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FEMSA Successfully Completes Equity Offering

Net proceeds of US\$ 700 million Investor demand significantly in excess of supply in Mexico and International markets

MONTERREY, Mexico, June 5 /PRNewswire-FirstCall/ -- Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE: FMX) (BMV: FEMSA UBD) (BMV: FEMSA UB) today announced that it successfully completed its equity offering.

A total of 80.5 million BD Units, equivalent to 8.05 million American Depositary Shares (ADSs) were sold in the offering, with international investors acquiring 80% of the available BD Units and Mexican investors acquiring the remaining 20%. Concurrently, FEMSA sold a total of 52.78 million B Units in Mexico at the equivalent of the public offering price per BD Unit. These amounts of new units include the over-allotment option exercised by the underwriters.

The net proceeds of the offerings were US\$700 million. This includes the over-allotment option, and considers the underwriting spreads and commissions. These proceeds are being used to repay bridge loans incurred to purchase the 30% of FEMSA's subsidiary, FEMSA Cerveza, in August 2004 and to repay other indebtedness.

This transaction increased the total number of FEMSA Units outstanding as follows:

	Prior to Offering	Currently
BD Units	639,892,590	720,392,590
B Units	419,569,500	472,349,500
Total Units	1,059,462,090	1,192,742,090

Jose Antonio Fernandez, Chairman and CEO of FEMSA, commented, "We are very pleased with the successful conclusion of our equity offering. Today, our balance sheet is strong and we have the required financial flexibility to continue executing our growth strategy. Just as importantly, the strong demand we saw during the offering demonstrates that investors trust our strategy and our ability to execute, and we will continue working hard every day to create and deliver value for them."

FEMSA is the largest integrated beverage company in Latin America with a portfolio of leading beer and soft drink brands. Its beverage platform comprises Coca-Cola FEMSA, the largest Coca-Cola bottler in Latin America and the second largest in the world; FEMSA Cerveza, the second largest brewer in Mexico with brands that include Tecate, Dos Equis and Sol; and FEMSA Comercio, which operates Oxxo, the largest convenience store chain in Mexico with over 3,500 stores. FEMSA's beverage products are sold through approximately two million points of sale, which serve a population of over 170 million people in nine countries, including some of the most populous metropolitan areas in Latin America, such as Mexico City, Sao Paulo and Buenos Aires.

SOURCE FEMSA