| RICE | IPACPA, S.A. DE C.V. | HOPS | JOHN I.HASS, INC S.S.STEINER INC | NO | 0.41 0.84 |

NOTES

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SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

DOMESTIC SELLS

CONSOLIDATED
FINAL PRINTING

| MAIN PRODUCTS | TOTAL PRODUCTION | | NET SELLS | | MARKET SHARE (%) | MAIN COSTUMERS | |
|---------------|------------------|------------|-----------|------------|------------------|---|-----------|
| | VOLUME | AMOUNT | VOLUME | AMOUNT | | TRADEMARKS | COSTUMERS |
| BEER | 45,801 | 18,791,737 | 31,806 | 30,013,068 | | NEGRA MODELO CORONA MODELO ESPECIAL VICTORIA PACIFICO ESTRELLA | CONSUMER |
| OTHER INCOME | | | | 5,627,957 | | | |
| TOTAL | | 18,791,737 | | 35,641,025 | | | |

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SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

FOREIGN SELLS

PAGE 2
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FINAL PRINTING

| MAIN PRODUCTS | TOTAL PRODUCTION | | NET SELLS | | DESTINATION | MAIN | |
|---------------|------------------|--------|-----------|------------|---|---|-----------|
| | VOLUME | AMOUNT | VOLUME | AMOUNT | | TRADEMARKS | COSTUMERS |
| BEER | | 0 | 13,737 | 13,909,462 | U.S.A. CANADA EUROPA ASIA LATINOAMERICA | CORONA MODELO ESPECIAL NEGRA MODELO CORONA LIGHT PACIFICO | CONSUMER |
| TOTAL | | | | 13,909,462 | | | |

NOTES

THE VOLUME IS PRESENTED IN THOUSANDS OF HECTOLITERS
THE AMOUNT IS PRESENTED IN THOUSANDS OF PESOS
IN THE ANNEX 11 "DOMESTIC SELLS" THE TOTAL PRODUCTION IS 45,801 THOUSANDS
HECTOLITERS AND INCLUDES THE PRODUCTION FOR THE DOMESTIC AND EXPORT MARKETS,
BECAUSE THE EXPORT PRODUCTION CAN NOT BE CAPTURED

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INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK

CHARACTERISTICS OF THE SHARES

CONSOLIDATED
FINAL PRINTING

| SERIES | NOMINAL VALUE | VALID CUPON | NUMBER OF SHARES | | | | CAPITAL STOCK (THOUSANDS OF PESOS) | |
|--------------|------------------|----------------|----------------------|----------------------|----------------------|----------------------|---------------------------------------|------------------|
| | | | MEXICAN | | | | VARIABLE | |
| | | | PORTION | PORTION | SUSCRIPTION | FIXED | | |
| A | | 14 | 1,459,389,728 | | 1,459,389,728 | | 785,996 | |
| B | | 14 | | 1,142,017,984 | | 1,142,017,984 | | 1,085,855 |
| C | | 14 | | 650,351,920 | | 650,351,920 | | 967,801 |
| TOTAL | | | 1,459,389,728 | 1,792,369,904 | 1,459,389,728 | 1,792,369,904 | 785,996 | 2,053,656 |

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF SENDING THE INFORMATION :
3,251,759,632

SHARES PROPORTION BY :

CPO'S :
T. VINC. :
ADR'S :
GDRS's :
ADS'S :
GDS's :

REPURCHASED OWN SHARES

SERIES NUMBER OF MARKET VALUE OF THE SHARE
SHARES AT REPURCHASE AT QUARTER

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
SIFIC / ICS

TICKER NAME: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4 YEAR: 2005

Information on Projects
(Project, Amount Spent and Percentaje of Completion)

ANNEX 13

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THE AMOUNT OF PS. \$ 2,629,273 (\$ 5,876,278 IN 2004) OF WORK IN PROGRESS AND ADVANCES TO SUPPLIERS, SHOWN IN NOTE 6 TO THE FINANCIAL STATEMENTS INCLUDED IN ANNEX 2, CORRESPONDS TO INVESTMENTS FOR THE CONSTRUCTION OF WAREHOUSES, ADMINISTRATIVE OFFICERS, REPLACEMENT AND INSTALLATION OF BOTTLING LINES AND EXPANSION OF PRODUCTION CAPACITY. TO COMPLETE THE INDICATED WORK AND ADDITIONAL INVESTMENT OF APPROXIMATELY PS \$ 3,540,000 (\$ 6,135,898 IN 2004) IS REQUIRED AND IT IS ESTIMATED THAT THE WORK WILL BE COMPLETED DURING OF 2006 AND 2007.

TICKER NAME: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4 YEAR: 2005

Transactions in Foreign Currency and Conversi3n of Financial Statements of Foreign Operations
(Information related to Bulletin B-15)

ANNEX 14

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THE CONVERSION TO MEXICAN PESOS OF THE FINANCIAL INFORMATION OF FOREIGN SUBSIDIARIES, REQUIRED FOR CONSOLIDATION, WAS MADE IN ACCORDANCE WITH THE GUIDELINES OF BULLETIN B-15 "TRANSACTIONS IN FOREIGN CURRENCY AND CONVERSION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS", ISSUED BY THE MIPA, FOLLOWING THE METHOD OF INTEGRATED FOREIGN OPERATION; FOR THE CONVERSION OF MONETARY ENTRIES, THE FREE BUYING EXCHANGE RATE OF PS.10.63 (11.00 IN 2004) PER UNITED STATES DOLLAR WAS USED; NON-MONETARY ENTRIES AND THE PROFIT AND LOSS STATEMENT WERE CONVERTED TO MEXICAN CURRENCY IN ACCORDANCE WITH THE EXCHANGE RATE IN EFFECT ON THE DATE ON WHICH THE TRANSACTIONS GIVING RISE TO THEM WERE EFFECTUATED. THE RESULTS OF THIS CONVERSION ARE PRESENTED WITHIN THE INTEGRAL RESULT OF FINANCING.

ON THE OTHER HAND THERE IS NO RESTRICTION ON TRANSFER OF CURRENCIES IN THE COUNTRIES WHERE THE FOREIGN SUBSIDIARIES ARE LOCATED.

THE AMOUNT OF FINANCIAL ASSETS AND LIABILITIES OF THE FOREIGN SUBSIDIARIES IS:

(THOUSANDS OF DOLLARS)

| DESCRIPTION | 2005 | 2004 |
|-------------|---------|--------|
| ASSETS | 110,228 | 74,818 |
| LIABILITIES | 12,936 | 12,586 |
| NET ASSETS | 97,292 | 62,232 |

**MEXICAN STOCK EXCHANGE
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STOCK EXCHANGE CODE: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 4 YEAR: 2005

**CONSOLIDATED
FINAL PRINTING**

DECLARATION FROM THE COMPANY OFFICIALS RESPONSABLE FOR THE INFORMATION.

I HEREBY SWEAR THAT THE FINANCIAL INFORMATION HERE IN SUPPLIED TO THIS STOCK EXCHANGE, CORRESPONDING TO THE PERIOD FROM: 01 JANUARY TO 31 DECEMBER 2005 AND 2004 IS THAT OBTAINED FROM OUR AUTHORIZED ACCOUNTING REGISTERS AND IS THE RESULT OF THE APPLICATION OF THE ACCOUNTING PRINCIPLES AND NORMS ACCEPTED AND STARTED BY THE MEXICAN INSTITUTE OF PUBLIC ACCOUNTANTS AND IN THE PROVISIONS OF MEXICAN NATIONAL BANK AND STOCK COMMISSION (COMISION NACIONAL BANCARIA Y DE VALORES)

THE ACCOUNTING PRINCIPLES USED BY THIS COMPANY AND THE PROCESSING OF DATA FOR THE PERIOD TO WHICH THE SAID INFORMATION REFERS WERE APPLIED USING THE SAME BASES AS FOR THE SIMILAR PERIOD OF THE PREVIOUS YEAR.

**C.P. EMILIO FULLAONDO BOTELLA
FINANCIAL AND CONSOLIDATION DIRECTOR**

**C.P. NARCISO ALVEZ PEÑA
SENIOR MANAGER CONSOLIDATION**

MEXICO, D.F. AT FEBRUARY, 27, 2006

MEXICAN STOCK EXCHANGE
BOLSA MEXICANA DE VALORES, S.A. DE C.V.

STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.
GENERAL DATA OF THE COMPANY

DATE: 20/02/2006

NAME: GRUPO MODELO, S.A. DE C.V.
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-67-18
E-MAIL: ir@gmodelo.com.mx
INTERNET ADDRESS : www.gmodelo.com.mx

COMPANY'S FISCAL DATA

REGISTRATION NUMBER: GMO911121340
FISCAL ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F..

RESPONSIBLE OF PAYMENTS

NAME: ERNESTO ALCALDE Y RODRIGUEZ
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-15-92
E-MAIL: ealcalde@gmodelo.com.mx

PRINCIPAL OFFICERS

POSITION BMV: CHAIRMAN OF THE BOARD OF DIRECTORS
POSITION: CHAIRMAN OF THE BOARD
NAME: CARLOS FERNÁNDEZ GONZALEZ
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-67-18
E-MAIL: cfernandez@gmodelo.com.mx

POSITION BMV: CHIEF EXECUTIVE OFFICER
POSITION: CHIEF EXECUTIVE OFFICER
NAME: CARLOS FERNÁNDEZ GONZALEZ
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-67-18
E-MAIL: cfernandez@gmodelo.com.mx

POSITION BMV: CHIEF FINANCIAL OFFICER
POSITION: CHIEF FINANCIAL OFFICER
NAME: ERNESTO ALCALDE Y RODRIGUEZ
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-15-92
E-MAIL: ealcalde@gmodelo.com.mx

POSITION BMV: RESPONSIBLE FOR SENDING FINANCIAL INFORMATION
POSITION: FINANCIAL AND CONSOLIDATION DIRECTOR
NAME: EMILIO FULLAONDO BOTELLA
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-15-92
E-MAIL: efullaondo@gmodelo.com.mx

POSITION BMV: SECOND RESPONSIBLE FOR SENDING FINANCIAL INFORMATION
POSITION: FINANCIAL AND CONSOLIDATION DIRECTOR
NAME: EMILIO FULLAONDO BOTELLA
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-15-92
E-MAIL: efullaondo@gmodelo.com.mx

POSITION BMV: GENERAL COUNSEL
POSITION: GENERAL COUNSEL
NAME: MARGARITA HUGUES VELEZ
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-25-89
E-MAIL: margarita.hugues@gmodelo.com.mx

POSITION BMV: SECRETARY OF THE BOARD OF DIRECTOR
POSITION: VICE-PRESIDENT CORPORATE GOVERNMENT AFFAIRS AND PUBLIC
COMMUNICATION
NAME: JORGE SIEGRIST PRADO
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-25-89
E-MAIL: jsiegrist@gmodelo.com.mx

POSITION BMV: ALTERNATE SECRETARY
POSITION: EXCECUTIVE DIRECTOR
NAME: JUAN SÁNCHEZ-NAVARRO REDO
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-28-61
E-MAIL: jsanare@gmodelo.com.mx

POSITION BMV: RESPONSIBLE OF INFORMATION TO INVESTORS
POSITION: INVESTOR RELATIONS MANAGER
NAME: EDUARDO ZAMARRIPA ESCAMILLA
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-67-18
E-MAIL: ir@gmodelo.com.mx

POSITION BMV: CERTIFIED FOR SENDING INFORMATION BY EMISNET
POSITION: FINANCIAL AND CONSOLIDATION DIRECTOR
NAME: EMILIO FULLAONDO BOTELLA
ADDRESS: CAMPOS ELISEOS 400 PISO 8
LOMAS DE CHAPULTEPEC
ZIP CODE: 11000
CITY AND STATE: MEXICO, D.F.
PHONE: 52-83-36-00
FAX: 52-80-15-92
E-MAIL: efullaondo@gmodelo.com.mx

POSITION BMV: CERTIFIED FOR SENDING RELEVANT EVENTS BY EMISNET
POSITION: VICE-PRESIDENT INTERNATIONAL MARKETS
NAME: JOSE PARES GUTIERREZ
ADDRESS: CAMPOS ELISEOS 400 PISO 8
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