

FEMSA Announces Fourth Quarter and Full Year 2018 Results

Monterrey, Mexico, February 27, 2019 — 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 of 2018.

FINANCIAL HIGHLIGHTS:

- 7.5% revenue growth (6.0% on an organic¹ basis) at FEMSA Consolidated (FY, 6.8%; 6.6%)
- 300 bps gross margin expansion at FEMSA Comercio’s Proximity Division (FY, 160 bps)
- 6.1% income from operations growth at FEMSA Comercio’s Health Division (FY, 30.7%)
- 3.4% operative cash flow growth at FEMSA Comercio’s Fuel Division (FY, 53.2%)
- 2.0% revenue growth (-0.9% on an organic¹ basis) at Coca-Cola FEMSA (FY, -0.5%; -0.9%)
- Ordinary dividend of Ps. 9,692 million proposed by FEMSA’s Board of Directors, to be paid in 2019 subject to approval at the annual shareholders meeting to be held on March 22, 2019.

FINANCIAL SUMMARY FOR THE FOURTH QUARTER AND FULL YEAR 2018

Change vs. same period of last year

	Revenues		Gross Profit		Income from Operations		Same-Store Sales	
	4Q18	FY18	4Q18	FY18	4Q18	FY18	4Q18	FY18
FEMSA CONSOLIDATED	7.5%	6.8%	8.1%	8.1%	2.3%	3.3%		
FEMSA COMERCIO								
Proximity Division	11.0%	11.8%	19.4%	16.8%	11.1%	11.4%	4.5%	5.2%
Health Division	6.1%	9.1%	5.3%	11.6%	6.1%	30.7%	4.5%	5.8%
Fuel Division	24.2%	22.3%	67.0%	52.9%	(3.6%)	69.6%	6.7%	5.6%
COCA-COLA FEMSA	2.0%	(0.5%)	1.7%	0.5%	0.3%	(1.3%)		

Eduardo Padilla, FEMSA’s CEO, commented:

“The fourth quarter results were generally consistent with the performance trends set earlier in the year. FEMSA Comercio’s Proximity Division achieved double-digit growth up and down its income statement, delivering stable operating margins on the back of strong expansion at the gross level. The Health Division generated mid-single digit growth and stable operating margins, as the Mexico operations continued to improve sequentially. The Fuel Division delivered solid growth in revenues and gross margin, but we were unable to carry that strength down to the bottom line. For its part, Coca-Cola FEMSA delivered top line and volume growth in several markets, with particularly encouraging trends coming out of Brazil.

2018 was an interesting year, with our two main markets going through major electoral processes and the changes that come with new administrations. We continue to see a resilient, confident consumer in Mexico, and a resurgent one in Brazil. And we are optimistic about most of the markets where we operate, across businesses. Most of all, we are optimistic about our platform, about the progress we made in 2018, and about the opportunities we have ahead of us.”

¹ Excludes the effects of significant mergers and acquisitions in the last twelve months and the results of Coca-Cola FEMSA Venezuela in 2017. For this quarter, it includes the consolidation of Caffeno, our sole coffee supplier in Mexico, which we now control with 50% share ownership.

To obtain the full text of this earnings release, please visit our Investor Relations website at <https://femsa.gcs-web.com/> 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 Proximity Division operating OXXO, a small-format store chain, a Health Division, which includes all drugstores and related operations, and a Fuel Division, which operates the OXXO GAS chain of retail service stations. 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.