



FEMSA Acquires Mundet Beverage Brands

MONTERREY, Mexico--(BUSINESS WIRE)--Nov. 5, 2001--Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE:FMX) (BMV:FEMSA UBD) (BMV:FEMSA UB) announced today that it purchased the Sidral Mundet, Sidral Mundet Baja en Calorias, Prisco Mundet, other flavored carbonated beverage brands (together, the "Mundet brands"), and concentrate production equipment, including two apple juice plants, for approximately US\$17 million. A wholly owned subsidiary of FEMSA acquired Promotora de Marcas Nacionales, S.A. de C.V. ("Promotora"), which is the Mexican company that owns the Mundet brands. Sales volume for Mundet products in 2000 was approximately 17 million unit cases.

The transaction is subject to the satisfaction of customary terms and conditions. The Comision Federal de Competencia (the Mexican Federal Antitrust Commission) has approved the transaction.

FEMSA negotiated a franchise bottling agreement with Coca-Cola FEMSA, S.A. de C.V. ("Coca-Cola FEMSA") for the bottling and distribution of Mundet brands in most of Coca-Cola FEMSA's Mexican territories. The terms and conditions of the franchise bottling agreement are similar to the current arrangements that Coca-Cola FEMSA has entered into with The Coca-Cola Company for the bottling and distribution of similar Coca-Cola trademark soft drink beverages. Coca-Cola FEMSA's board of directors has approved the franchise bottling agreement.

FEMSA will uphold the existing franchise agreements with other bottlers for the bottling and distribution of the Mundet brands. Currently, FEMSA is focused on rebuilding the brand equity of the Mundet brands.

Jose Antonio Fernandez, FEMSA's Chairman and Chief Executive Officer stated "this acquisition enhances FEMSA's beverage portfolio with a brand of strong heritage and presence in central Mexico, and presents us with an excellent opportunity to renew and strengthen the brand."

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, exporting to the United States, Canada, and select countries in Europe, Asia, and Latin America. 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 and distributes various brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis, and Bohemia; Coca-Cola FEMSA, an anchor bottler for The Coca-Cola Co. in Latin America, which produces and distributes carbonated beverages such as Coca-Cola, Coca-Cola Light, Fanta, Sprite, and Quatro; Perfil Corporativo, a newly formed sub-holding company which owns other non-alcoholic beverage brands; and the Strategic Businesses Division, which groups the packaging (FEMSA Empaques), retail (FEMSA Comercio) and logistics (FEMSA Logistica) operations, whose main objective is to offer competitive advantages to the beverage subsidiaries.

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