

## FEMSA Announces Fourth Quarter and Full Year 2016 Results

**Monterrey, Mexico, February 27, 2017** — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the fourth quarter and full year 2016.

### Fourth Quarter 2016 Highlights:

- **FEMSA consolidated total revenues increased 22.8% and income from operations grew 9.8%** compared to the fourth quarter of 2015, reflecting solid growth across all operations. On an organic basis,<sup>1</sup> total revenues increased 20.1% and income from operations grew 5.9%.
- **FEMSA Comercio – Retail Division achieved growth in total revenues of 17.3% and income from operations of 10.2%** compared to the fourth quarter of 2015, reflecting the opening of 530 net new stores and an 8.6% increase in OXXO’s same-store sales.
- **FEMSA Comercio – Health Division total revenues grew 32.1% and income from operations increased 19.8%** compared to the fourth quarter of 2015, reflecting growth in the store base and a 22.5% increase in same-store sales, as well as positive foreign exchange translation effects from our South American operations.
- **FEMSA Comercio – Fuel Division total revenues increased 31.6% and income from operations increased 89.7%** compared to the fourth quarter of 2015, reflecting growth in the number of stations and a 12.2% increase in same-station sales.
- **Coca-Cola FEMSA total revenues increased 21.6% and income from operations grew 7.8%** compared to the fourth quarter of 2015, reflecting the positive translation effect resulting from the appreciation of the Brazilian real and the Colombian peso, and despite the depreciation of the Venezuelan bolivar and the Argentine peso; all as compared to the Mexican peso. On a currency-neutral basis, excluding Venezuela and the non-comparable effect of the integration of Vonpar in the Brazilian operation, total revenues grew 3.7% and income from operations decreased 8.3%.

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<sup>1</sup> Excludes non-comparable results and significant acquisitions in the last twelve months.

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## 2016 Full Year Highlights:

- **FEMSA consolidated total revenues increased 28.2% and income from operations grew 10.9%** compared to 2015, mainly driven by the integration of Socofar in FEMSA Comercio's Health Division and by solid growth across all operations. On an organic basis,<sup>1</sup> total revenues increased 16.6% and income from operations grew 6.3%.
- **FEMSA Comercio – Retail Division total revenues and income from operations increased 14.4% and 11.6%**, each as compared to 2015, reflecting new store openings and a 7.0% increase in OXXO's same-store sales.
- **FEMSA Comercio – Health Division total revenues and income from operations amounted to Ps. 43,411 million and Ps. 1,572 million respectively**, driven by the integration of Socofar and 220 net new store openings across territories. Same-store sales for the Division rose 22.4%. On an organic basis,<sup>1</sup> total revenues increased 24.0% and income from operations grew 5.8%.
- **FEMSA Comercio – Fuel Division total revenues increased 54.6% and income from operations grew 22.2%** compared to 2015, reflecting growth in the number of stations and a 7.6% increase in same-station sales.
- **Coca-Cola FEMSA's total revenues and income from operations increased 16.6% and 5.6%** compared to 2015. On a currency-neutral basis, excluding Venezuela and the non-comparable effect of the integration of Vonpar in our Brazilian operation, total revenues and income from operations grew 6.6% and 4.0%, respectively.
- **Ordinary dividend of Ps. 8,636 million** proposed by FEMSA's Board of Directors, to be paid in 2017 subject to approval at the annual shareholders meeting to be held on March 16, 2017.

Carlos Salazar Lomelín, FEMSA's CEO, commented: "During the fourth quarter, FEMSA Comercio again delivered robust growth across divisions, increasing revenues by 22 percent versus the comparable period of last year. At the Retail Division, same-store sales at OXXO accelerated relative to the third quarter and increased 8.6 percent, on top of a similar growth rate last year. At the Health Division revenue growth was also strong, as a solid performance in our South American operations provided cover for the intense integration and infrastructure work we are carrying out in Mexico. In addition, the Fuel Division again saw double-digit growth in same-station sales, as well as healthy price-driven improvements in profitability.

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<sup>1</sup> Excludes non-comparable results and significant acquisitions in the last twelve months.

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At Coca-Cola FEMSA, during the fourth quarter we saw a continuation of the trends from the third quarter, with Mexico still benefiting from a healthy consumer that supported moderate volume and transactions growth with robust pricing. However, most of our markets in South America continued to face adverse consumer and macroeconomic environments, and we saw raw material cost pressures across territories, particularly with regards to sugar. However, we did benefit from the positive currency translation effects from many of these markets relative to the Mexican peso.

Looking ahead to 2017, we still see a resilient consumer environment in our key Mexico market, but there is more uncertainty than usual largely driven by external dynamics, including the expectation for higher inflation, and we must exercise caution as we continue to execute our growth strategy. We are encouraged by the strength of our business platform, by the skill and experience of our team, and by the reliably defensive nature of our business. Beyond Mexico, we are optimistic that as the year progresses, market dynamics should improve in several of our markets, particularly Brazil. So, it should be an interesting year. As always, we look forward to the challenge.”

To obtain the full text of this earnings release, please visit our Investor Relations website at

[www.femsa.com/investor](http://www.femsa.com/investor) under the Financial Reports section

#### **FORWARD-LOOKING STATEMENTS**

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

FEMSA is a leading company that participates in the beverage industry through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world by volume; and in the beer industry, through its ownership of the second largest equity stake in Heineken, one of the world's leading brewers with operations in over 70 countries. In the retail industry it participates through FEMSA Comercio, comprising a Retail Division operating various small-format store chains including OXXO, a Fuel Division, operating the OXXO GAS chain of retail service stations, and a Health Division, which includes drugstores and related operations. Additionally, through its Strategic Businesses unit, it provides logistics, point-of-sale refrigeration solutions and plastics solutions to FEMSA's business units and third-party clients.