FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION:

María Elena Gutiérrez / Investor Relations FEMSA
Arturo Ballester / Investor Relations FEMSA
011-528-328-6245 / 011-528-328-6189
e-mail: megutsan@femsa.com.mx
abalala@femsa.com.mx

FEMSA REPORTS THIRD QUARTER 2000 AND FIRST NINE MONTHS 2000 RESULTS

CONSOLIDATED NET SALES AND OPERATING INCOME INCREASE BY 13.0% AND 12.9%, RESPECTIVELY, FOR THE THIRD QUARTER OF 2000

Monterrey, Mexico (October 25, 2000) — Fomento Económico Mexicano, S.A. de C.V. ("FEMSA" or the "Company") (NYSE: FMX; BMV: FEMSA UBD), Mexico's largest and one of Latin America's leading beverage companies, today reported consolidated net sales of Ps. 11.400 billion for the third quarter of 2000, an increase of 13.0% over the third quarter of 1999. Consolidated revenue growth was driven by strong revenue growth recorded in the Mexican operations of FEMSA Cerveza and Coca-Cola FEMSA, and by extraordinary sales growth recorded by FEMSA Comercio, which was attributable to same store sales growth from the steady growth in traffic and ticket per store as well as to an increase in the number of stores. FEMSA recorded strong revenue growth per unit sold of 9.2% for FEMSA Cerveza and 4.3% for Coca-Cola FEMSA's Mexican operations, reflecting the cumulative effect of the price increases implemented over the past twelve months and successful revenue management practices, particularly in Coca-Cola FEMSA. Demand behavior in response to such strong pricing, however, has not been the same for soft drinks and beer in the Mexican market. Soft-drink volumes increased by 12.3% in the third quarter of 2000 while domestic beer volumes increased by 2.5%. Management attributes this phenomenon, among other thing, to (i) the fact that the price increase the Company implemented on its beer products was significantly higher than the price increase implemented on its soft-drink products and (ii) an important difference in the demand elasticity of beer and soft-drinks, as the beer consumer is more price sensitive than the soft-drink consumer.

The Company recorded consolidated operating income of Ps. 1.857 billion for the third quarter of 2000, an increase of 12.9% over the comparable period last year. The Company registered an operating margin for the third quarter of 2000 of 16.3%, relatively stable as compared to the operating margin recorded for the third quarter of 1999.

José Antonio Fernández, chief executive officer of the Company, stated, "We have recently announced a significant change in the strategic vision of our beer subsidiary, FEMSA Cerveza. We are working diligently in getting the organization ready to embrace a change that will enhance the Company's competitive and commercial practices. We are convinced that we are building on a very successful and focused business model aimed at creating value by targeting the consumer in order to grow the beer market." Mr. Fernandez added, "Coca-Cola FEMSA on the other hand is getting ready to move into its next phase of growth by expanding its portfolio of products and analyzing viable and value creating acquisition alternatives which should boost the Company's long-term growth prospects."

Net majority income decreased by 30.2% to Ps. 575 million for the third quarter of 2000, compared to the same period last year. Earnings per FEMSA UBD or UB Unit for the third quarter of 2000 amounted to Ps. 0.538.

UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 1999

Set forth below is certain unaudited financial information for Fomento Económico Mexicano, S.A. de C.V. ("FEMSA" or the "Company") (NYSE: FMX; BMV: FEMSA UBD) for the third quarter and nine months ended September 30, 2000, compared to the third quarter and nine months ended September 30, 1999. FEMSA is a holding company whose principal activities are grouped under the following seven subholding companies (the "Subholding Companies") and carried out by their respective operating subsidiaries: FEMSA Cerveza, S.A. de C.V. ("FEMSA Cerveza"), which engages in the production, distribution and marketing of beer; Coca-Cola FEMSA, S.A. de C.V. ("Coca-Cola FEMSA"), which engages in the production, distribution and marketing of soft drinks; FEMSA Empaques, S.A. de C.V. ("FEMSA Empaques"), which engages in the production and distribution of packaging materials; FEMSA Comercio, S.A. de C.V. ("FEMSA Comercio"), which engages in the operation of convenience stores; Desarrollo Comercial FEMSA, S.A. de C.V. ("DCF"), which owns 50.01% of the voting capital stock of Empresas Amoxxo, S.A. de C.V. ("Amoxxo"), which operates convenience stores adjacent to gasoline stations; Logística CCM, S.A. de C.V. ("Logística CCM") which provides logistics management services to FEMSA Cerveza, and FEMSA Logística, S.A. de C.V. ("FEMSA Logística"), which provides logistics management services to Coca-Cola FEMSA, FEMSA Empaques and, recently, to third party clients.

All of the figures in this report have been restated in constant Mexican pesos ("Pesos" or "Ps.") with purchasing power as of September 30, 2000 and were prepared in accordance with Mexican Generally Accepted Accounting Principles ("Mexican GAAP"); therefore, all percentage changes are expressed in real terms. The restatement was determined as follows:

— For the results of the Mexican operations, using factors derived from the Mexican National Consumer Price Index ("NCPI").
— For the results of the Buenos Aires operations, using factors derived from the Argentine National Consumer Price Index and converting constant Argentine pesos into Pesos, based on the September 30, 2000 exchange rate of Ps. 9.443 per Argentine peso.

This report may contain certain forward-looking statements concerning FEMSA's future performance that should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

IMPORTANT NOTICES:

We invite you to register your name in our Investor Relations Site located in our Web Site (ir.femsa.com) to receive all of our press releases, earnings releases and financial information automatically through our e-mail alert service.

Please contact FEMSA's Investor Relations officers if you wish to have your name added or removed from this distribution list or to receive this press release through a specific medium only.

Unaudited Financial Results for the Third Quarter ended September 30, 2000 compared to the Third Quarter ended September 30, 1999

FEMSA Consolidated

NET SALES GROWTH	3 Qtr 00 vs 3 Qtr 99
FEMSA Consolidated	13.0%
FEMSA Cerveza	11.3%
Coca-Cola FEMSA	10.5%
FEMSA Empaques	(1.6)%
FEMSA Comercio	35.1%

Total Revenues/Net Sales

FEMSA's consolidated total revenues increased by 13.0% to Ps. 11.425 billion and consolidated net sales increased by 13.0% to Ps. 11.400 billion. Coca-Cola FEMSA's Mexican operations and FEMSA Cerveza recorded strong revenue growth during the third quarter as a result of an impressive 12.3% volume growth recorded by Coca-Cola FEMSA's Mexican operations, and an improvement in the real revenue per unit sold by FEMSA Cerveza and Coca-Cola FEMSA's Mexican operations of 9.2% and 4.2%, respectively, for the third quarter, reflecting the successful implementation of price increases by both subholding Companies, a reduction in the level of discounts granted by FEMSA Cerveza to its retailers, and the encouraging results of revenue management programs particularly in Coca-Cola FEMSA. FEMSA's retail operations continue to record extraordinary revenue growth as a result of a 19.4% increase in sales space and a 10.7% growth in same store sales. Strong revenue growth recorded by FEMSA's principal subholding Companies was slightly offset by a decline in FEMSA Empaques' net sales of 1.6% in the third quarter primarily attributable to a decline in domestic prices and volume of beverage cans and to the effect of the appreciation of the Peso against the U.S. Dollar on dollar-denominated products.

Gross Profit

FEMSA's consolidated gross profit increased by 14.5% to Ps. 5.704 billion, representing a consolidated gross profit margin of 50.0%, an increase of 0.6 percentage points. FEMSA's beverage Subholding Companies experienced gross margin expansion during the third quarter, reflecting accelerated revenue growth over a decreasing cost structure, as neither beverage operation has experienced significant changes in raw material costs, with the exception of the cost of PET preforms in the case of Coca-Cola FEMSA, which increased in U.S. Dollar terms over the last 12 months.

Income from Operations

FEMSA's consolidated operating expenses (including goodwill amortization and management fees paid to Labatt Brewing Company Limited ("Labatt")) increased by 14.7% to Ps. 3.859 billion. FEMSA Comercio's rapid expansion and FEMSA Cerveza's progress in refurbishing its commercial infrastructure are the primary drivers of the Company's growth in operating expenses. FEMSA's consolidated income from operations (after participation in the results of affiliated companies) increased by 12.9% to Ps. 1.857 billion. Coca-Cola FEMSA accounted for most of the increase in the consolidated operating income for the third quarter of 2000. FEMSA's consolidated operating margin remained stable at 16.3% of total revenues for the third quarter.

CHANGE IN INCOME FROM OPERATIONS Before management fees	3 Qtr 00 vs 3 Qtr 99
FEMSA Consolidated	12.9%
FEMSA Cerveza	9.4%
Coca-Cola FEMSA	36.2%
FEMSA Empaques	(11.2)%
FEMSA Comercio	16.4%

Net Income

FEMSA's consolidated net income decreased by 24.7% to Ps. 837 million from Ps. 1.111 billion recorded in the third quarter of 1999. The decrease in net income recorded in the third quarter primarily reflects an increase of 338.3% in the integral result of financing expense to Ps. 206 million compared to an integral result of financing expense of Ps. 47 million recorded in the third quarter of 1999.

All comparisons for the third quarter ended September 30, 2000 in this report are made against the figures for the third quarter ended September 30, 1999

During the third quarter of 2000, consolidated net financial expense increased by 32.1% to Ps. 140 million compared to the third quarter of 1999, primarily attributable to a decline of 9.6% in interest income as a result of lower interest rates earned on Peso-denominated investments. Interest expense increased by 11.4% as a result of higher interest rates on U.S. Dollar-denominated debt in spite of a reduction in the average debt balance of the Company during the third quarter of U.S.$45 million relative to the third quarter of 1999. The Company's weighted average interest rate has increased by approximately 1.1 percentage points since September 30, 1999.

FEMSA recorded a consolidated foreign exchange loss of Ps. 141 million, which reflects the net effect of (i) a Ps. 327 million loss generated by U.S. Dollar-exchange forward contracts realized in the third quarter of 2000, and (ii) approximately Ps. 186 million of foreign exchange gain as a result of the nominal appreciation of the Peso against the U.S. Dollar of 3.9% in the third quarter (from June 30, 2000 to September 30, 2000). The gain on monetary position amounted to Ps. 75 million, an increase of 17.2%, primarily reflecting a slightly higher inflation rate for the third quarter of 2000 than the one recorded in the third quarter of 1999.

FEMSA and its subsidiaries recognized consolidated income tax, tax on assets and employee profit sharing ("taxes") of Ps. 791 million, an increase of 74.2%. The Company's average tax rate for the third quarter of 2000 amounted to 48.6%, an increase of 19.6 percentage points relative to the 29.0% average tax rate realized in the third quarter of 1999.

The Company reviewed the criteria applied for the implementation of the Bulletin D-4 "Deferred Taxes", with respect to determination of the deferred taxes for the period included in the Income Statement. Until June 30, 2000, the total variation in deferred taxes liability was recorded in the Income Statement as deferred taxes for the period. Effective on the third quarter of 2000, the deferred tax generated by the result of holding non-monetary assets is recorded in the stockholders' equity. For comparison purposes, the income statements for the first and second quarter of 2000, were recalculated and are included in the exhibits.

3 QTR	**Per FEMSA Unit**[1]	
Pesos	**2000**	**1999**
Net Majority Income	0.538	0.771
EBITDA[2]	2.568	2.223

Consolidated net income decreased by 24.7%, despite a 12.9% increase in consolidated operating income and a 30.3% reduction in other expenses, primarily as a result of the significant increase in the integral cost of financing expense from the foreign exchange loss recorded by the Company in the third quarter.

Consolidated net majority income amounted to Ps. 575 million for the third quarter of 2000, compared with Ps. 824 million recorded in the third quarter of 1999. Net majority income per FEMSA UBD unit[1] amounted to Ps. 0.538, a decline of 30.2%, compared with Ps. 0.771 for the same period last year.

[1]FEMSA Units consists of FEMSA UBD units and FEMSA UB units. Each FEMSA UBD unit is comprised of one Series B share, two Series D-B shares and two Series D-L shares. Each FEMSA UB unit is comprised of five series B shares. The number of FEMSA Units outstanding as of September 30, 2000 was 1,068,268,090, equivalent to the total number of shares of the Company outstanding as of September 30, 2000 divided by 5.

[2] EBITDA is calculated as income from operations plus depreciation and amortization plus non-cash charges. Please note that the U.S. Securities and Exchange Commission does not endorse the use of EBITDA. However, FEMSA's management has chosen to present EBITDA because it believes it is a useful measure.

FEMSA Cerveza

Net Sales

FEMSA Cerveza's net sales increased by 11.3% to Ps. 4.783 billion primarily as a result of: (i) total shipment growth of 3.4%, and (ii) a 9.2% real increase in the domestic revenue per hectoliter recorded in the third quarter. Domestic shipments increased by 2.5% to 5.832 million hectoliters, below the industry growth rate. Management attributes the lackluster volume performance of FEMSA Cerveza in the domestic market to weak demand in response to higher real prices and unfavorable weather conditions in FEMSA Cerveza's stronghold territories. Management estimates that in the third quarter, the industry grew at a much lower rate in the north (approximately 2%) relative to the central region (approx. 6%) and the south (approximately 4.5%). FEMSA Cerveza's shipments increased in line with the industry in the north and below the industry in the central and southern regions of the country. The proportions of shipments sold in can and in non-returnable glass presentations improved modestly each by 0.2 percentage points to 17.4% and 3.6% of domestic shipments. —

OPERATING HIGHLIGHTS	
% Change	**3 Qtr 00 vs 3 Qtr 99**
Domestic Volume	2.5%
Export Volume	14.8%
Total Volume	3.4%
Net Sales	11.3%
Income from Operations before management fees	9.4%

Export shipments increased by 14.8% to 519 thousand hectoliters over the third quarter of 1999. Export growth continues to be driven by growth in the North American market, which increased by 17.4% during the third quarter of 2000. Total export revenues in U.S. Dollar terms amounted to U.S.$33.8 million, 13.0% above the comparable period last year, mainly reflecting slightly lower Dollar prices for FEMSA Cerveza's products in the U.S. market. Total export revenues in Peso terms increased by 3.0% to Ps. 318 million as a consequence of the real appreciation of the Peso against the U.S. Dollar over the past twelve months.

Gross Profit

FEMSA Cerveza's cost of goods sold increased by 5.2% relative to the third quarter of 1999 to Ps. 2.070 billion. Gross profit increased by 16.4% to Ps. 2.749 billion, and the gross margin improved by 2.6 percentage points to 57.5% of net sales, primarily reflecting the improvement in revenue per hectoliter and a lower proportion of fixed and variable costs to net sales relative to the third quarter of 1999.

MARGINS		
	3 Qtr 00	3 Qtr 99
Gross margin	57.5%	54.9%
Operating margin before management fees	19.4%	19.8%

Income from Operations

FEMSA Cerveza's operating expenses increased by 19.0% to Ps. 1.824 billion. As a percentage of total revenues, operating expenses increased by 2.5 percentage points to 37.9%. Administrative expenses increased by 31.4% during the third quarter of 2000, reflecting FEMSA Cerveza's efforts to decentralize commercial decision making processes and overhaul the responsiveness of the sales organization, which have resulted in a staffing of the company's distribution units. Selling expenses increased by 15.6% during the third quarter of 2000—a lower rate of growth relative to the previous quarters of this year— reflecting management's decision to front-load a significant portion of its commercial expenditures (demand and channel related) into the first half of 2000. Management expects the trend of slower growth in the commercial costs to continue into the fourth quarter of 2000. However, marketing (communications, media advertising and sponsorships) expenses recorded a higher increase during the third quarter as compared to the increase recorded for the first half of 2000, reflecting (i) the implementation of previously scheduled projects to be launched in the second quarter of this year which were postponed until further review and (ii) the launching of new projects such as the integral marketing campaign "Va por México" in the month of September.

FEMSA Cerveza's operating income after participation in the results of Labatt USA and affiliated companies and before deduction of management fees paid to FEMSA and Labatt increased by 9.4% to Ps. 937 million in the third quarter of 2000. Operating margin before deduction of management fees paid to FEMSA and Labatt decreased by 0.4 percentage points as a percentage of total revenues to 19.4%.

Coca-Cola FEMSA

Net Sales

Coca-Cola FEMSA recorded net sales growth of 10.5% to Ps. 3.978 billion, primarily reflecting net sales growth in the Mexican territories. Volumes in Mexico were driven by a healthy increase in volumes of 9.7% in the Valley of Mexico and a 20.5% increase in the Southeast territory. Management believes that the significant increase in volumes in the Mexican territory is attributable to (i) a favorable comparison versus the third quarter of 1999 in the Southeast territory, a quarter with lackluster volume performance given excessive rain and draughts, (ii) a more dynamic economic environment that has resulted in growth in consumption, (iii) increased coverage of the cold-drink market in both territories and (iv) innovative consumer activation programs focused on promotions in connection with the Olympic games, sponsorship of sports and entertainment by Coca-Cola and other flavor brands. Revenue per case recorded by the Mexican operations increased by 4.3% for the third quarter relative to the third quarter of 1999, primarily as a result of (i) the cumulative effect of price increases implemented in the Mexican territories in November of 1999 and in the second quarter of 2000 and (ii) of price differentiation and revenue management strategies Coca-Cola FEMSA has successfully implemented over the past twelve months whose main objective is to extract higher revenue per case by positioning the optimal combination of brand/packaging/price on each channel. As a result, net sales growth in the Mexican territories for the third quarter increased by 17.1%. Management estimates that Coca-Cola FEMSA's volumes in the Mexican territories increased by approximately three percentage points above the growth recorded by the Coca-Cola system in Mexico for the third quarter.

VOLUME GROWTH 3 Qtr 00 vs 3 Qtr 99	
	Total
Mexico	12.3%
Buenos Aires	(10.2)%
Total	7.4%

Net sales for the Buenos Aires territory decreased by 11.6%, reflecting a decline in volume of 10.3% and a decline in the average unit price per case (in Argentine Pesos) of 1.3% for the third quarter of 2000. In August of 2000, Coca-Cola FEMSA launched Taí in the Buenos Aires territory—a new soft-drink brand in orange and lemon-lime flavors—in connection with Coca-Cola FEMSA's strategy to develop a brand portfolio in that market that can offer an entire spectrum of value propositions to the consumer in order to compete more effectively with the burgeoning generic brands in such market, which are leading the growth in the carbonated soft-drink industry in Argentina. To the extent that value protection brands gain share of Coca-Cola FEMSA's portfolio in the Buenos Aires territory, management believes that the revenue per case could be negatively impacted. Nevertheless, management believes that the sale of value protection brands will not have a negative impact on margins because such brands have lower costs. One of the reasons for the decline in volumes recorded by the Buenos Aires territories in the third quarter of this year is poor weather conditions resulting from an extended winter season in the Buenos Aires area. Management estimates that for the third quarter of 2000, Coca-Cola FEMSA's volumes in the Buenos Aires territory decreased more than the Coca-Cola system in Argentina and lagged considerably the growth of the soft-drink industry in Argentina, mainly as a result of continuous growth experienced by the lower price brands fueled by a prevailing depressed economic environment.

Gross Profit

Coca-Cola FEMSA's cost of goods sold increased by only 4.3% to Ps. 1.989 billion, despite consolidated volume growth of 7.4%. Coca-Cola FEMSA's gross profit increased by 17.5% and the gross margin improved by 3.0 percentage points to 50.4% of net sales. In the Mexican territories, Coca-Cola FEMSA's gross profit increased by 24.5% driven primarily by (i) a significant increase in revenue per case and (ii) growth in volumes. However, Coca-Cola FEMSA Mexico also experienced a decline in all of its Peso

MARGINS		
	3 Qtr 00	3 Qtr 99
Gross margin	50.4%	47.4%
Operating margin	17.1%	13.8%

denominated costs and only moderate increases (crown caps, labels) or significant declines (beverage cans) in its Dollar denominated costs, with the exception of the cost of PET preforms which have increased significantly as a result of the increase in the international prices of oil derivative products. The increase in the cost of PET preforms, however, has been partially offset by the effect of the real appreciation of the Peso against the U.S. Dollar on the cost of U.S. Dollar denominated packaging materials. Coca-Cola FEMSA Buenos Aires' gross margin also increased relative to the third quarter of 1999 despite the 11.6% decline in net sales, primarily as a consequence of (i) lower raw material costs and (ii) production efficiencies that resulted in lower fixed costs.

Income from Operations

Operating expenses (excluding goodwill amortization) increased by 10.1% and remained relatively stable as a percentage of total revenues. Income from operations increased by 36.3% to Ps. 682 million and Coca-Cola FEMSA's operating margin increased by 3.3 percentage points to 17.1%.

Recent Developments

Management Change

Coca-Cola FEMSA announced today that the Company's board of directors has elected John Santa María Otazúa as Director of Strategic Planning and Business Development effective November 15, 2000. Mr. Rafael Suárez Olaguiable, former Chief Operating Officer of Coca-Cola FEMSA's Buenos Aires, will assume the position of Chief Operating Officer for Coca-Cola FEMSA Mexico.

John Santa María has served as Chief Operating Officer of Coca-Cola FEMSA Mexico since he joined Coca-Cola FEMSA in 1995. In his new position, Mr. Santa María will assume overall responsibility for the Company's strategic planning efforts, including new beverage development and geographic expansion. Mr. Suárez served as Chief Operating Officer of Coca-Cola FEMSA Buenos Aires since 1995. Prior to managing the Argentine operations, Mr. Suárez held several positions in the Mexican operations including Marketing Director and Director of Planning for the Valley of Mexico territory.

Capacity Rationalization

On September 2000, Coca-Cola FEMSA ceased production in the Tapachula bottling facility in the Southeast territory. The Tapachula plant housed two bottling lines producing returnable plastic ("Ref. PET") and glass returnable presentations. As of September 30, 2000, the facility had annual installed capacity of approximately 20 million unit cases and was operating at approximately 36% capacity utilization. The Company believes that production will be absorbed by the remaining four plants in the Southeast territory.

FEMSA Empaques

Net Sales

FEMSA Empaques' net sales decreased by 1.6% to Ps. 1.557 billion in the third quarter of 2000, a decline similar to the one experienced in the second quarter of 2000. FEMSA Empaques experienced volume growth in its principal lines of products with the exception of beverage cans, which declined 9.6% relative to the third quarter of 1999, therefore offsetting the positive growth experienced in sales of other packaging products. Management attributes the decline in sales of beverage cans to (i) a decline in demand for beverages in canned presentations experienced by both the beer and soft-drink industry, (ii) a decline in sales to Industria Enlatadora de Queretaro ("IEQSA") reflecting a more competitive domestic environment throughout 2000, and (iii) a significant decline in sales to export third party clients. Crown cap volumes increased by 10.1% in the third quarter, with export sales more than compensating for the decline in domestic demand for crown caps. In addition, FEMSA Empaques third quarter results continued to be affected by the negative impact of the real appreciation of the Peso against the U.S. Dollar on Peso revenues from U.S. Dollar-quoted packaging products such as beverage cans and crown caps.

VOLUME GROWTH	**3 Qtr 00 vs 3 Qtr 99**
Beverage cans	(9.6)%
Crown caps	10.1%
Glass bottles	4.8%
Refrigerators	26.8%

Glass bottle volumes increased by 4.8% in the third quarter, reversing the trend observed for the first half of 2000. Demand for glass bottles was primarily driven by FEMSA Cerveza, and to a much lesser degree, by Coca-Cola FEMSA. Sales to third party clients declined in the third quarter of this year, as a result of an unfavorable comparison against last year's high volume demand from third party clients. Volumes of commercial refrigerators increased by 26.8%, also reversing the negative volume trend observed for the last twenty-one months. Coca-Cola FEMSA significantly increased its purchases of commercial refrigerators in connection with their cold drink placement program, more than compensating for the decline in purchases from FEMSA Cerveza and third party clients.

Export revenues increased by 11.9% to Ps. 162.7 million primarily as a result of growth in beverage can and crown cap volumes, and represented 10.4% of net sales. In U.S. Dollar terms, export revenues increased by 22.7% to U.S.$17.3 million.

Gross Profit

FEMSA Empaques' gross profit decreased by 7.3% to Ps. 380 million, and its gross margin declined by 1.5 percentage points to 24.4% of net sales. FEMSA Empaques' cost of goods sold as a percentage of net sales for the third quarter remained at similar levels as the first and second quarters of this year. However, during the third quarter of 1999, FEMSA Empaques' cost of goods sold declined at a higher rate than sales as a result of (i) the increased cost absorption from volume growth recorded by the most important lines of products, despite the appreciation of the Peso against the Dollar during the third quarter of 1999 and (ii) lower aluminum costs. Under the present environment of weak volumes and the continued appreciation of the Peso against the Dollar, the comparison against last year becomes more difficult. Management expects this trend (i.e., difficult comparisons) to continue into the fourth quarter of 2000 as fourth quarter margins last year were boosted by strong demand for certain packaging products given Y2K inventory building contingency plans implemented by many of FEMSA Empaques' clients. Furthermore, during the third quarter of 1999, FEMSA Empaques substituted low margin imported beverage cans with internal higher value added beverage cans produced by FEMSA Empaques. FEMSA Empaques was forced to import beverage cans throughout the first half of 1999 because it did not have enough capacity to meet domestic demand. In addition, the beverage glass business

MARGINS	3 Qtr 00	3 Qtr 99
Gross margin	24.4%	25.9%
Operating margin before management fees	15.9%	17.6%

All comparisons for the third quarter ended September 30, 2000 in this report are made against the figures for the third quarter ended September 30, 1999 continues to record a the decline in gross margins reflecting (i) lower than optimal capacity utilization in the glass furnaces, which resulted in low fixed cost absorption and (ii) higher natural gas costs as a result of higher fuel prices.

Income from Operations

Operating expenses increased slightly by 0.9% to Ps. 132 million and increased as a percentage of sales by 0.2 percentage points to 8.5%. While administrative expenses increased during the third quarter of 2000, such increase was offset by a decline in selling expenses of 7.7% (a decline similar to the one recorded in the first semester of 2000), reflecting lower freight costs as a result of contracting freight with FEMSA Logística and more favorable negotiations with third party clients. Income from operations before management fees paid to FEMSA decreased by 11.2% to Ps. 248 million, and the operating margin declined by 1.7 percentage points to 15.9% of total revenues for the third quarter of 2000.

FEMSA Comercio

Net Sales

FEMSA Comercio's net sales increased by 35.1% to Ps. 2.048 billion. Sales growth was the result of (i) a net increase of 75 new stores during the third quarter and 217 new stores for the past twelve months, a net increase of 19.4% in selling space relative to September 30, 1999 and (ii) average same store sales growth of 10.7%, reflecting an increase in traffic and in ticket of 5.9% and 4.5%, respectively.

OPERATING HIGHLIGHTS	
% CHANGE	**3 Qtr 00 vs 3 Qtr 99**
New stores	75
Net sales	35.1%
Same store sales	10.7%
Income from operations Before management fees	16.4%

Gross Profit

FEMSA Comercio recorded gross profit of Ps. 499.8 million in the third quarter of 2000, an increase of 28.5% over the comparable period last year, and the gross margin decreased by 1.3 percentage points to 24.4% of net sales. Management attributes the decline in gross margin to the fact that as of September 30, 2000, the chain had 217 additional stores in operation, many of them in new cities ("plazas") not all of which have realized full maturity. The maturity curve of a store in a new plaza is longer than the maturity curve of a new store in an existing plaza. In addition, more than 60% of the stores inaugurated this quarter began operating in the month of September, realizing all of the fixed and operating costs with much lower sales levels than the average monthly sale recorded for such month.

MARGINS		
	3 Qtr 00	3 Qtr 99
Gross margin	24.4%	25.7%
Operating margin before management fees	4.3%	5.0%

Income from Operations

Operating expenses increased by 31.3% to Ps. 412 million and decreased as a percentage of sales to 20.1% from 20.7% over the same period last year. Operating income increased by 16.4% to Ps. 87.8 million but operating margin before deduction of management fees decreased by 0.7 percentage points to 4.3% from 5.0% recorded in the third quarter of 1999, reflecting primarily the decline in gross margin .

Unaudited Financial Results for the Nine Months ended September 30, 2000 compared to the Nine Months ended September 30, 1999

FEMSA Consolidated

NET SALES GROWTH Nine months ended September 30, 2000 vs. 1999	
FEMSA Consolidated	11.1%
FEMSA Cerveza	10.3%
Coca-Cola FEMSA	9.5%
FEMSA Empaques	(6.6)%
FEMSA Comercio	30.0%

Total Revenues/Net Sales

FEMSA's consolidated total revenues increased by 11.1% to Ps. 32.611 billion and consolidated net sales increased by 11.1% to Ps. 32.536 billion. Net sales growth for the first nine months of 2000 was driven primarily by volume growth and improved pricing experienced by FEMSA Cerveza and Coca-Cola FEMSA in Mexico and, in the case of FEMSA Comercio, by the addition of 217 new stores (an increase of 19.4% of sales space) and same store sales growth of 9.4%. FEMSA Empaques, on the other hand, has experienced both lower prices and either slow volume growth or volume decreases in some of its main products, which has had a negative impact on FEMSA Empaques' net sales, and consequently, on FEMSA's consolidated net sales. FEMSA's beverage and retail operations continue to benefit from increased consumer confidence as a result of employment and real disposable income growth, which has allowed the Company to implement real price increases on its beverage products. Management believes that higher prices for its soft-drink products have had little or no effect on demand for the Company's soft-drink products. However, in the case of FEMSA Cerveza, management believes that higher real prices have had a dampening effect on demand for the Company's beer products evidenced by the lackluster volume performance recorded so far this year.

Gross Profit

FEMSA's consolidated gross profit increased by 15.3% to Ps. 16.237 billion, representing a consolidated gross profit margin of 49.9%, an increase of 1.8 percentage points. The expansion in the consolidated gross profit margin reflects (i) strong volume growth recorded by Coca-Cola FEMSA's Mexican operations and an improvement in the price of FEMSA's beverage products (ii) operational efficiencies as a result of process reengineering in the Company's manufacturing and distribution, and (iii) the real appreciation of the Peso against the U.S. Dollar over the last twelve months, which has resulted in a decline in variable costs for FEMSA Cerveza and Coca-Cola FEMSA. The nominal depreciation of the Peso against the U.S. Dollar for the last twelve months was 1.1%, compared to an inflation rate of 2.4% over the same period.

CHANGE IN INCOME FROM OPERATIONS Before management fees Nine months ended September 30, 2000 vs. 1999	
FEMSA Consolidated	17.5%
FEMSA Cerveza	9.9%
Coca-Cola FEMSA	40.1%
FEMSA Empaques	(7.3)%
FEMSA Comercio	29.9%

Income from Operations

FEMSA's consolidated operating expenses (including goodwill amortization and management fees paid to Labatt) increased by 14.2% to Ps. 11.103 billion. As a percentage of total revenues, consolidated operating expenses increased by 0.9 percentage points to 34.0%. The management fee paid by FEMSA Cerveza to Labatt amounted to Ps. 78 million for the first nine months of 2000. FEMSA's consolidated income from operations (after participation in the results of affiliated companies) increased by 17.5% to Ps. 5.156 billion. FEMSA's consolidated operating margin increased by 0.9 percentage points to 15.8% of consolidated total revenues and was primarily driven by the operating margin expansion recorded by Coca-Cola FEMSA for the first nine months of 2000. FEMSA Cerveza, FEMSA Empaques and FEMSA Comercio's operating margins for the first nine months of 2000 are relatively stable compared to the operating margins recorded for the first nine months of 1999 by these Subholding Companies.

Net Income

FEMSA's consolidated net income decreased by 25.1% from Ps. 3.048 billion recorded in the first nine months of 1999 to Ps. 2.282 billion for the first nine months of 2000. The decrease in net income recorded for the first nine months of 2000 resulted from the net effect of (i) a 17.5% increase in consolidated income from operations and (ii) an increase of 511.4% in the consolidated integral result of financing.

In the first nine months of 2000, FEMSA recorded a consolidated integral result of financing expense of Ps. 938 million, compared to a consolidated integral result of financing income of Ps. 228 million for the comparable period in 1999. During the first nine months of 2000, consolidated net financial expense increased by 22.1% to Ps. 464 million compared to the first nine months of 1999. This increase was attributable to a 23.0% decline in interest income as a consequence of the lower interest rates earned on Peso investments relative to the first nine months of 1999. Interest expense amounted to Ps. 752 million, 0.3% lower than the first nine months of 1999, despite a decrease of U.S.$35 million in the consolidated average debt balance of the Company during the first nine months of 2000 relative to the first nine months of 1999, reflecting a higher interest rates on Dollar denominated debt. As of the September 30, 2000, the Company's weighted average cost of debt was 9.78%, approximately 1.1 percentage points higher than the weighted average cost of debt as of September 30, 1999.

FEMSA recorded a consolidated foreign exchange loss of Ps. 633 million, compared to a foreign exchange gain of Ps. 299 million for the first nine months of 1999, primarily reflecting (i) a Ps. 609 million loss generated by U.S. Dollar-exchange forward contracts recorded for the first nine months of 2000, and (ii) approximately Ps. 24 million of foreign exchange for the same period.

As of September 30, 2000, the Company had U.S.$238 million Dollar-exchange forward contract exposure of which U.S.$108 million mature during the fourth quarter of 2000 at a weighted average exchange rate of 11.6084 Pesos per U.S. Dollar and the remaining U.S.$131 million mature during 2001 at a weighted average exchange rate of 10.604 Pesos per U.S. Dollar. In addition, the Company bought options maturing throughout 2001 to purchase U.S.$233.6 million at an average strike price of 10.4 Pesos per U.S. Dollar.

The gain on monetary position amounted to Ps. 159 million, a decrease of 48.5% as compared to the first nine months of 1999 as a result of a decline in the accumulated rate of inflation in 2000 relative to 1999.

FEMSA and its subsidiaries recognized a decline in taxable income of 8.8%, mainly as a result of a significant increase in the consolidated result of financing expense. The Company's income tax, tax on assets and employee profit sharing amounted to Ps. 1.870 billion for the first nine months of 2000, increasing by 24.2% relative to the first nine months of 1999. The Company's average tax rate for the first nine months of 2000 was 45%, higher than the 33.1% average tax rate in the first nine months of 1999. Based on current trends, management expects the Company's average tax rate (including deferred taxes and employee profit sharing) for 2000 to reach approximately 45%. In accordance with Bulletin D-4, "Accounting for Income Taxes, Tax on Assets and Employee Profit Sharing." issued by the Mexican Institute of Public Accountants, effective January 1, 2000, the Company recognized a deferred tax liability of Ps. 3.968 billion and a reduction in shareholders' equity of the same amount.

The Company reviewed the criteria applied for the implementation of the Bulletin D-4 "Deferred Taxes", with respect to determination of the deferred taxes for the period included in the Income Statement. Until June 30, 2000, the total variation in deferred taxes liability was recorded in the Income Statement as deferred taxes for the period. Effective on the third quarter of 2000, the deferred tax generated by the result of holding non-monetary assets is recorded in the stockholders' equity. For comparison purposes, the income statements for the first and second quarter of 2000, were recalculated and are included in the exhibits.

Consolidated net majority income amounted to Ps. 1.558 billion for the first nine months of 2000 compared with Ps. 2.314 billion recorded in the first nine months of 1999. Net majority income per FEMSA Unit[1] amounted to Ps. 1.458, compared with Ps. 2.166 for the same period last year.

9 MONTHS	**Per FEMSA Unit**[1]	
Pesos	**2000**	**1999**
Net Majority Income	1.458	2.166
EBITDA[2]	7.250	6.240

[1]FEMSA Units consists of FEMSA UBD units and FEMSA UB units. Each FEMSA UBD unit is comprised of one Series B share, two Series D-B shares and two Series D-L shares. Each FEMSA UB unit is comprised of five series B shares. The number of FEMSA Units outstanding as of September 30, 2000 was 1,068,268,090, equivalent to the total number of shares of the Company outstanding as of September 30, 2000 divided by 5.

[2] EBITDA is calculated as income from operations plus depreciation and amortization plus non-cash charges. Please note that the U.S. Securities and Exchange Commission does not endorse the use of EBITDA. However, FEMSA's management has chosen to present EBITDA because it believes it is a useful measure.

FEMSA Cerveza

Net Sales

FEMSA Cerveza's net sales increased by 10.3% to Ps. 13.404 billion reflecting (i) a 3.2% increase in total shipments and (ii) a 16% nominal increase in the domestic price of beer implemented effective January 1, 2000, which resulted in a 8.2% improvement in real domestic revenue per hectoliter recorded for the first nine months of 2000, higher than the 5.5% weighted average real increase in the retail price per hectoliter, primarily reflecting lower levels of discounts in the domestic market. FEMSA Cerveza's domestic shipments increased by 2.3% to 16.739 million hectoliters. FEMSA Cerveza's northern stronghold regions, which comprised 55% of total domestic shipments, experienced volume growth rates in line with the industry in this region of approximately 2% for the first nine months of 2000, partially attributable to poor weather conditions experienced in the northern regions of the country as a result of higher levels of average precipitation during the second and third quarter of this year and higher prices relative to other regions of the country. Total domestic shipments however, increased below the industry as a result of relatively slower shipment growth in the central and southern regions of the country (relative to the industry) where FEMSA Cerveza sold the remaining 45% of its domestic shipments in the first nine months of 2000. The proportion of domestic shipments sold in can presentations for the first nine months of 2000 was 17.7% and has not improved relative to the first nine months of 1999 in part as a consequence of higher relative prices compared with the returnable presentations.

OPERATING HIGHLIGHTS % Change Nine months ended September 30, 2000 vs. 1999	
Domestic Volume	2.3%
Export Volume	14.7%
Total Volume	3.2%
Net Sales	10.3%
Income from Operations	9.9%

Export shipments grew by 14.7% to 1,367 thousand hectoliters for the first nine months of 2000. Shipments to North America, FEMSA Cerveza's main export market, increased by 15.1% and accounted for 89.7% of FEMSA Cerveza's export shipments. Export revenues increased by 4.7% to Ps. 884 million, and in U.S. Dollar terms, export revenues increased by 15.0% to U.S.$91.3 million.

Gross Profit

FEMSA Cerveza's cost of goods sold increased by 2.9% to Ps. 5.834 billion and recorded gross profit growth of 16.4% to Ps. 7.651 billion. FEMSA Cerveza's gross margin increased by 3.0 percentage points to 57.1% of net sales for the first nine months of 2000, reflecting (i) modest growth in shipments, (ii) a significant improvement in the domestic revenue per hectoliter, (iii) a real decline in variable and freight costs of approximately 0.4%, mainly as a result of the appreciation of the Peso against the U.S. Dollar on U.S. Dollar-denominated packaging and raw materials and (iv) increased production and scale-driven efficiencies, as fixed costs increased by only 1.5%, well below revenue growth of 10.2% for the first nine moths of 1999.

MARGINS		
Nine months ended September 30	2000	1999
Gross margin	57.1%	54.1%
Operating margin before management fees	18.4%	18.4%

Income from Operations

FEMSA Cerveza's operating expenses increased by 19.5% to Ps. 5.198 billion, representing 38.5% of total revenue, compared to 35.5% of total revenue for the same period last year. The increase in administrative expenses reflects the staffing of the distribution units and of the commercial development and marketing areas in central office. Selling expenses increased mainly as a result of higher fixed and variable commercial expenses (channel and demand related). Management front-loaded a significant percentage of the budgeted commercial expenditures into the first half of 2000, and therefore observed a lower increase in such expenditures going into the third quarter. Marketing (communications, media advertising and sponsorships) expenses however recorded a higher increase during the third quarter as compared to the increase recorded for the first half of 2000, reflecting (i) the implementation of previously scheduled projects to be launched in the second quarter of this year which were postponed until further review and (ii) the launching of new projects such as the integral marketing campaign "Va por México" in the month of September.

FEMSA Cerveza's income from operations, after participation in the results of Labatt USA and before deduction of management fees paid to FEMSA and to Labatt, increased by 9.9% to Ps. 2.475 billion. FEMSA Cerveza's operating margin before deduction of management fees remained stable at 18.4% of total revenues compared with the first nine months of 1999.

Coca-Cola FEMSA

Net Sales

Coca-Cola FEMSA recorded net sales growth of 9.5% to Ps. 11.734 billion. Net sales growth is primarily attributable to outstanding volume growth and a significant improvement in the average price per unit case in the Mexican territories. The outstanding net sales growth recorded by the Mexican territories for the first nine months was partially offset by lackluster volume and pricing performance recorded by the Buenos Aires territories so far this year. Management believes that the principal volume drivers in the Mexican territories for the first nine months of 2000 were: (i) increased coverage of the cold-drink market, (ii) a surge in economic activity particularly in the Southeast territory that has fueled consumption and (iii) continued emphasis on consumer activation via promotions, events and sponsorships. Average real prices for Coca-Cola FEMSA's products in Mexico increased by 4.7%, which together with the impressive growth in volumes resulted in net sales growth of 14.3% in the combined Mexican territories for the first nine months of 2000. The increase in revenue per case is primarily attributed to (i) the cumulative effect of a significant price increase implemented in November of 1999 and more moderate increases implemented during the second quarter of 2000 and (ii) the successful execution of revenue management which consists in selling the optimal combination of brand/packaging/price on each channel, and whose main objective is to extract higher revenue per case sold.

VOLUME GROWTH

Nine months ended September 30, 2000 vs. 1999

	Total
México	9.1%
Buenos Aires	(2.6)%
Total	6.6%

In the Buenos Aires territory, volume decreased by 2.6% and average real prices decreased by 3.2% for the first nine months of 2000 as a result of intensified competitive activity and the difficult economic environment that has prevailed during in such market. As a result, net sales recorded by the Buenos Aires territory decreased by 5.7% in Argentine Pesos. In August of 2000, Coca-Cola FEMSA launched Taí in the Buenos Aires territory—a new soft-drink brand in orange and lemon-lime flavors—in connection with Coca-Cola FEMSA's strategy to develop a brand portfolio in that market that can offer an entire spectrum of value propositions to the consumer in order to compete more effectively with the burgeoning generic brands, which are leading the growth in the carbonated soft-drink industry in Argentina.

Gross Profit

Coca-Cola FEMSA's cost of goods sold increased by 2.6% to Ps. 5.910 billion, significantly below net sales growth. Coca-Cola FEMSA recorded a gross margin expansion of 3.5 percentage points to 50.1% of net sales. Both the Mexican and the Buenos Aires territories have experienced gross margin expansion for the first nine months of 2000, although for different reasons. In the case of the Mexican operations, gross margin expansion has been driven primarily by strong volume growth and an improvement in the revenue per case combined with a declining cost per case as a result of (i) reduction in the cost of certain packaging and raw materials such as sugar, beverage cans, glass bottles and labels, which have compensated for the increase in the cost of PET preforms and (ii) operating efficiencies and greater fixed cost absorption as a result of growth in volumes. The Buenos Aires territory experienced gross margin expansion for the first nine months of 2000, despite a decline in net sales, primarily as a consequence of lower sweetener and other variable costs and the success of strategies to continue reducing fixed costs in such territory.

MARGINS		
Nine months ended September 30	2000	1999
Gross margin	50.1%	46.6%
Operating margin	17.0%	13.3%

Income from Operations

Operating expenses increased by 9.2% to Ps. 3.791 billion. As a percentage of total revenues, operating expenses remained relatively constant as a percentage of total revenues at 32.2%. During the first quarter of 2000, Coca-Cola FEMSA's Mexican operations underwent a reorganization whose primary objective was to streamline the operational and corporate structure to eliminate redundancies and increase efficiencies. Marketing expenses for both territories remain within their annual budgets of approximately 4%-5% of total revenues in Mexico and approximately 5%-6% of sales in Buenos Aires. Operating expenses as a percentage of total revenues have declined by 0.2 percentage points in the Mexican operations and have increased by 0.6 percentage points in the Buenos Aires Territories, the latter reflecting the decline in total revenues for the first nine months of 2000. Coca-Cola FEMSA has implemented very successful promotional and merchandising activities with the objective of continuing to activate the consumer and build brand equity for the Coca-Cola trademark products in both territories. Coca-Cola FEMSA's income from operations after amortization of goodwill increased by 40.1% to Ps. 2.000 billion, reflecting the net effect of (i) an increase of approximately 43% in the income from operations of Coca-Cola FEMSA's Mexican operations and (ii) a decline of 0.6% in the income from operations of Coca-Cola FEMSA's Argentine operations. Coca-Cola FEMSA's operating margin increased by 3.7 percentage points to 17.0% of total revenues.

FEMSA Empaques

Net Sales

In the first nine months of 2000, FEMSA Empaques experienced a 6.6% decline in net sales to Ps. 4.476 billion, mainly attributable to (i) a decrease in the volumes of FEMSA Empaques' main product lines including beverage cans and glass bottles, which together represented 55.4% of FEMSA Empaques' net sales and (ii) the negative effect of the real appreciation of the Peso against the U.S. Dollar on the Peso revenues of U.S. Dollar-denominated packaging products, namely beverage cans and crown caps. Lower domestic demand for beverage cans experienced by FEMSA Empaques for the first nine months of 2000 is mainly attributable to (i) a decline in purchases of (empty) beverage cans from IEQSA as a result of an increased competitive environment, exacerbated by slack demand of (full) soft-drink cans from Coca-Cola bottlers experienced by IEQSA and (ii) a decline in the purchases of beverage cans from FEMSA Cerveza as a result of weak demand experienced by FEMSA Cerveza for beer in can presentations for the first nine months of 2000. FEMSA Empaques continues to experience a decline in glass bottle demand for the first nine months of 2000 explained by (i) a decline in purchases by FEMSA Cerveza and (ii) a reduction in sales to third-party clients as compared to the first nine months of 1999. Sales volumes for crown caps continue to grow despite the decline in demand for crown caps in the domestic market, reflecting ongoing success in the export markets, particularly in the North American market, where FEMSA Empaques is one of the major crown cap suppliers for Labatt Brewing Company, Miller Brewing Company and, recently, Adolph Coors. FEMSA Empaques' management estimates that crown cap exports will continue to grow at least in line with the expected growth for North American glass segment beer market.

VOLUME GROWTH Nine months ended September 30, 2000 vs. 1999	
Beverage cans	(5.2)%
Crown caps	4.5%
Glass bottles	(6.1)%
Refrigerators	(6.9)%

Export revenues increased by 13.8% to Ps. 461.6 million and represented 10.3% of net sales. In U.S. Dollar terms, export revenues increased by 26.2% to U.S.$47.7 million.

Gross Profit

FEMSA Empaques' cost of goods sold decreased by 6.6% to Ps. 3.382 billion and its gross profit margin increased slightly by 0.2 percentage points to 24.6% of net sales. FEMSA Empaques has been able to sustain relatively stable gross margins for the first nine months of 2000 despite slack demand for its principal products: Management believes that the volume performance of the beverage can business in 2000 depends primarily on the demand for beverage cans from FEMSA Cerveza and IEQSA. The profitability of this business, however, depends not only on volume growth, but also on the Peso U.S.-Dollar exchange rate, on the general pricing conditions in the domestic market (which have recently been pressured by increased competition) and on the effectiveness of the efficiency and productivity measures that FEMSA Empaques is currently implementing. The glass bottle business continues to suffer from lower fixed cost absorption as a consequence of continued decline in volume and higher natural gas costs. FEMSA Empaques' management will continue to focus its efforts to penetrate the third party market, particularly in glass bottles, beverage cans and crown caps, by attempting to offer the best prices and the highest quality and client service available in the market, and expects such efforts to result in improved asset utilization and sustained profitability levels for 2000 as compared to 1999.

MARGINS		
Nine months ended September 30	2000	1999
Gross margin	24.6%	24.4%
Operating margin before management fees	15.8%	16.0%

Income from Operations

Operating expenses decreased by 3.6% to Ps. 390 million and represented 8.7% of total revenues for the first nine months of 2000. Higher administrative expenses recorded by FEMSA Empaques for the first nine months of 2000 have been more than offset by a decline in selling expenses recorded for the first nine months of 2000. The decline in selling expenses is attributable to a reduction in freight costs incurred by FEMSA Empaques in the delivery of the products to its clients reflecting (i) lower freight costs as a result of contracting freight with FEMSA Logística and (ii) more favorable freight cost negotiations with third party clients. It is important to highlight that FEMSA Empaques' operating structure (wages and salaries, distribution and selling expenses and administrative overhead) is denominated in Pesos, and a business which sells Dollar-denominated products typically experiences a contraction of operating margins under a strong Peso environment. Income from operations before deduction of management fees paid to FEMSA decreased by 7.3% to Ps. 710 million, and the operating margin before management fees declined slightly by 0.2 percentage points to 15.8% of total revenues, as a result of the improvement in gross margin experienced in the first nine months of 2000.

FEMSA Comercio

Net Sales

FEMSA Comercio's net sales increased by 30.0% to Ps. 5.590 billion. Sales growth was primarily attributable to (i) a 19.4% increase in the total number of stores, which increased from 1,119 as of September 30, 1999 to 1,336 as of September 30, 2000, and (ii) average same store sales growth of 9.4%. According to ANTAD total reported retail sales and same store sales for the industry increased by 10.2% and by 3.4%, respectively for the first nine months of the year, reflecting an improved consumer environment driven by growth in employment and in real wages. Faster growth of FEMSA Comercio's average monthly same store sales relative to the industry is a result of (i) more aggressive expansion of selling space and (ii) higher growth in traffic and in ticket per store. Average monthly traffic per store increased by 4.9% and the average sale per customer increased by 4.3% during the first nine months of 2000. Management believes that the increase in traffic per store is mainly attributable to (i) FEMSA Comercio's strategy of competitive pricing of traffic-generator products, (ii) the successful implementation of regional and national promotional campaigns designed to attract traffic to the sites and (iii) growth in employment and in consumer purchasing power. Management believes that the success of FEMSA Comercio has hinged upon consistent implementation of its business model—rapid expansion of the chain, improved site selection and traffic generating promotional strategies—against a backdrop of sustained macroeconomic expansion.

OPERATING HIGHLIGHTS % Change Nine months ended September 30, 2000 vs. 1999	
Total stores	1,336
Net sales	30.0%
Same store sales	9.4%
Income from operations	29.9%

Gross Profit

FEMSA Comercio recorded gross profit of Ps. 1.378 billion, a 28.6% gain over the first nine months of 1999. Gross margin decreased slightly by 0.3 percentage points to 24.6% of net sales mainly as a result a decline in gross margin recorded in the third quarter of 2000. Management believes that the slight reduction in gross margin is a consequence of the fast expansion in number of stores over the last twelve months. Much of the expansion realized during the last twelve months (217 new sites) has been in new plazas such as Nogales, Monclova, Zacatecas, and Villahermosa. The maturity of new sites in new plazas tends to be approximately three months longer than the maturity of new sites in cities where the chain is already present, which on average is six months. As of September 30, 1999, approximately 78% of the total stores were considered mature. This compares to approximately 75% by September 30, 2000. Management believes that as the new plazas open more stores and as the new stores mature, the profitability of the stores in new plazas will be similar than the profitability of established plazas that have been in operation for a longer time.

Income from Operations

Operating expenses increased by 28.3% to Ps. 1.142 billion but declined slightly as a percentage of total revenues to 20.4%. The increase in operating expenses is primarily attributable to (i) an increase in the number of stores and (ii) slight growth in central office infrastructure necessary to support the rapid expansion of the Oxxo chain. As FEMSA Comercio inaugurates a new plaza, it invests in an administrative structure to support the new plaza. This additional structure explains the growth in operating expenses under a period of expansion. Notwithstanding the increase in operating expenses for the first nine months of 2000, same-store operating expenses continue to increase by approximately half the rate of same-store sales growth, reflecting the improvement in productivity and fixed cost absorption per site, and which compensates for the additional growth in infrastructure resulting from expansion into new plazas. FEMSA Comercio recorded income from operations before deduction of management fees of Ps. 235 million in the first nine months of 2000, an increase of 29.9% relative to the first nine months of 1999. FEMSA Comercio's operating margin before management fees remained relatively stable at 4.2% of total revenues for the first nine months of 2000.

MARGINS		
Nine months ended September 30	2000	1999
Gross margin	24.6%	24.9%
Operating margin before management fees	4.2%	4.2%

FEMSA is Mexico's largest and one of Latin America's leading beverage companies with exports to the United States, Canada and numerous countries in Latin America, Europe and the Far East. Founded in 1890 and with headquarters in Monterrey, Mexico, FEMSA operates through the following subsidiaries: FEMSA Cerveza, which produces and distributes name brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis and Bohemia; Coca-Cola FEMSA, one of two "Anchor Bottlers" for The Coca-Cola Company in Latin America, which produces and distributes soft drinks including Coca-Cola, Coca-Cola Light, Sprite, Fanta and Quatro; FEMSA Empaques, which supports the beverage operations by producing beverage cans, glass bottles, crown caps, labels, commercial refrigerators, and serves third party clients throughout the Americas; FEMSA Comercio, which operates OXXO, Mexico's most extensive chain of convenience stores; Desarrollo Comercial FEMSA, which operates OXXO Express, a chain of convenience stores adjacent to gasoline stations; Logística CCM, which provides logistic management services to FEMSA Cerveza; and FEMSA Logística, which provides logistics management services to Coca-Cola FEMSA, FEMSA Empaques, and, recently, to third party clients.

###

Six pages of tables to follow

FEMSA

OPERATING DATA

For the three months and nine months ended September 30, 2000 and 1999

FEMSA Cerveza

Shipments

(Thousand hectoliters)		For the III quarter of:			For the nine months of:		
		2000	1999	%Var	2000	1999	%Var
Domestic:							
Returnable		4,607	4,519	2.0	13,196	12,915	2.2
Non-returnable		207	189	9.5	580	543	6.8
Cans		1,017	981	3.7	2,963	2,903	2.1
Total Domestic		5,832	5,689	2.5	16,739	16,361	2.3
Exports		519	452	14.8	1,367	1,192	14.7
Total Volume		6,351	6,141	3.4	18,106	17,553	3.2
Exports revenues:	Millions Ps.	318.1	308.8	3.0	884.0	844.1	4.7
	US Millions	33.8	29.9	13.0	91.3	79.4	15.0

Coca-Cola FEMSA

Sales Volumes

(Millions of Unit Cases)	For the III quarter of:			For the nine months of:		
	2000	1999	%Var	2000	1999	%Var
Valley of México	87.7	80.0	9.7	253.7	237.0	7.0
Southeast	30.3	25.1	20.4	87.1	75.2	15.7
Mexico	118.0	105.1	12.3	340.8	312.2	9.1
Buenos Aires	26.3	29.3	(10.3)	85.6	87.9	(2.6)
Total	144.3	134.4	7.4	426.4	400.1	6.6

Presentation Mix (%)

(Returnable/Non-Returnable)	2000	1999	2000	1999
Valley of Mexico	43/57	42/58	42/58	41/59
Southeast	50/50	58/42	51/49	58/42
Valley of Mexico	45/55	46/54	45/55	45/55
Buenos Aires	10/90	12/88	10/90	10/90
Total	36 /64	38 /62	38 /62	37/63

FEMSA Empaque

Total Sales Volume

(Millions of pieces)		For the III quarter of:			For the nine months of:		
		2000	1999	%Var	2000	1999	%Var
Cans		755	835	(9.6)	2,221	2,343	(5.2)
Crown caps		3,657	3,320	10.1	10,110	9,676	4.5
Glass Bottles		216	206	4.8	580	618	(6.1)
Refrigerators (Ths)		23	18	26.8	75	81	(6.9)
Labels		1,125	1,204	(6.6)	3,610	3,233	11.7
Export volumes:	Cans	46	52	(12.6)	171	130	31.5
	Crown caps	1,805	1,452	24.3	4,638	4,118	12.6
	Can lids	139	91	53.8	320	219	46.1
Exports revenues:	Millions Ps.	162.7	145.4	11.9	461.6	405.6	13.8
	US Millions	17.3	14.1	22.7	47.7	37.8	26.2

Percentage of sales revenue by client category:

	For the III quarter of:			For the nine months of:		
	2000	1999	Var p.p.	2000	1999	Var p.p.
Intercompany sales	60.9	49.9	11.0	53.6	50.2	3.4
FEMSA Cerveza	44.9	39.5	5.4	39.6	38.0	1.6
Coca-Cola FEMSA	16.0	10.4	5.6	14.0	12.2	1.8
Third-party sales	39.1	50.1	(11.0)	46.4	49.8	(3.4)
Domestic	26.3	41.9	(15.6)	37.2	42.0	(4.8)
Export	12.8	8.2	4.6	9.2	7.8	1.4
Total	100.0	100.0	-	100.0	100.0	-

FEMSA Comercio

	For the III quarter of:			For the nine months of:		
	2000	1999	%Var	2000	1999	%Var
Total stores				1,336	1,119	19.4
Comparative same stores:						
Average monthly sales (Ths. Ps.)	481.5	440.6	9.3	498.1	455.4	9.4

All comparisons for the first nine months ended September 30, 2000 in this report are made against the figures for the first nine months ended September 30, 1999

FEMSA

CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended September 30,:

CONSOLIDATED BALANCE SHEET

As of September 30, :

(Expressed in Millions of Pesos as of September 30, 2000)

	For the III quarter of:			For the nine months of:		
	2000	**1999**	**%Var**	**2000**	**1999**	**%Var**
Net sales	11,400	10,091	13.0	32,536	29,282	11.1
Other operating revenues	25	18	38.9	75	61	23.0
Total revenues	11,425	10,109	13.0	32,611	29,343	11.1
Cost of sales	5,721	5,129	11.5	16,374	15,264	7.3
Gross profit	5,704	4,980	14.5	16,237	14,079	15.3
Administrative expenses	1,001	851	17.6	2,881	2,479	16.2
Selling expenses	2,858	2,512	13.8	8,222	7,243	13.5
Operating expenses	3,859	3,363	14.7	11,103	9,722	14.2
	1,845	1,617	14.1	5,134	4,357	17.8
Participation in affiliated companies	12	28	(57.1)	22	30	(26.7)
Income from operations	1,857	1,645	12.9	5,156	4,387	17.5
Interest expense	234	210	11.4	752	754	(0.3)
Interest income	94	104	(9.6)	288	374	(23.0)
Interest expense, net	140	106	32.1	464	380	22.1
Foreign exchange loss (gain)	141	5	2,720.0	633	(299)	(311.7)
Gain on monetary position	75	64	17.2	159	309	(48.5)
Integral result of financing	206	47	(338.3)	938	(228)	511.4
Other expenses	23	33	(30.3)	66	61	8.2
Income before taxes	1,628	1,565	4.0	4,152	4,554	(8.8)
Taxes	791	454	74.2	1,870	1,506	24.2
Net Income	837	1,111	(24.7)	2,282	3,048	(25.1)
Majority net income	575	824	(30.2)	1,558	2,314	(32.7)
Minority net income	262	287	(8.7)	724	734	(1.4)

	% Total Revenues					
	2000	**1999**	**Var P.P.**	**2000**	**1999**	**Var P.P.**
Net sales	99.8	99.8	(0.0)	99.8	99.8	(0.0)
Other operating revenues	0.2	0.2	0.0	0.2	0.2	0.0
Total revenues	100.0	100.0	-	100.0	100.0	-
Cost of sales (1)	50.2	50.8	(0.6)	50.3	52.1	(1.8)
Gross profit (1)	50.0	49.4	0.6	49.9	48.1	1.8
Administrative expenses	8.8	8.4	0.3	8.8	8.4	0.4
Sales expenses	25.0	24.9	0.2	25.2	24.7	0.5
Operating expenses	33.8	33.3	0.5	34.1	33.1	0.9
	16.2	16.0	0.1	15.7	15.0	0.8
Participation in affiliated companies	0.1	0.3	(0.2)	0.1	0.1	(0.0)
Income from operations	16.3	16.3	(0.0)	15.8	14.9	0.9

(1) % to Net sales

ASSETS	**2000**	**1999**	**% Var**
Cash and cash equivalents	3,387	2,394	41.5
Accounts receivable	2,847	2,763	3.0
Inventories	3,904	3,521	10.9
Prepaid expenses	616	875	(29.6)
Total Current Assets	10,754	9,553	12.6
Property, plant and equipment, net	26,157	26,367	(0.8)
Deferred charges and other assets	5,718	6,042	(5.4)
TOTAL ASSETS	42,629	41,962	1.6
LIABILITIES & STOCKHOLDERS´ EQUITY			
Bank loans	1,840	1,089	69.0
Current maturities long term debt	392	3,115	(87.4)
Interest payable	214	151	41.7
Operating liabilities	5,555	5,144	8.0
Total Current Liabilities	8,001	9,499	(15.8)
Bank loans	6,194	4,644	33.4
Labor liabilities	581	1,009	(42.4)
Other liabilities (2)	3,821	131	2,816.8
Total Liabilities	18,597	15,283	21.7
Total Stockholders' equity (2)	24,032	26,679	(9.9)
LIABILITIES & STOCKHOLDERS' EQUITY	42,629	41,962	1.6

(2) Include the recognition of deferred taxes liability beginning January 1, 200

FINANCIAL RATIOS			
Liquidity	1.34	1.01	0.34
Debt service coverage (3)	16.69	17.54	(0.85)
Leverage	0.77	0.57	0.20
Capitalization	0.28	0.28	(0.00)

(3) Income from operations + depreciation + other non-cash charges / interest expense, net

FEMSA

Income Statement

For the three months ended September 30, 2000 and 1999

Millons of year end pesos of September 30, 2000

	FEMSA Cerveza		Coca-Cola FEMSA		FEMSA Empaques		FEMSA Comercio		Amoxxo		FEMSA Logística		FEMSA Consolidado	
	2000	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Net sales	4,783.0	4,298.5	3,978.2	3,601.4	1,557.2	1,581.8	2,048.4	1,516.3	416.4	364.8	349.3	318.7	11,400.0	10,091.0
Other revenues	35.5	29.4	16.9	12.4	0.8	(1.9)	0.3	-	-	-	-	-	25.0	18.0
Total revenues	4,818.5	4,327.9	3,995.1	3,613.8	1,558.0	1,579.9	2,048.7	1,516.3	416.4	364.8	349.3	318.7	11,425.0	10,109.0
Cost of good sold	2,069.6	1,966.5	1,988.7	1,906.0	1,178.3	1,170.2	1,548.9	1,127.2	379.0	332.2	305.1	268.7	5,721.0	5,129.0
Gross margin	2,748.9	2,361.4	2,006.4	1,707.8	379.7	409.7	499.8	389.1	37.4	32.6	44.2	50.0	5,704.0	4,980.0
Operating expenses	1,823.9	1,532.2	1,296.8	1,177.6	132.2	131.0	412.0	313.7	35.4	33.4	21.1	18.8	3,801.0	3,321.1
Management fee paid to Labatt	-	-	-	-	-	-	-	-	-	-	-	-	29.0	12.0
Goodwill amortization	-	-	28.2	29.9	-	-	-	-	-	-	-	-	28.2	29.9
Total operating expenses	1,823.9	1,532.2	1,325.0	1,207.5	132.2	131.0	412.0	313.7	35.4	33.4	21.1	18.8	3,858.2	3,363.0
Participation in affiliates	11.9	27.2	-	-	-	-	-	-	-	-	-	-	12.0	28.0
Comparable EBIT	936.9	856.4	681.4	500.3	247.5	278.7	87.8	75.4	2.0	(0.8)	23.1	31.2	1,857.8	1,645.0
Management fee	84.7	76.5	-	-	23.2	20.3	5.5	4.6	-	-	-	-	-	-
Total EBIT	852.2	779.9	681.4	500.3	224.3	258.4	82.3	70.8	2.0	(0.8)	23.1	31.2	1,857.8	1,645.0
Depreciation	208.8	195.1	180.3	146.1	54.1	58.4	16.3	11.4	1.8	1.3	11.7	12.6	475.4	427.4
Other non-cash charges	242.1	156.5	141.0	122.0	7.5	6.5	12.8	9.5	2.9	3.2	0.6	1.5	411.1	302.9
EBITDA	1,303.1	1,131.5	1,002.7	768.4	285.9	323.3	111.4	91.7	6.7	3.7	35.4	45.3	2,744.3	2,375.3
Comparable														
EBIT/Revenues	19.4	19.8	17.1	13.8	15.9	17.6	4.3	5.0	0.5	(0.2)	6.6	9.8	16.3	16.3
EBITDA/Revenues	28.8	27.9	25.1	21.3	19.8	21.7	5.7	6.4	1.6	1.0	10.1	14.2	24.0	23.5
Total														
EBIT/Revenues	17.7	18.0	17.1	13.8	14.4	16.4	4.0	4.7	0.5	(0.2)	6.6	9.8	16.3	16.3
EBITDA/Revenues	27.0	26.1	25.1	21.3	18.4	20.5	5.4	6.0	1.6	1.0	10.1	14.2	24.0	23.5
Capital Expenditures (1)	606.9	562.7	195.6	189.5	(48.8)	36.7	120.5	110.4	6.9	5.2	1.2	19.0	891.2	907.1

(1) Include property, plant and equipment + deferred charges

FEMSA

Income Statement

For the nine months ended September 30, 2000 and 1999
Millons of year end pesos of September 30, 2000

	FEMSA Cerveza		Coca-Cola FEMSA		FEMSA Empaques		FEMSA Comercio		Amoxxo		FEMSA Logística		FEMSA Consolidado	
	2000	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Net sales	13,403.8	12,153.6	11,734.4	10,719.8	4,476.3	4,791.0	5,590.4	4,299.2	1,166.3	1,035.5	1,000.2	931.1	32,536.0	29,282.0
Other revenues	81.1	86.3	52.5	32.0	4.7	(0.6)	0.7	-	-	-	-	-	75.0	61.0
Total revenues	13,484.9	12,239.9	11,786.9	10,751.8	4,481.0	4,790.4	5,591.1	4,299.2	1,166.3	1,035.5	1,000.2	931.1	32,611.0	29,343.0
Cost of good sold	5,834.1	5,668.8	5,909.5	5,758.1	3,381.5	3,620.3	4,213.4	3,227.8	1,063.2	943.9	863.1	786.8	16,374.0	15,264.0
Gross margin	7,650.8	6,571.1	5,877.4	4,993.7	1,099.5	1,170.1	1,377.7	1,071.4	103.1	91.6	137.1	144.3	16,237.0	14,079.0
Operating expenses	5,197.8	4,348.4	3,790.8	3,472.7	389.9	404.5	1,142.3	890.2	96.4	91.3	63.8	59.1	10,938.8	9,569.8
Management fee paid to Labatt													78.0	59.5
Goodwill amortization			86.2	92.7									86.2	92.7
Total operating expenses	5,197.8	4,348.4	3,877.0	3,565.4	389.9	404.5	1,142.3	890.2	96.4	91.3	63.8	59.1	11,103.0	9,722.0
Participation in affiliates	21.6	29.6											22.0	30.0
Comparable EBIT	2,474.6	2,252.3	2,000.4	1,428.3	709.6	765.6	235.4	181.2	6.7	0.3	73.3	85.2	5,156.0	4,387.0
Management fee	259.5	235.4	-	-	67.6	51.6	16.3	12.9						
Total EBIT	2,215.1	2,016.9	2,000.4	1,428.3	642.0	714.0	219.1	168.3	6.7	0.3	73.3	85.2	5,156.0	4,387.0
Depreciation	629.6	612.2	474.5	448.8	175.1	176.7	50.7	37.9	5.5	5.2	35.2	36.8	1,379.3	1,322.4
Other non-cash charges	719.1	485.0	410.2	397.8	18.1	21.1	37.2	28.2	8.9	9.3	1.5	2.5	1,210.0	956.4
EBITDA	3,563.8	3,114.1	2,885.1	2,274.9	835.2	911.8	307.0	234.4	21.1	14.8	110.0	124.5	7,745.3	6,665.9
Comparable														
EBIT/Revenues	18.4	18.4	17.0	13.3	15.8	16.0	4.2	4.2	0.6	-	7.3	9.2	15.8	15.0
EBITDA/Revenues	28.4	27.4	24.5	21.2	20.1	20.1	5.8	5.8	1.8	1.4	11.0	13.4	23.8	22.7
Total														
EBIT/Revenues	16.4	16.5	17.0	13.3	14.3	14.9	3.9	3.9	0.6	-	7.3	9.2	15.8	15.0
EBITDA/Revenues	26.4	25.4	24.5	21.2	18.6	19.0	5.5	5.5	1.8	1.4	11.0	13.4	23.8	22.7
Capital Expenditures (1)	1,871.1	1,704.1	598.1	616.4	100.5	142.0	264.7	208.6	30.4	17.5	21.7	57.9	2,896.4	2,714.8

(1) Include property, plant and equipment + deferred charges

All comparisons for the first nine months ended September 30, 2000 in this report are made against the figures for the first nine months ended September 30, 1999

Income Statement
Millions of year end pesos of September 30, 2000

	1st QUARTER			2nd QUARTER			3 th QUARTER		
	2000	**1999**	**% CREC**	**2000**	**1999**	**% CREC**	**2000**	**1999**	**% CREC**
Net sales	9,644	8,755	10.2	11,492	10,436	10.1	11,400	10,091	13.0
Other operating revenues	30	7	328.6	20	36	(44.4)	25	18	38.9
Total revenues	9,674	8,762	10.4	11,512	10,472	9.9	11,425	10,109	13.0
Cost of sales	4,997	4,747	5.3	5,656	5,388	5.0	5,721	5,129	11.5
Gross profit	4,677	4,015	16.5	5,856	5,084	15.2	5,704	4,980	14.5
Administrative expenses	947	833	13.7	933	795	17.4	1,001	851	17.6
Selling expenses	2,573	2,244	14.7	2,791	2,487	12.2	2,858	2,512	13.8
Operating expenses	3,520	3,077	14.4	3,724	3,282	13.5	3,859	3,363	14.7
	1,157	938	23.3	2,132	1,802	18.3	1,845	1,617	14.1
Participation in affiliated companies	(11)	(6)	83.3	21	8	162.5	12	28	(57.1)
Income from operations	1,146	932	23.0	2,153	1,810	19.0	1,857	1,645	12.9
Interest expense	252	280	(10.0)	266	264	0.8	234	210	11.4
Interest income	92	135	(31.9)	102	135	(24.4)	94	104	(9.6)
Interest expense, net	160	145	10.3	164	129	27.1	140	106	32.1
Foreign exchange loss (gain)	(9)	(287)	(96.9)	501	(17)	3,047.1	141	5	(2,720.0)
Gain on monetary position	90	212	(57.5)	(6)	33	(118.2)	75	64	17.2
Integral result of financing	61	(354)	(117.2)	671	79	749.4	206	47	338.3
Other expenses	21	(11)		22	39	(43.6)	23	33	(30.3)
Income before taxes	1,064	1,297	(18.0)	1,460	1,692	(13.7)	1,628	1,565	4.0
Taxes	482	413	16.7	597	639	(6.6)	791	454	74.2
Net Income	582	884	(34.2)	863	1,053	(18.0)	837	1,111	(24.7)
Majority net income	394	721	(45.4)	589	769	(23.4)	575	824	(30.2)
Minority net income	188	163	15.3	274	284	(3.5)	262	287	(8.7)

% TOTAL REVENUES

	1st QUARTER			2nd QUARTER			3 th QUARTER		
	2000	**1999**	**Var p.p.**	**2000**	**1999**	**Var p.p.**	**2000**	**1999**	**Var p.p.**
Net sales	99.7	99.9	(0.2)	99.8	99.7	0.1	99.8	99.8	0.0
Other operating revenues	0.3	0.1	0.2	0.2	0.3	(0.1)	0.2	0.2	0.0
Total revenues	100.0	100.0	0.0	100.0	100.0	0.0	100.0	100.0	0.0
Cost of sales (1)	51.8	54.2	(2.4)	49.2	51.6	(2.4)	50.2	50.8	(0.6)
Gross profit (1)	48.5	45.9	2.6	51.0	48.7	2.3	50.0	49.4	0.6
Administrative expenses	9.8	9.5	0.3	8.1	7.6	0.5	8.8	8.4	0.4
Sales expenses	26.6	25.6	1.0	24.2	23.7	0.5	25.0	24.8	0.2
Operating expenses	36.4	35.1	1.3	32.3	31.3	1.0	33.8	33.3	0.5
	12.0	10.7	1.3	18.5	17.2	1.3	16.1	16.0	0.1
Participation in affiliated companies	(0.1)	(0.1)	0.0	0.2	0.1	0.1	0.1	0.3	(0.2)
Income from operations	11.9	10.6	1.3	18.7	17.3	1.4	16.2	16.3	(0.1)

(1) % to Net sales

All comparisons for the first nine months ended September 30, 2000 in this report are made against the figures for the first nine months ended September 30, 1999

FEMSA

Income Statement

Millions of year end pesos of September 30, 2000

	MARCH			JUNE			SEPTEMBER		
	2000	**1999**	**% VAR**	**2000**	**1999**	**% VAR**	**2000**	**1999**	**% VAR**
Net sales	9,644	8,755	10.2	21,136	19,191	10.1	32,536	29,282	11.1
Other operating revenues	30	7	328.6	50	43	16.3	75	61	23.0
Total revenues	9,674	8,762	10.4	21,186	19,234	10.1	32,611	29,343	11.1
Cost of sales	4,997	4,747	5.3	10,653	10,135	5.1	16,374	15,264	7.3
Gross profit	4,677	4,015	16.5	10,533	9,099	15.8	16,237	14,079	15.3
Administrative expenses	947	833	13.7	1,880	1,628	15.5	2,881	2,479	16.2
Selling expenses	2,573	2,244	14.7	5,364	4,731	13.4	8,222	7,243	13.5
Operating expenses	3,520	3,077	14.4	7,244	6,359	13.9	11,103	9,722	14.2
	1,157	938	23.3	3,289	2,740	20.0	5,134	4,357	17.8
Participation in affiliated companies	(11)	(6)	83.3	10	2	400.0	22	30	(26.7)
Income from operations	1,146	932	23.0	3,299	2,742	20.3	5,156	4,387	17.5
Interest expense	252	280	(10.0)	518	544	(4.8)	752	754	(0.3)
Interest income	92	135	(31.9)	194	270	(28.1)	288	374	(23.0)
Interest expense, net	160	145	10.3	324	274	18.2	464	380	22.1
Foreign exchange loss (gain)	(9)	(287)	(96.9)	492	(304)	(261.8)	633	(299)	(311.7)
Gain on monetary position	90	212	(57.5)	84	245	(65.7)	159	309	(48.5)
Integral result of financing	61	(354)	(117.2)	732	(275)	366.2	938	(228)	511.4
Other expenses	21	(11)	(290.9)	43	28	53.6	66	61	8.2
Income before taxes	1,064	1,297	(18.0)	2,524	2,989	(15.6)	4,152	4,554	(8.8)
Taxes	482	413	16.7	1,079	1,052	2.6	1,870	1,506	24.2
Net Income	582	884	(34.2)	1,445	1,937	(25.4)	2,282	3,048	(25.1)
Majority net income	394	721	(45.4)	983	1,490	(34.0)	1,558	2,314	(32.7)
Minority net income	188	163	15.3	462	447	3.4	724	734	(1.4)

% TOTAL REVENUES

	MARCH			JUNE			SEPTEMBER		
	2000	**1999**	**Var p.p.**	**2000**	**1999**	**Var p.p.**	**2000**	**1999**	**Var p.p.**
Net sales	99.7	99.9	(0.2)	99.8	99.8	0.0	99.8	99.8	0.0
Other operating revenues	0.3	0.1	0.2	0.2	0.2	0.0	0.2	0.2	0.0
Total revenues	100.0	100.0	0.0	100.0	100.0	0.0	100.0	100.0	0.0
Cost of sales (1)	51.8	54.2	(2.4)	50.4	52.8	(2.4)	50.3	52.1	(1.8)
Gross profit (1)	48.5	45.9	2.6	49.8	47.4	2.4	49.9	48.1	1.8
Administrative expenses	9.8	9.5	0.3	8.9	8.5	0.4	8.8	8.4	0.4
Sales expenses	26.6	25.6	1.0	25.3	24.6	0.7	25.2	24.7	0.5
Operating expenses	36.4	35.1	1.3	34.2	33.1	1.1	34.0	33.1	0.9
	12.0	10.7	1.3	15.5	14.2	1.3	15.7	14.8	0.9
Participation in affiliated companies	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Income from operations	11.9	10.6	1.3	15.5	14.2	1.3	15.8	14.9	0.9

(1) % to Net sales

All comparisons for the first nine months ended September 30, 2000 in this report are made against the figures for the first nine months ended September 30, 1999