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FOR FURTHER INFORMATION:

Laura E. Solano/María Elena Gutiérrez
Investor Relations

FEMSA

011-528-328-6150/011-528-328-6245

e-mail: lsolmar@femsa.com.mx

megutsan@femsa.com.mx

FEMSA ANNOUNCES THIRD QUARTER AND FIRST NINE MONTHS 1997 RESULTS

IIIQ 1997 HIGHLIGHTS

FEMSA Consolidated:	Total sales grew 14%; operating profit increased 104%, and net income increased 62%. EPS reached Ps. 1.24 or US\$ 0.16.
FEMSA Cerveza:	Domestic volume grew 9.1%; operating profit increased 134.7%; operating margin reached 18.2%, 9.5 percentage points over IIIQ96.
Coca-Cola FEMSA:	Total sales grew 13.6%; operating profit increased 105.2%; operating margin increased 6.0 percentage points, to reach 13.4%.
FEMSA Empaques:	Total sales increased 12.7% and operating margin reached 17.0%
OXXO:	Total sales grew 15.3% and same store sales increased 5.6%

Monterrey, Mexico (October 28, 1997) - Fomento Económico Mexicano, S.A. de C.V. (FEMSA) (FEMSYP:PORTAL), México's largest fully integrated beverage company, today announced its results for the third quarter and first nine months ended September 30, 1997.

FEMSA and Subsidiaries - Consolidated Results **(For the third quarter ended September 30, 1997)**

Consolidated sales from FEMSA and Subsidiaries during the third quarter of 1997 were Ps. 6.037 billion, 14% higher in real terms compared with the same period in 1996, as a result of the increase in real sales in its four subsidiaries: FEMSA Cerveza, 11.7%; Coca-Cola FEMSA, 13.6%; FEMSA Empaques, 12.7% and OXXO, 15.3%.

Cost of sales represented 54.3% of total sales, 5.1 percentage points lower than the comparable period last year due to the continued stability, and in some cases, the decrease in the prices of its main raw materials (grains and packaging materials). Gross profit increased 29% in real terms over the same period of 1996 to Ps. 2.760 billion, representing 45.7% of sales.

Operating expenses increased 8% in real terms to Ps. 1.815 billion or 30.1% of sales, 1.9 percentage points lower than in 1996. Income from operations reached Ps. 957 million, 104% higher in real terms than in the same quarter of 1996.

Operating margin for the third quarter in 1997 was 15.9%, a significant increase of 7.0 percentage points over the same period a year ago.

The integral cost of financing continued to be impacted by a decrease in the inflation rate (3.0% for the third quarter of 1997, versus 4.55% for the third quarter of 1996), by a revaluation of the peso of 2.0% for the third quarter of 1997, and by lower interest income as a result of declining interest rates. The integral cost of financing was negative (gain) Ps 128 million compared with a negative (gain) of Ps 97 million during the second quarter of 1996. Considering other expenses of Ps. 40 million, earnings before taxes were Ps. 1,045 million, 80% higher in real terms over 1996. Taxes for the period amounted to Ps. 186 million, resulting in a tax rate of 17.8% (taxes over income before taxes) for the period.

Consolidated net income for the third quarter of 1997 totaled Ps. 859 million, 62% higher in real terms over the same period last year. Majority net income for the third quarter of 1997 was Ps. 670 million or Ps. 1.24 per share.

OPERATIONAL HIGHLIGHTS

(For the third quarter-ended September 30, 1997)

NOTE: To facilitate comparisons, from 1997 and thereafter, the Income Statements corresponding to FEMSA Cerveza, FEMSA Empaques and FEMSA Comercio (OXXO), will be presented displaying Management Fees charged by FEMSA (and by Labatt in the case of FEMSA Cerveza). Such Management Fees were implemented and/or modified during 1996 and early 1997. During 1996, these companies' results were presented excluding such fees, in order to make them comparable with 1995 results. Such Management Fees are not charged to Coca-Cola FEMSA.

FEMSA Cerveza

Beer volumes for the third quarter and first nine months of 1997 were as follows:

(Thousands of hectoliters)

Domestic	3rd Quarter			Nine Months		
	1997	1996	% Var.	1997	1996	% Var.
Returnable	4,384	4,035	8.6	12,493	12,010	4.0
Non-returnable	180	186	(3.2)	554	614	(9.8)
Cans	826	719	14.9	2,491	2,268	9.8
Total Domestic	5,390	4,940	9.1	15,538	14,892	4.3
Exports	327	257	27.2	947	780	21.4
US\$MM.	22	17	29.4	63	53	18.9
Total Volume	5,717	5,197	10.0	16,485	15,672	5.2

Domestic volumes increased 9.1% over the same quarter last year, and as a reference to pre-devaluation volumes, 11.0% above the third quarter of 1994. This represents the first double digit growth over 1994 volumes in any quarter since 1995, signaling an important surge in the domestic beer industry due to the continued recovery of the economy and an increase in employment.

FEMSA Cerveza continues to work on its brand management and portfolio strategy for the domestic market, focusing on improving and increasing brand preference in those regions where we have been historically weak. Sol continues to be the highest growth brand in the Mexican beer industry increasing 77.6% in the quarter, representing 12.8% of the domestic portfolio.

Higher priced can presentations grew 14.9% during the quarter, the largest quarter vs. quarter growth such presentation has accomplished since 1994.

Export volume for the third quarter of 1997 increased 27.2%, mainly as a result of the restructuring of our international operations implemented during 1996, as well as of the increased focus on those countries we have selected as our core markets. Export volume growth for our main brands was: Tecate, 25.7%; Dos Equis amber, 17.1%; Sol, 31.0% and XX Lager, 22.7%. Exports to the North American market (the United States and Canada) increased 32.6%, representing 76.5% of our global export volume.

Operating results for the third quarter and first nine months of 1997 were as follows:

FEMSA Cerveza

(Millions of constant pesos as of September 30, 1997)

	3rd Quarter			Nine Months		
	1997	1996	% Var.	1997	1996	% Var.
Total Sales	2,578.7	2,308.8	11.7	7,315.6	6,998.3	4.5
Cost of Sales	1,297.9	1,396.4	(7.1)	3,915.5	4,244.3	(7.7)
Gross Margin	1,280.8	912.4	40.4	3,400.1	2,754.0	23.5
Operating expenses	804.0	704.0	14.2	2,265.7	2,161.6	4.8
EBIT before LUSA	476.8	208.4	128.8	1,134.4	592.4	91.5
Part. in Labatt USA	12.3	11.0	11.8	32.3	34.0	(5.0)
EBIT	489.1	219.4	122.9	1,166.7	626.4	86.3
Management Fees	20.5	19.7	4.1	60.4	58.7	2.9
EBIT after Mgmt. Fees	468.6	199.7	134.7	1,106.3	567.7	94.9
Depreciation	119.9	131.1	(8.5)	374.1	426.2	(12.2)
Other non-cash charges	78.7	39.6	98.7	212.4	144.3	47.2
EBITDA	667.2	370.4	80.1	1,692.8	1,138.2	48.7
As a % of sales						
	1997	1996	p.p	1997	1996	p.p
EBIT	19.0	9.6	9.4	15.9	8.9	7.0
EBIT after Mgmt. Fees	18.2	8.7	9.5	15.1	8.1	7.0
EBITDA	25.9	16.1	9.8	23.1	16.3	6.8

FEMSA Cerveza's total sales grew 11.7% for the third quarter of 1997 due to higher volumes, a recovery of the price in real terms and the growth in the can presentation, priced on average 54% above the 12 oz. returnable presentation.

Cost of sales decreased 7.1% during the quarter as a result the following factors:

- The international prices of malt and barley have declined to normal levels from abnormal highs experienced during 1996, influencing the domestic price of crops, whose price is based on the international price.
- Packaging material costs have declined importantly in real terms due to the strength of the peso as well as synergies achieved between FEMSA Empaques and FEMSA Cerveza from sharing the benefits of lower priced aluminum inventories. It is important to mention that only approximately 18% of the total Cost of Goods Sold is exposed to the Ps./US\$ exchange rate, directly in the case of imported malt and hops, and indirectly in the case of beverage cans and crown caps.
- A much higher absorption of fixed costs and economies of scale realized from higher absolute volumes relative to 1994, in a system that has expanded capacity marginally at a very low cost per hectoliter.
- Reductions in the conversion/production costs of the system achieved from increased productivity (output per man) in every plant, implementation of aggressive programs to

reduce the level of product waste, the ability to continue increasing capacity with marginal investment, and efficiencies obtained from technological improvements.

Operating expenses increased 14.2% for the quarter. However, as a percentage of sales, they have remained relatively stable increasing only by 0.8 percentage points. This is the result of higher expenditure in media advertisement and event sponsorship, as well as seasonality effects on media expenses. A new image campaign for Tecate and the can presentation of Sol were launched during the quarter, as a result of the continued efforts to position our brand portfolio according to the tastes and preferences of the different beer consumers. For the first nine months of the year, operating expenses have increased in line with revenue growth.

Commercial cost and market expenses have remained constant as a percentage of sales. This important achievement confirms the fact that volumes are growing without additional investment in the market, which has allowed for a reallocation of resources away from push-side strategies into pull-side strategies.

During the third quarter operating profit increased 134.7% and operating margin expanded 9.5 percentage points to 18.2%.

Capital expenditures during the third quarter of 1997 were US\$ 36.7 million. The most important investment projects are the capacity expansion of the Toluca plant, technological innovations to increase brewing and bottling capacity in the Monterrey plant, and replacement of equipment and distribution vehicles. The new brew house in the Toluca Plant is already operating at 5.4 million of hectoliters per year from a previous capacity of 4.5 million of hectoliters per year.

Coca-Cola FEMSA

Soft drink volumes for the third quarter and nine months of 1997 were as follows:

Sales Volumes (Millions of Unit Cases)

	3rd Quarter			Nine Months		
	1997	1996	%	1997	1996	%
Valley of México	67.8	54.2	25.1	186.7	156.2	19.5
Southeast	19.3	17.3	11.6	54.8	48.7	12.5
Buenos Aires	24.7	22.9	7.8	73.1	71.9	1.7
Total	111.8	94.4	18.4	314.6	276.8	13.7

Presentations Mix (Returnable/Non-Returnable Volume)

	3rd Quarter		Nine Months	
	1997	1996	1997	1996
Valley of México	56/44	62/38	57/43	62/38
Southeast	68/32	84/16	71/29	86/14
Buenos Aires	29/71	43/57	34/66	47/53
Total	52/48	62/38	54/46	62/38

Product Mix (Colas/Flavors Volume)

	3rd Quarter		Nine Months	
	1997	1996	1997	1996
Valley of México	78/22	81/19	79/21	81/19
Southeast	74/26	74/26	74/26	75/25
Buenos Aires	78/22	77/23	76/24	74/26
Total	77/23	79/21	77/23	78/22

Consolidated operating results were as follows:

Coca-Cola FEMSA and Subsidiaries
(Millions of constant pesos as of September 30, 1997)

	3rd Quarter			Nine Months		
	1997	1996	% Var.	1997	1996	% Var.
Total Sales	2,236.5	1,968.3	13.6	6,483.0	5,835.8	11.1
Cost of Sales	1,224.4	1,122.4	9.1	3,562.7	3,391.9	5.0
Gross Margin	1,012.1	845.9	19.6	2,920.7	2,443.9	19.5
Operating expenses	695.7	681.7	2.1	2,095.1	2,009.6	4.3
EBIT before Goodwill	316.4	164.2	92.7	825.6	434.3	90.1
Goodwill	17.7	18.6	(4.8)	53.2	52.9	0.6
EBIT	298.7	145.6	105.2	772.4	381.4	102.5
Depreciation	63.8	60.2	6.0	199.0	177.9	11.9
Other non-cash charges	111.5	104.7	6.5	316.9	282.6	12.1
EBITDA	474.0	310.5	52.7	1,288.2	841.9	53.0
As a % of sales:						
	1997	1996	p.p.	1997	1996	p.p.
EBIT	13.4	7.4	6.0	11.9	6.5	5.4
EBITDA	21.2	15.8	5.4	19.9	14.4	5.5

Mexico

KOF's Mexican territories (the Valley of Mexico and the Southeast Territory) third quarter unit case volume grew 21.8% following a 10.9% increase in the third quarter of 1996. Sales volume totaled 87.1 million unit cases; 67.8 million for the Valley of Mexico (an increase of 25.1%) and 19.3 million unit cases in the Southeast Territory (an increase of 11.6%). The strong sales volume growth was driven by the Company's continued success in increasing its market share and developing new distribution channels. These successes are attributed to increased cooler placement and the use of hand-held computers to better understand and service the company's customers needs.

There were no price increases during the third quarter, resulting in a 1.7% decrease in real terms over third quarter 1996. Net sales in the Mexican territories nevertheless rose 19.7% to Ps.1,527.7 million as a result of the increase in sales volume.

Gross profit for the quarter was Ps.735.0 million, 28.0% greater than the comparable figure for 1996. Gross margin increasing from 45.0% to 48.1%. This growth is mainly attributable to greater economies of scale achieved with the increase in sales volume and to a real decrease in prices of certain packaging and materials.

Operating income reached Ps.274.9 million during the quarter, representing an increase of 80.7% and an operating margin of 18.0%, a 6.1 percentage point increase over the third quarter 1996.

EBITDA (operating income plus depreciation, amortization and other non-cash items, including returnable bottle breakage expenses) reached Ps.351.3 million, 40.6% over the comparable figure for 1996.

Argentina

Sales volume of Coca-Cola FEMSA de Buenos Aires S.A. ("KOFBA") increased 7.9% during the third quarter of 1997 to 24.7 million units.

Net sales increased 0.6% in the third quarter of 1997 to A\$88.7 million while growth in other operating revenues causes total revenues to increase by 2% over the comparable period in 1996. The strong gains in other operating revenues were driven by revenues associated with the additional volume of 0.7 million unit cases produced for and sold to surrounding Coca-Cola bottlers.

Gross margin remained at the same level as the comparable figure of 1996, reaching 40.1% as a percentage of net sales. KOFBA's operating income totaled A\$4.6 million for the third quarter of 1997, which favorably compares to A\$0.8 million recorded for the third quarter of 1996. The driving force behind the company's margin improvements was increased efficiency in operations. Contributing to the Company's margin performance was an approximate 13% decrease in personnel cost that resulted from the closing of one distribution center, an improved pre-sell/conventional sales mix, and efficiencies due to automation of several administrative areas.

EBITDA increased from A\$7.8 million to A\$15.8 million in the third quarter of 1997.

Purchase of Remaining 25% of KOFBA

On September 19, 1997, the Company purchased the remaining 25% of Coca-Cola FEMSA de Buenos Aires, S.A., the largest Coca-Cola bottler in Argentina, from The Coca-Cola Export Corporation, a subsidiary of The Coca-Cola Company. With the completion of the purchase of the remaining 25% equity stake, KOF owns 100% of the outstanding shares of KOFBA.

In accordance with the terms of its stock option agreement with the Coca-Cola Export Corporation, KOF paid US\$ 98.46 million for the remaining 25% equity stake. The purchase was financed through US\$ 75 million in short-term bank debt and internal cash resources of US\$ 23.46 million. The acquisition of KOFBA resulted in the generation of A\$44 million of goodwill, which is amortized over 20 years.

Consolidated Results

Improvements in operations in both KOF Mexico and KOFBA during the third quarter of 1997 resulted in an 105.2% increase in consolidated operating income, which reached Ps.298.7 million (including Ps. 17.7 million goodwill amortization deductions attributable to KOFBA).

Consolidated operating margin reached 13.5%, a 6.1 percentage point increase over figures for the same quarter of 1996. Consolidated EBITDA grew 52.7% to Ps.474.0 million in the third quarter of 1997.

Integral cost of financing for the third quarter of 1997 was Ps.29.0 million, which compares unfavorably to Ps.13.6 million reported for the third quarter of 1996. The increase is largely due to the Company's decrease in monetary position resulting from a significantly lower inflationary rate in third quarter 1997 versus third quarter 1996.

KOF also experienced other expenses of Ps.19.6 million. Extraordinary expenses were attributable to indemnity payments associated with personnel reductions in Buenos Aires and to write-offs of unutilized assets. The Company estimates annual savings A\$5 million to A\$6 million as a result of the reductions in Buenos Aires.

Consolidated net income was Ps.174.5 million during the third quarter of 1997, an increase of 54.6% over the comparable period of 1996.

Majority net income and majority net income per share reached Ps.170.6 million and Ps.0.36 (US\$0.46 per ADR), respectively, an increase of 53.8% compared to third quarter 1996.

Other Matters

The Company intends to implement a share repurchase program pursuant to which periodic repurchases in the open market of the Company's outstanding Series L Shares and American Depositary Shares ("ADSs") may be effected. As of September 30, 1997, the Company had 92,250,000 shares outstanding and held by the public in the form of Series L Shares and ADSs.

At the Stockholders' meeting in April 1995, the Company was authorized to set up a reserve of Ps 159.1 million (approximately US\$ 20 million) for future buybacks of the Company's shares.

FEMSA Empaques

Volumes for the third quarter and nine months of 1997 were as follows:

<i>Millions of pieces</i>	3rd Quarter			Nine Months		
	1997	1996	% Var.	1997	1996	% Var.
Domestic						
Cans	675	495	36.4	1,855	1,480	25.3
Crown caps	2,617	2,613	0.2	7,525	7,952	(5.4)
Glass bottles	236	140	68.6	701	453	54.7
Cardboard box. (Th. m ²)	22,345	17,040	31.1	64,198	48,131	33.4
Refrigerators (Th.)	25	19	29.5	84	53	58.5
Labels	821	806	1.9	2,452	2,580	(5.0)
Exports						
Cans	86	17	405.9	160	61	162.3
Crown caps	613	523	17.2	1,755	1,537	14.2
Can lids	136	26	423.1	395	180	119.4
Export rev. (US\$MM)	14.8	9.5	55.8	38.0	27.4	38.7

Volumes for the third quarter increased in every product line as a consequence of the recovery of the beverage industry in general. Beverage can volumes increased 36.4% as a result of increased demand for beer and soft drinks in can presentations and higher third party sales. Crown cap volumes remained stable, with export growth compensating for the decline in the domestic industry. Glass bottles and cardboard continue to grow reflecting the increase in installed capacity for both products. Commercial refrigerators volumes increased 29.5% as a consequence of the soft-drink bottlers strategies in order to increase the availability of cold products at the point of sale.

Percentage of sales revenue by client category:

	3rd Quarter			Nine Months		
	1997	1996	Var. p.p.	1997	1996	Var. p.p.
Inter-company sales	72.2	70.4	(1.9)	61.9	61.9	-
FEMSA Cerveza	48.4	56.3	(7.9)	42.3	49.6	(7.3)
Coca-Cola FEMSA	23.8	14.0	9.8	19.6	12.3	7.3
Third-party sales	27.8	29.6	(1.9)	38.1	38.1	-
Third party domestic	18.6	23.4	(4.8)	30.6	32.2	(1.6)
Third party export	9.2	6.2	3.0	7.5	5.9	1.6

Operating results were as follows:

FEMSA Empaques
(Millions of constant pesos as of September 30, 1997)

	3rd Quarter			Nine Months		
	1997	1996	% Var.	1997	1996	% Var.
Total Sales	1,112.0	986.8	12.7	3,287.5	3,057.7	7.5
Cost of Sales	832.2	751.2	10.8	2,448.2	2,367.7	3.4
Gross Margin	279.8	235.6	18.8	839.3	690.0	21.6
Operating expenses	80.5	74.1	8.6	245.6	194.3	26.4
EBIT	199.3	161.5	23.4	593.7	495.7	19.8
Management Fees	10.7	7.3	45.3	32.9	18.3	79.2
EBIT after Mgmt. Fees	188.6	154.2	22.4	560.8	477.4	17.5
Depreciation	43.5	38.5	13.0	127.7	120.0	6.4
Other non-cash charges	2.6	2.3	13.0	6.5	5.3	22.6
EBITDA	234.7	195.0	20.4	695.0	602.7	15.3

As a % of sales

	1997	1996	p.p.	1997	1996	p.p.
EBIT	17.9	16.4	1.5	18.0	16.2	1.8
EBIT after Mgmt. Fees	17.0	15.6	1.4	17.1	15.6	1.5
EBITDA	21.1	19.8	1.3	21.1	19.7	1.4

FEMSA Empaques' total sales for the quarter increased 12.7% as a result of higher volumes in all product lines and higher prices in glass bottles and cardboard. The prices of all other products have remained constant with the exception of the price of beverage cans, which has dropped approximately 5% in dollar terms.

Cost of sales was Ps. 832.2 million or 74.8% of sales, a decrease of 1.3 percentage points over the same period of 1996, as a result to the continued stability and/or decrease in the prices of some of FEMSA Empaques' main raw materials, most of which were transferred to clients in the form of lower prices; a devaluation rate below inflation; very favorable raw materials price negotiations, and continued increases in productivity.

Operating expenses increased 8.6%, representing 7.2% of sales as a result of a growing sales structure to support increasing sales to third parties, including exports. However, as a percentage of sales, they decreased 0.3 percentage points from the same quarter in 1996.

Income from operations increased 22.4% in real terms and operating margin reached 17.0%, 1.4 percentage points above the comparable quarter last year.

Capital expenditures for the third quarter of 1997 amounted to US\$14.6 million, directed to the following projects: increases in the speed of the can manufacturing lines, the change in the size of the can lid, increase in cardboard conversion capacity, maintenance and repair of a glass furnace, dual glass engraving line, and other investments.

FEMSA Comercio (OXXO)

Operating highlights were as follows:

	3rd Quarter			Nine Months		
	1997	1996	Var.	1997	1996	Var.
Total stores	855	795	60	855	795	60
New stores	19	19	-	55	44	11
Closed stores	6	4	2	23	36	(13)
Average sales:						
Total (Thds. Ps)	274.3	253.6	8.1%	255.1	245.2	4.0%
Same store sales(Thds. Ps.)	278.9	264.1	5.6%	259.1	253.6	2.2%
Average ticket per customer (Ps.)	12.4	12.6	(1.6)%	12.6	12.8	(1.6)%
Average monthly traffic (Thds.)	22.1	20.2	9.4%	20.3	19.1	6.3%

Operating results were as follows:

FEMSA Comercio, S.A. de C.V. and Subsidiaries (Millions of constant pesos as of September 30, 1997)

	3rd Quarter			Nine Months		
	1997	1996	% Var.	1997	1996	% Var.
Total Sales	770.9	668.8	15.3	2,107.7	1,894.1	11.3
Cost of Sales	583.9	496.9	17.5	1,580.8	1,405.6	12.5
Gross Margin	187.0	171.9	8.8	526.9	488.5	7.9
Operating expenses	167.5	154.6	8.3	477.0	442.9	7.7
EBIT	19.5	17.3	12.7	49.9	45.6	9.4
Management Fees	2.3	2.0	17.2	6.3	5.7	11.3
EBIT after Mgmt. Fees	17.2	15.3	12.1	43.6	39.9	9.2
Depreciation	5.9	5.9	0.0	18.4	17.5	5.1
Other non-cash charges	6.3	6.0	5.0	18.3	17.1	7.0
EBITDA	29.4	27.2	7.9	80.3	74.5	7.7

As a % of sales

	1997	1996	p.p.	1997	1996	p.p.
EBIT	2.5	2.6	(0.1)	2.4	2.4	0.0
EBIT after Mgmt. Fees	2.2	2.3	(0.1)	2.1	2.1	0.0
EBITDA	3.8	4.1	(0.3)	3.8	3.9	(0.1)

Total sales increased by 15.3% for the third quarter as a result of same store sales growth of 5.6% and the addition of 22 new stores to the chain. Operating expenses increased 8.3%, representing 21.7% of total sales for the quarter, or 1.4 percentage points less than in the third quarter of 1996. Operating margin was 2.2%, similar to the comparable period in 1996.

Capital expenditures for the third quarter of 1997 were US\$3.5 million.

AMOXO

A total of thirteen OXXO Express service centers were in operation by the end of the second quarter of 1997 and eleven more were under construction.

The acceptance by the automotive public of OXXO Express service centers continues to be overwhelming.

As AMOXO achieves a larger number of service centers in operation, FEMSA will start reporting the results of this subsidiary.

FEMSA is the largest fully integrated beverage company in Mexico, with exports to numerous countries worldwide, including the United States, Latin America and Europe. Founded in 1890, FEMSA produces and distributes, through its subsidiary FEMSA Cerveza, 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 Latin America, produces and distributes soft drinks including Coca-Cola, Coke Light, Sprite, Fanta and Quatro. FEMSA Empaques produces beverage and food cans, glass bottles, crown caps, labels, cardboard and commercial refrigerators. FEMSA Comercio operates OXXO, México's largest chain of convenience stores.

All of the figures in this report have been restated in pesos as of September 30, 1997; therefore, all the percentage increases are expressed in real terms. The restatement was determined as follows:

- 1. For the results generated by Mexico's operations, using factors derived from the Mexican National Consumer Price Index.***
- 2. For comparison purposes in the Coca-Cola FEMSA consolidated statements, 1996 figures corresponding to KOFBA were re-expressed using Argentine inflation and converted into Mexican pesos, using the September 30, 1997 exchange rate (Ps. 7.7850 per A\$).***

-3 pages of tables to follow-



BALANCE SHEET

As of September 30, of:

Millions of pesos expressed in currency with purchasing power as of September 30,
1997

ASSETS	1997	1996	LIAB. & STOCK- HOLDERS' EQUITY	1997	1996
Cash	1,971	947	Bank loans	1,125	670
Receivables	1,699	1,661	Long term maturities	278	5,029
Inventories	2,583	2,564	Interest payable	150	128
Prepaid expenses	277	282	Suppliers	1,405	1,303
Tax recoverable	15	54	Accounts payable	1,376	960
Total Current Assets	6,545	5,508	Total Current Liabilities	4,334	8,090
Investments and others	341	403	Bank loans	7,550	2,819
Property, plant and equipment, net	18,039	18,479	Labor obligations	951	752
Other assets	2,835	2,123	Other liabilities	107	206
TOTAL ASSETS	27,760	26,513	Total Liabilities	12,942	11,867
			Minority interest	4,317	4,395
			Majority interest	10,501	10,251
			Stockholders' Equity	14,818	14,646
			LIAB. & STOCK- HOLDER'S EQUITY.	27,760	26,513

FINANCIAL RATIOS	1997	1996
Liquidity	1.51	0.68
Debt service coverage (1)	5.61	3.78
Leverage	0.87	0.81
Capitalization	0.39	0.49

(1) EBITDA + Interest Income / Interest Expense



INCOME STATEMENT

For the third quarter ended September 30, of:

Millions of pesos expressed in currency with purchasing power as of September 30,
1997

	México			México + Buenos Aires		
	1997	1996	% var	1997	1996	% var
Total sales	5,341	4,587	16	6,037	5,277	14
Cost of sales	2,855	2,713	5	3,277	3,132	5
Gross margin	2,486	1,874	33	2,760	2,145	29
Operating expenses	1,549	1,400	11	1,797	1,669	8
Part. in associated companies	12	11	9	12	11	9
Income from operations before goodwill amort.	949	485	96	975	487	100
Goodwill amortization	10	12	(17)	18	19	(5)
Income from operations	939	473	99	957	468	104
Interest expenses				226	262	(14)
Interest income				77	71	8
Financial expenses, net				149	191	(22)
Foreign exchange (gain) loss				(130)	(6)	-
Gain on monetary position				147	282	(48)
Integral cost of financing				(128)	(97)	(32)
Other income (expenses), net				(40)	14	-
Income for the period before taxes				1,045	579	80
Taxes				186	50	272
Net Income for the period				859	529	62
Net Majority Interest				670	439	53
Net Minority Interest				189	90	110
EPS				1.24	0.81	53
Depreciation	213	221	(4)	236	239	(1)
Other non-cash items	139	121	15	203	157	29
Total non-cash items	352	342	3	439	396	11
EBITDA	1,291	815	58	1,396	864	62



INCOME STATEMENT

For the nine month period ended September 30, of:

Millions of pesos expressed in currency with purchasing power as of September 30,
1997

	México			México + Buenos Aires		
	1997	1996	% var	1997	1996	% var
Total sales	14,938	13,626	10	17,159	15,697	9
Cost of sales	8,148	8,041	1	9,475	9,350	1
Gross margin	6,790	5,585	22	7,684	6,347	21
Operating expenses	4,458	4,140	8	5,253	4,946	6
Part. in associated companies	32	34	(6)	32	34	(6)
Income from operations before goodwill amort.	2,364	1,479	60	2,463	1,435	72
Goodwill amortization	34	36	(5)	53	53	-
Income from operations	2,330	1,443	61	2,410	1,382	74
Interest expenses				694	758	(8)
Interest income				195	270	(28)
Financial expenses, net				499	488	2
Foreign exchange (gain) loss				(41)	(49)	(16)
Gain on monetary position				532	1,062	(50)
Integral cost of financing				(74)	(623)	88
Other income (expenses), net				(106)	20	-
Income for the period before taxes				2,378	2,025	17
Taxes				650	404	61
Net Income for the period				1,728	1,621	7
Net Majority Interest				1,326	1,411	(6)
Net Minority Interest				402	210	91
EPS				2.45	2.61	(6)
Depreciation	657	694	(5)	725	750	(3)
Other non-cash items	394	352	12	566	464	22
Total non-cash items	1,051	1,046		1,291	1,214	6
EBITDA	3,381	2,489	36	3,701	2,596	43