



FEMSA Reports Results for Second Quarter And First Half Of 2003

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MONTERREY, Mexico, Jul 28, 2003 (BUSINESS WIRE) -- Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE: FMX) (BMV: FEMSA UBD; FEMSA UB), the Leader in Latin Beverages, reported today its operational and financial results for the second quarter ended June 30, 2003.

- Consolidated total revenues reached Ps. 19.189 billion and consolidated operating income reached Ps. 3.328 billion during the second quarter.
- Coca-Cola FEMSA closed its acquisition of Panamco and successfully issued Ps. 10 billion of Peso-denominated long-term debt in two landmark offerings of Certificados Bursatiles, in effect improving its debt profile in terms of cost, tenor and currency denomination.
- FEMSA Cerveza's quarterly domestic beer sales volume increased by 6.2% year over year, with Sol continuing to grow at double-digit pace - more than any other brand in our portfolio.
- Oxxo continued its rapid expansion rate. 122 net new stores helped to boost quarterly net sales 28.7% over last year's second quarter, and operating margin expanded by 30 basis points, reaching 5.1% of net sales.

Jose Antonio Fernandez, Chairman and CEO of FEMSA, commented, "We are entering a new phase in the history of FEMSA, realizing that along with great potential, come responsibility and significant challenges. Since formally acquiring the Panamco operations in early May, and having had the benefit of performing our diagnostic analyses with the cooperation of Panamco management since the beginning of the year, we are moving very fast. We are addressing the most pressing needs of every one of our new markets, with a great focus on our new Mexican franchises and the significant potential for synergies that these represent." Mr. Fernandez continued, "We are comfortable with the new structure of our balance sheet. Nevertheless, every level of our organization understands that in the years ahead we must be very disciplined in our finances and capital allocation, and more productive than ever in our operations. I have every confidence that we will."

To obtain the full text of this earnings release, please visit our Investor Relations website at <http://ir.femsa.com/> under the Financial Reports section.

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.

FEMSA is Latin America's largest beverage company in terms of sales. Founded in 1890 and headquartered in Monterrey, Mexico, FEMSA is strategically comprised of and operates by means of the following subsidiaries: FEMSA Cerveza, which produces, distributes and exports various brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis, and Bohemia; Coca-Cola FEMSA, the largest bottler for The Coca-Cola Co. in Latin America, which produces and distributes carbonated beverages such as Coca-Cola, Coca-Cola Light, Sprite, and Quatro; and the Strategic Businesses Division, which groups the packaging (FEMSA Empaques) and retail (FEMSA Comercio) operations, and whose main objective is to offer strategic competitive advantages to the beverage subsidiaries.

SOURCE: FEMSA

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