
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of July 2019

FOMENTO ECONÓMICO MEXICANO, S.A.B. DE C.V.
(Exact name of Registrant as specified in its charter)

Mexican Economic Development, Inc.
(Translation of Registrant's name into English)

United Mexican States
(Jurisdiction of incorporation or organization)

General Anaya No. 601 Pte.
Colonia Bella Vista
Monterrey, Nuevo León 64410
México
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

FEMSA Announces Second Quarter 2019 Results

Monterrey, Mexico, July 25, 2019 — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the second quarter of 2019.

FINANCIAL HIGHLIGHTS:

- 9.4% revenue growth (6.7% on an organic¹ basis) at FEMSA Consolidated
- 180 basis point gross margin expansion at FEMSA Comercio’s Proximity Division
- 13.9% revenue growth (0.1% on an organic¹ basis) at FEMSA Comercio’s Health Division
- 7.8% revenue growth at FEMSA Comercio’s Fuel Division
- 7.6% revenue growth (5.1% on an organic¹ basis) at Coca-Cola FEMSA

FINANCIAL SUMMARY FOR THE SECOND QUARTER AND FIRST SIX MONTHS 2019

Change vs. Comparable Results²

| | Revenues | | Gross Profit | | Income from Operations | | Same-Store Sales | |
|---------------------------|----------|-------|--------------|-------|------------------------|--------|------------------|--------|
| | 2Q19 | YTD19 | 2Q19 | YTD19 | 2Q19 | YTD19 | 2Q19 | YTD19 |
| FEMSA CONSOLIDATED | 9.4% | 7.7% | 9.7% | 8.9% | 8.3% | 4.9% | | |
| FEMSA COMERCIO | | | | | | | | |
| Proximity Division | 11.3% | 10.4% | 16.6% | 17.1% | 15.4% | 14.3% | 6.2% | 4.8% |
| Health Division | 13.9% | 8.4% | 10.9% | 5.3% | (3.0)% | (3.3)% | (2.6)% | (0.7)% |
| Fuel Division | 7.8% | 5.3% | 33.1% | 28.9% | 32.6% | 24.0% | (0.0)% | (3.6)% |
| COCA-COLA FEMSA | 7.6% | 6.5% | 6.0% | 4.9% | 6.2% | 2.8% | | |

Eduardo Padilla, FEMSA’s CEO, commented:

“FEMSA delivered solid results in the second quarter, which was an interesting one from a calendar standpoint. We had tailwinds from the Holy Week shift in April, as well as a tough comparison base from last year’s World Cup that began in June. However, a key positive theme across most of our operations was one of strong revenue growth driven by healthy pricing, that in turn allowed us to deliver margin expansion at FEMSA Comercio’s Proximity and Fuel Divisions. At the Health Division, our Mexican operations continued to perform well but were overshadowed by soft results and unfavorable foreign exchange dynamics in Chile, while Colombia continued to expand, and we were happy to close the acquisition of GPF in Ecuador during the quarter. For its part, Coca-Cola FEMSA also achieved strong top-line dynamics in most of its markets, which flowed all the way down the income statement.”

¹ Excludes the effects of significant mergers and acquisitions in the last twelve months.

² Comparable Results: Starting on the first quarter of 2019, we adopted the International Financial Reporting Standard 16 – “Leases” (“IFRS 16”) across all our business units. The Comparable Results is a set of numbers which estimate the retroactive effect that the adoption of IFRS 16 would have had on FEMSA’s 2018 financial results. The performance comparisons expressed in this document will be made relative to the Comparable Results unless stated otherwise.

Follow tomorrow’s event live
9:30 AM ET [Earnings Conference Call](#)

QUARTERLY RESULTS

Results are compared to the same period of previous year

FEMSA CONSOLIDATED

FEMSA CONSOLIDATED 2Q19 Financial Summary (Millions of Ps.)

| | 2Q19 | Comparable 2Q18 | Var.* | Org.* | Reported ¹ 2Q18 |
|---|---------|--------------------|---------|-------|-------------------------------|
| Revenues | 128,213 | 117,191 | 9.4% | 6.7% | 117,191 |
| Income from Operations | 11,936 | 11,020 | 8.3% | 6.6% | 10,409 |
| Income from Operations Margin (%) | 9.3 | 9.4 | -10 bps | | 8.9 |
| Operative Cash Flow (EBITDA) | 18,982 | 17,453 | 8.8% | 6.6% | 14,959 |
| Operative Cash Flow (EBITDA) Margin (%) | 14.8 | 14.9 | -10 bps | | 12.8 |
| Net Income | 7,747 | 10,469 | (26.0)% | | 10,777 |

*vs. Comparable Results

CONSOLIDATED BALANCE SHEET (Millions of Ps.)

| As of June 30, 2019 | Ps. | US\$ ⁴ |
|-----------------------------------|--------|-------------------|
| Cash | 70,472 | 3,669 |
| Short-term debt | 20,360 | 1,060 |
| Long-term debt⁵ | 96,565 | 5,027 |
| Net debt⁵ | 46,453 | 2,418 |

Total revenues increased 9.4% in 2Q19 compared to 2Q18, reflecting growth across all business units. On an organic basis,² total revenues grew 6.7%.

Gross profit grew 9.7%. Gross margin expanded 10 basis points, mainly driven by strong expansion at FEMSA Comercio's Proximity and Fuel Divisions, partially offset by a contraction at Coca-Cola FEMSA and FEMSA Comercio's Health Division.

Income from operations increased 8.3%. On an organic basis,² income from operations increased 6.6%. Consolidated operating margin decreased 10 basis points to 9.3% of total revenues, reflecting margin contraction at Coca-Cola FEMSA and FEMSA Comercio's Health Division. These were largely offset by margin expansion at FEMSA Comercio's Proximity and Fuel Divisions.

Income tax was Ps. 2,174 million in 2Q19.

Net consolidated income decreased 26.0% to Ps. 7,747 million, as the increase in our Income from operations described above did not fully offset a non-cash foreign exchange loss related to FEMSA's U.S. dollar-denominated cash position as impacted by the appreciation of the Mexican peso.

Net majority income was Ps. 1.58 per FEMSA Unit³ and US\$0.82 per FEMSA ADS.

Capital expenditures amounted to Ps. 6,130 million, reflecting higher investments at most of our business units.

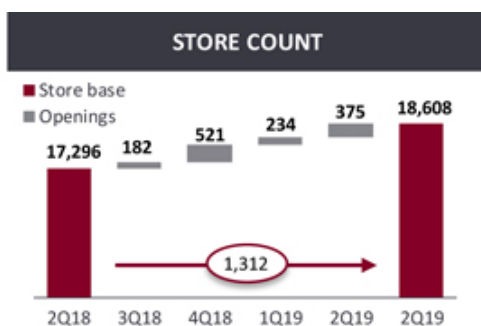
¹ Amounts reported as of June 30, 2018, adjusted for the discontinued operations of Coca-Cola FEMSA Philippines.

² Excludes the effects of significant mergers and acquisitions in the last twelve months.

³ FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of June 30, 2019 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

⁴ The exchange rate published by the Federal Reserve Bank of New York for June 28, 2019 was 19.2089 MXN per USD.

⁵ Includes the effect of derivative financial instruments on long-term debt.



FEMSA COMERCIO – PROXIMITY DIVISION

2Q19 Financial Summary

(Millions of Ps. except same-stores sales)

| | 2Q19 | Comparable 2Q18 | Var.* | Org.* | Reported ¹ 2Q18 |
|--|--------|--------------------|--------|-------|-------------------------------|
| Same-store sales (thousands of Ps.) | 822 | 774 | 6.2% | | 774 |
| Revenues | 47,190 | 42,387 | 11.3% | 11.0% | 42,387 |
| Income from Operations | 4,633 | 4,014 | 15.4% | 14.2% | 3,603 |
| <i>Income from Operations Margin (%)</i> | 9.8 | 9.5 | 30 bps | | 8.5 |
| Operative Cash Flow (EBITDA) | 7,067 | 6,172 | 14.5% | 12.9% | 4,876 |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 15.0 | 14.6 | 40 bps | | 11.5 |

*vs. Comparable Results

Total revenues increased 11.3% in 2Q19 compared to 2Q18. On an organic basis,² total revenues grew 11.0%, reflecting the opening of 375 net new OXXO stores in the quarter to reach 1,312 total net new store openings for the last twelve months. As of June 30, 2019, FEMSA Comercio's Proximity Division had a total of 18,608 OXXO stores. OXXO's same-store sales increased an average of 6.2%, driven by 7.5% growth in average customer ticket, which was partially offset by a decrease of 1.1% in store traffic.

Gross profit reached 39.8% of total revenues, reflecting: i) sustained growth of the services category including income from financial services; ii) healthy trends in our commercial income activity; iii) increased and more efficient promotional programs with our key supplier partners; and iv) the consolidation of Caffenio.

Income from operations amounted to 9.8% of total revenues. Operating expenses increased 17.0% to Ps. 14,149 million, above revenues, mainly reflecting: i) our continuing initiative to strengthen our compensation structure of key in-store personnel in a tight labor market, including the gradual shift from commission-based store teams to employee-based teams; ii) higher secure cash handling costs driven by increased volume and higher operational costs; and iii) the consolidation of Caffenio.

¹ Amounts reported as of June 30, 2018, adjusted to reflect the change from Retail Division to Proximity Division implemented since September 2018.

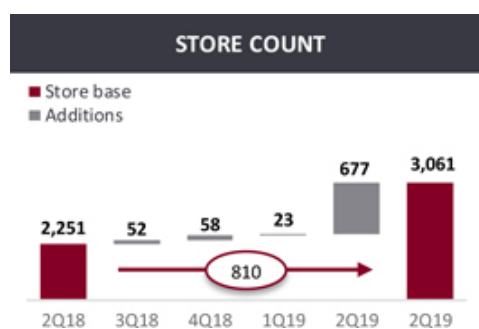
² Excludes the effects of significant mergers and acquisitions in the last twelve months.



FEMSA COMERCIO – HEALTH DIVISION
2Q19 Financial Summary
(Millions of Ps. except same-stores sales)

| | 2Q19 | Comparable 2Q18 | Var.* | Org.* | Reported 2Q18 |
|---|--------|--------------------|----------|--------|------------------|
| Same-store sales (thousands of Ps.) | 1,477 | 1,516 | (2.6)% | | 1,516 |
| Revenues | 15,246 | 13,380 | 13.9% | 0.1% | 13,380 |
| Income from Operations | 664 | 684 | (3.0)% | (9.3)% | 634 |
| Income from Operations Margin (%) | 4.4 | 5.1 | -70 bps | | 4.7 |
| Operative Cash Flow (EBITDA) | 1,379 | 1,366 | 0.9% | (5.5)% | 886 |
| Operative Cash Flow (EBITDA) Margin (%) | 9.0 | 10.2 | -120 bps | | 6.6 |

*vs. Comparable Results



Total revenues increased 13.9% in 2Q19 compared to 2Q18. On an organic basis,¹ total revenues grew 0.1% reflecting steady trends in Mexico and Chile, offset by a negative currency translation effect related to the appreciation of the Mexican peso compared to the Chilean and Colombian pesos. As of June 30, 2019, FEMSA Comercio's Health Division had a total of 3,061 points of sale across our territories. This figure reflects the addition of 677 net new stores in the quarter including the integration of Corporación GPF, to reach 810 total net new store additions for the last twelve months. Same-store sales for drugstores decreased an average of 2.6%, reflecting the negative currency translation effect mentioned above.

Gross profit represented 29.8% of total revenues, reflecting; i) a demanding comparison base in our operations in South America, where gross margin expanded above trend in 2Q18; ii) new pricing regulations in Colombia; and iii) increased promotional activity in Chile. These were partially offset by improved efficiency and more effective collaboration and execution with our key supplier partners in Mexico.

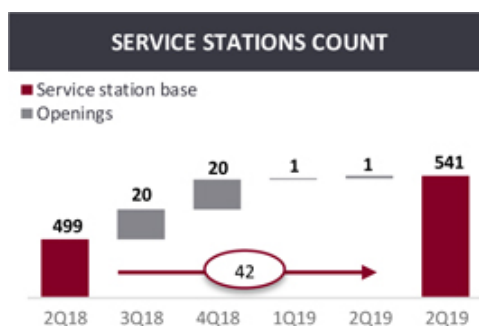
Income from operations amounted to 4.4% of total revenues. Operating expenses increased 13.7% to Ps. 3,877 million, as cost efficiencies and tight expense control across our legacy territories were more than offset by the consolidation of Corporación GPF, which has a relatively higher operating expense structure.

¹ Excludes the effects of significant mergers and acquisitions in the last twelve months.

FEMSA COMERCIO – FUEL DIVISION
 2Q19 Financial Summary
 (Millions of Ps. except same-stations sales)

| | 2Q19 | Comparable 2Q18 | Var.* | Reported 2Q18 |
|---|--------|-----------------|--------|---------------|
| Same-station sales (thousands of Ps.) | 7,818 | 7,818 | (0.0)% | 7,818 |
| Revenues | 12,415 | 11,511 | 7.8% | 11,511 |
| Income from Operations | 283 | 213 | 32.6% | 82 |
| Income from Operations Margin (%) | 2.3 | 1.9 | 40 bps | 0.7 |
| Operative Cash Flow (EBITDA) | 547 | 407 | 34.3% | 122 |
| Operative Cash Flow (EBITDA) Margin (%) | 4.4 | 3.5 | 90 bps | 1.1 |

*vs. Comparable Results



Total revenues increased 7.8% in 2Q19 compared to 2Q18, reflecting the addition of 1 net new OXXO GAS station in the quarter to reach 42 total net new stations in the last twelve months, representing an increase of 8.4% in total service stations. As of June 30, 2019, FEMSA Comercio’s Fuel Division had a total of 541 OXXO GAS service stations. Same-station sales remained flat, as average volume decreased and offset pricing gains.

Gross profit reached 9.8% of total revenues.

Income from operations amounted to 2.3% of total revenues. Operating expenses increased 33.2% to Ps. 936 million, above revenues, reflecting: i) higher wages and improved compensation structures for our in-station personnel aimed at reducing turnover in a tight labor market; and ii) expenses related to the transition into the OXXO GAS brand.

RESULTS FOR THE FIRST SIX MONTHS OF 2019

Results are compared to the same period of previous year

FEMSA CONSOLIDATED

FEMSA CONSOLIDATED Financial Summary for the First Six Months (Millions of Ps.)

| | 2019 | Comparable 2018 | Var.* | Org. | Reported ¹ 2018 |
|--|---------|--------------------|---------|------|-------------------------------|
| Revenues | 244,371 | 226,939 | 7.7% | 5.4% | 226,939 |
| Income from Operations | 20,932 | 19,961 | 4.9% | 2.9% | 18,701 |
| <i>Income from Operations Margin (%)</i> | 8.6 | 8.8 | -20 bps | | 8.2 |
| Operative Cash Flow (EBITDA) | 34,628 | 32,416 | 6.8% | 4.3% | 27,424 |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 14.2 | 14.3 | -10 bps | | 12.1 |
| Net Income | 11,605 | 11,702 | (0.8)% | | 12,254 |

*vs. Comparable Results

Total revenues increased 7.7%, reflecting solid growth across all business units. On an organic basis,² total revenues increased 5.4%.

Gross profit increased 8.9%. Gross margin increased 50 basis points to 37.2% of total revenues, reflecting gross margin expansion across FEMSA Comercio's Proximity and Fuel Divisions, partially offset by a contraction at Coca-Cola FEMSA and FEMSA Comercio's Health Division.

Income from operations increased 4.9%. On an organic basis,² it increased 2.9%. Our consolidated operating margin decreased 20 basis points to 8.6% of total revenues, reflecting: i) an operating margin contraction at Coca-Cola FEMSA and FEMSA Comercio Health Division, ii) the faster growth of FEMSA Comercio's three divisions, whose lower margins tend to compress FEMSA's consolidated margins over time.

Net consolidated income decreased 0.8% to Ps. 11,605 million, as the increase in our Income from Operations described above did not fully offset a non-cash foreign exchange loss related to FEMSA's U.S. dollar-denominated cash position as impacted by the appreciation of the Mexican peso.

Net majority income per FEMSA Unit³ was Ps. 2.20 (US\$1.15 per ADS).

Capital expenditures amounted to Ps. 10,220 million, reflecting higher investments in most business units.

¹ Amounts reported as of June 30, 2018, adjusted for the discontinued operations of Coca-Cola FEMSA Philippines.

² Excludes the effects of significant mergers and acquisitions in the last twelve months.

³ FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of June 30, 2019 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

FEMSA COMERCIO – PROXIMITY DIVISION

FEMSA COMERCIO – PROXIMITY DIVISION Financial Summary for the First Six Months (Millions of Ps. except same-stores sales)

| | 2019 | Comparable 2018 | Var.* | Org. | Reported ¹ 2018 |
|--|--------|--------------------|--------|-------|-------------------------------|
| Same-store sales (thousands of Ps.) | 776 | 740 | 4.8% | | 740 |
| Revenues | 88,440 | 80,134 | 10.4% | 9.9% | 80,134 |
| Income from Operations | 7,281 | 6,368 | 14.3% | 12.7% | 5,559 |
| <i>Income from Operations Margin (%)</i> | 8.2 | 7.9 | 30 bps | | 6.9 |
| Operative Cash Flow (EBITDA) | 12,081 | 10,620 | 13.8% | 11.7% | 8,060 |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 13.7 | 13.3 | 40 bps | | 10.1 |

*vs. Comparable Results

Total revenues increased 10.4%. OXXO's same-store sales increased an average of 4.8%, driven by a 5.0% increase in average customer ticket and a 0.1% decrease in store traffic. On an organic basis,² total revenues increased 9.9%.

Gross profit reached 39.2% of total revenues.

Income from operations amounted to 8.2% of total revenues. Operating expenses increased 17.9% to Ps. 27,355 million.

FEMSA COMERCIO – HEALTH DIVISION

FEMSA COMERCIO – HEALTH DIVISION Financial Summary for the First Six Months (Millions of Ps. except same-stores sales)

| | 2019 | Comparable 2018 | Var.* | Org. | Reported 2018 |
|--|--------|--------------------|---------|--------|------------------|
| Same-store sales (thousands of Ps.) | 1,494 | 1,505 | (0.7)% | | 1,505 |
| Revenues | 28,004 | 25,834 | 8.4% | 1.2% | 25,834 |
| Income from Operations | 980 | 1,013 | (3.3)% | (7.6)% | 914 |
| <i>Income from Operations Margin (%)</i> | 3.5 | 3.9 | -40 bps | | 3.5 |
| Operative Cash Flow (EBITDA) | 2,374 | 2,371 | 0.1% | (3.6)% | 1,417 |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 8.5 | 9.2 | -70 bps | | 5.5 |

*vs. Comparable Results

Total revenues increased by 8.4%. Same-store sales for drugstores decreased by an average of 0.7%, reflecting positive trends in local currencies across our operations, partially offset by a negative currency translation effect related to the appreciation of the Mexican peso compared to the Chilean and Colombian pesos in our operations in South America. On an organic basis,² total revenues increased 1.2%.

¹ Amounts reported as of June 30, 2018, adjusted to reflect the change from Retail Division to Proximity Division implemented since September 2018.

² Excludes the effects of significant mergers and acquisitions in the last twelve months.

Gross profit reached 29.3% of total revenues.

Income from operations amounted to 3.5% of total revenues. Operating expenses increased 6.6% to Ps. 7,222 million.

FEMSA COMERCIO – FUEL DIVISION

FEMSA COMERCIO – FUEL DIVISION Financial Summary for the First Six Months (Millions of Ps. except same-stations sales)

| | 2019 | Comparable 2018 | Var.* | Reported 2018 |
|--|--------|--------------------|--------|------------------|
| Same-station sales (thousands of Ps.) | 7,455 | 7,732 | (3.6)% | 7,732 |
| Revenues | 23,268 | 22,104 | 5.3% | 22,104 |
| Income from Operations | 591 | 476 | 24.0% | 219 |
| <i>Income from Operations Margin (%)</i> | 2.5 | 2.2 | 30 bps | 1.0 |
| Operative Cash Flow (EBITDA) | 1,082 | 855 | 26.5% | 296 |
| <i>Operative Cash Flow (EBITDA) Margin (%)</i> | 4.7 | 3.9 | 80 bps | 1.3 |

*vs. Comparable Results

Total revenues increased 5.3%. Same-station sales decreased at an average of 3.6%, reflecting a 10.5% increase in the average price per liter offset by a decrease of 12.7% in the average volume.

Gross profit reached 10.0% of total revenues.

Income from operations amounted to 2.5% of total revenues. Operating expenses increased 30.6% to Ps. 1,733 million.

COCA-COLA FEMSA

Coca-Cola FEMSA's financial results and discussion thereof are incorporated by reference from Coca-Cola FEMSA's press release, which is attached to this press release or may be accessed by visiting www.coca-colafemsa.com.

RECENT DEVELOPMENTS

On April 30, 2019, FEMSA announced that FEMSA Comercio through its majority-owned subsidiary Socofar, had successfully completed the acquisition of Corporación GPF ("GPF"). GPF is a leading drugstore operator based in Quito, Ecuador, with almost 90 years of solid trajectory, operating more than 620 points of sale nationwide mainly under the Fybeka and SanaSana banners. This transaction represents a new building block of FEMSA Comercio's drugstore strategy in South America, following its successful acquisition of a controlling stake in the drugstore and distribution platform of Chile-based Socofar in 2015. This announcement marked another important step for FEMSA Comercio as it brings its considerable retail expertise and Socofar's deep industry knowledge to the Ecuadorian market and its more than 16 million consumers. GPF is a strong local operator with attractive growth prospects, and it will help Socofar as it continues to build a robust base from which to expand further in the region.

CONFERENCE CALL INFORMATION:

Our Second Quarter 2019 Conference Call will be held on: Friday, July 26, 2019, 9:30 AM Eastern Time (8:30 AM Mexico City Time). To participate in the conference call, please dial: Domestic US: (866) 548 4713; International: +1 (323) 794 2093; Conference Id: 3218306. The conference call will be webcast live through streaming audio. For details please visit www.femsa.com/investor.

If you are unable to participate live, the conference call audio will be available on <http://ir.FEMSA.com/results.cfm>.

FEMSA is a company that creates economic and social value through companies and institutions and strives to be the best employer and neighbor to the communities in which it operates. It participates in the retail industry through FEMSA Comercio, comprising a Proximity Division operating OXXO, a small-format store chain, a Health Division, which includes drugstores and related activities, and a Fuel Division, which operates the OXXO GAS chain of retail service stations. In the beverage industry, it participates through Coca-Cola FEMSA, a public bottler of Coca-Cola products; and in the beer industry, as a shareholder of HEINEKEN, a brewer with operations in over 70 countries. 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. Through its business units, FEMSA has more than 295,000 employees in 13 countries. FEMSA is a member of the Dow Jones Sustainability MILA Pacific Alliance, the FTSE4Good Emerging Index and the Mexican Stock Exchange Sustainability Index, among other indexes that evaluate its sustainability performance.

The translations of Mexican pesos into US dollars are included solely for the convenience of the reader, using the noon buying rate for Mexican pesos as published by the Federal Reserve Bank of New York on June 28, 2019, which was 19.2089 Mexican pesos per US dollar.

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.

Eight pages of tables and Coca-Cola FEMSA's press release to follow

FEMSA
Consolidated Income Statement
Millions of Pesos

| | For the second quarter of: | | | | | | As Reported ^(B) | | | |
|--|----------------------------|------------------|---------------------------|------------------|---------------------------|-----------------------------|----------------------------|------------------|---------------|-----------------------------|
| | 2019 | | 2018 | | Comparable ^(A) | | 2018 | | | |
| | 2019 | % of rev. | 2018 | % of rev. | % Var. | % Org. ^(C) | 2018 | % of rev. | % Var. | % Org. ^(C) |
| Total revenues | 128,213 | 100.0 | 117,191 | 100.0 | 9.4 | 6.7 | 117,191 | 100.0 | 9.4 | 6.7 |
| Cost of sales | 80,317 | 62.6 | 73,533 | 62.7 | 9.2 | | 73,568 | 62.8 | 9.2 | |
| Gross profit | 47,896 | 37.4 | 43,658 | 37.3 | 9.7 | | 43,623 | 37.2 | 9.8 | |
| Administrative expenses | 4,810 | 3.8 | 4,541 | 3.9 | 5.9 | | 4,521 | 3.9 | 6.4 | |
| Selling expenses | 30,203 | 23.6 | 27,502 | 23.5 | 9.8 | | 28,100 | 23.9 | 7.5 | |
| Other operating expenses (income), net ⁽¹⁾ | 947 | 0.7 | 594 | 0.5 | 59.5 | | 594 | 0.5 | 59.5 | |
| Income from operations ⁽²⁾ | 11,936 | 9.3 | 11,020 | 9.4 | 8.3 | 6.6 | 10,409 | 8.9 | 14.7 | 12.9 |
| Other non-operating expenses (income) | 12 | | 415 | | (97.1) | | 415 | | (97.1) | |
| Interest expense | 3,493 | | 3,361 | | 3.9 | | 2,289 | | 52.6 | |
| Interest income | 781 | | 524 | | 49.1 | | 524 | | 49.1 | |
| Interest expense, net | 2,712 | | 2,837 | | (4.4) | | 1,765 | | 53.7 | |
| Foreign exchange loss (gain) | 695 | | (5,625) | | (112.4) | | (5,627) | | (112.4) | |
| Financing expenses, net | 3,445 | | (2,718) | | N.S. | | (3,792) | | (190.9) | |
| Income before income tax and participation in associates results | 8,479 | | 13,323 | | (36.4) | | 13,786 | | (38.5) | |
| Income tax | 2,174 | | 4,160 | | (47.7) | | 4,315 | | (49.6) | |
| Participation in associates results ⁽³⁾ | 1,442 | | 1,191 | | 21.1 | | 1,191 | | 21.1 | |
| Net income from continuing operations | 7,747 | | 10,355 | | (25.2) | | 10,662 | | (27.3) | |
| Net income from discontinued operations | - | | 115 | | (100.0) | | 115 | | (100.0) | |
| Net consolidated income | 7,747 | | 10,469 | | (26.0) | | 10,777 | | (28.1) | |
| Net majority income | 5,636 | | 8,488 | | (33.6) | | 8,796 | | (35.9) | |
| Net minority income | 2,111 | | 1,981 | | 6.6 | | 1,981 | | 6.6 | |
| Operative Cash Flow & CAPEX | 2019 | % of rev. | 2018^(B) | % of rev. | % Var. | % Org.^(C) | 2018^(B) | % of rev. | % Var. | % Org.^(C) |
| Income from operations | 11,936 | 9.3 | 11,020 | 9.4 | 8.3 | 6.6 | 10,409 | 8.9 | 14.7 | 12.9 |
| Depreciation | 5,705 | 4.4 | 5,429 | 4.6 | 5.1 | | 3,547 | 3.0 | 60.9 | |
| Amortization & other non-cash charges | 1,341 | 1.1 | 1,003 | 0.9 | 33.6 | | 1,003 | 0.9 | 33.6 | |
| Operative Cash Flow (EBITDA) | 18,982 | 14.8 | 17,453 | 14.9 | 8.8 | 6.6 | 14,959 | 12.8 | 26.9 | 24.3 |
| CAPEX | 6,130 | | 6,029 | | 1.7 | | 6,029 | | 1.7 | |

(A) Unaudited consolidated financial information. For more detail please refer to our Press Release published on april 5th, 2019.

(B) Amounts reported as of June 30, 2018, adjusted for the discontinued operations of Coca-Cola FEMSA Philippines.

(C) Organic basis (% Org.) excludes the effects of significant mergers and acquisitions in the last twelve months.

(1) Other operating expenses (income), net = other operating expenses (income) +(-) equity method from operated associates.

(2) Income from operations = gross profit - administrative and selling expenses - other operating expenses (income), net.

(3) Mainly represents the equity method participation in Heineken's results, net.

FEMSA
Consolidated Income Statement
Millions of Pesos

| | For the six months of: | | | | | | | | | |
|--|---------------------------|------------------|---------------------------|------------------|---------------|-----------------------------|----------------------------|------------------|---------------|-----------------------------|
| | Comparable ^(A) | | | | | | As Reported ^(B) | | | |
| | 2019 | % of rev. | 2018 | % of rev. | % Var. | % Org. ^(C) | 2018 | % of rev. | % Var. | % Org. ^(C) |
| Total revenues | 244,371 | 100.0 | 226,939 | 100.0 | 7.7 | 5.4 | 226,939 | 100.0 | 7.7 | 5.4 |
| Cost of sales | 153,579 | 62.8 | 143,586 | 63.3 | 7.0 | | 143,652 | 63.3 | 6.9 | |
| Gross profit | 90,792 | 37.2 | 83,353 | 36.7 | 8.9 | | 83,287 | 36.7 | 9.0 | |
| Administrative expenses | 9,519 | 3.9 | 8,491 | 3.7 | 12.1 | | 8,513 | 3.8 | 11.8 | |
| Selling expenses | 58,992 | 24.1 | 54,126 | 23.9 | 9.0 | | 55,299 | 24.4 | 6.7 | |
| Other operating expenses (income), net ⁽¹⁾ | 1,349 | 0.6 | 775 | 0.3 | 74.1 | | 775 | 0.3 | 74.1 | |
| Income from operations⁽²⁾ | 20,932 | 8.6 | 19,961 | 8.8 | 4.9 | 2.9 | 18,701 | 8.2 | 11.9 | 9.8 |
| Other non-operating expenses (income) | 265 | | 603 | | (56.1) | | 603 | | (56.1) | |
| Interest expense | 6,970 | | 7,013 | | (0.6) | | 4,878 | | 42.9 | |
| Interest income | 1,528 | | 1,254 | | 21.9 | | 1,254 | | 21.9 | |
| Interest expense, net | 5,442 | | 5,759 | | (5.5) | | 3,625 | | 50.1 | |
| Foreign exchange loss (gain) | 1,879 | | (708) | | N.S. | | (701) | | N.S. | |
| Financing expenses, net | 7,339 | | 5,377 | | 36.5 | | 3,250 | | 125.8 | |
| Income before income tax and participation in associates results | 13,328 | | 13,981 | | (4.7) | | 14,847 | | (10.2) | |
| Income tax | 4,109 | | 4,508 | | (8.8) | | 4,821 | | (14.8) | |
| Participation in associates results ⁽³⁾ | 2,386 | | 2,062 | | 15.7 | | 2,062 | | 15.7 | |
| Net income from continuing operations | 11,605 | | 11,536 | | 0.6 | | 12,088 | | (4.0) | |
| Net income from discontinued operations | - | | 166 | | (100.0) | | 166 | | (100.0) | |
| Net consolidated income | 11,605 | | 11,702 | | (0.8) | | 12,254 | | (5.3) | |
| Net majority income | 7,878 | | 8,256 | | (4.6) | | 8,797 | | (10.4) | |
| Net minority income | 3,727 | | 3,446 | | 8.2 | | 3,457 | | 7.8 | |
| Operative Cash Flow & CAPEX | 2019 | % of rev. | 2018^(B) | % of rev. | % Var. | % Org.^(C) | 2018^(B) | % of rev. | % Var. | % Org.^(C) |
| Income from operations | 20,932 | 8.6 | 19,961 | 8.8 | 4.9 | 2.9 | 18,701 | 8.2 | 11.9 | 9.8 |
| Depreciation | 11,394 | 4.7 | 10,726 | 4.7 | 6.2 | | 6,995 | 3.1 | 62.9 | |
| Amortization & other non-cash charges | 2,302 | 0.9 | 1,729 | 0.8 | 33.2 | | 1,729 | 0.8 | 33.2 | |
| Operative Cash Flow (EBITDA) | 34,628 | 14.2 | 32,416 | 14.3 | 6.8 | 4.3 | 27,424 | 12.1 | 26.3 | 23.3 |
| CAPEX | 10,220 | | 9,867 | | 3.6 | | 9,867 | | 3.6 | |

(A) Unaudited consolidated financial information. For more detail please refer to our Press Release published on april 5th, 2019.

(B) Amounts reported as of June 30, 2018, adjusted for the discontinued operations of Coca-Cola FEMSA Philippines.

(C) Organic basis (% Org.) excludes the effects of significant mergers and acquisitions in the last twelve months.

(1) Other operating expenses (income), net = other operating expenses (income) +(-) equity method from operated associates.

(2) Income from operations = gross profit - administrative and selling expenses - other operating expenses (income), net.

(3) Mainly represents the equity method participation in Heineken's results, net.

FEMSA
Consolidated Balance Sheet
Millions of Pesos

| ASSETS | Jun-19 | Dic-18 | % Inc. |
|------------------------------------|----------------|----------------|---------------|
| Cash and cash equivalents | 70,472 | 62,047 | 13.6 |
| Investments | 21,340 | 30,924 | (31.0) |
| Accounts receivable | 26,222 | 28,164 | (6.9) |
| Inventories | 37,438 | 35,686 | 4.9 |
| Other current assets | 21,884 | 20,786 | 5.3 |
| Total current assets | 177,356 | 177,607 | (0.1) |
| Investments in shares | 92,060 | 94,315 | (2.4) |
| Property, plant and equipment, net | 110,750 | 108,602 | 2.0 |
| Right of use | 50,307 | - | N.S. |
| Intangible assets ⁽¹⁾ | 148,116 | 145,610 | 1.7 |
| Other assets | 50,629 | 50,247 | 0.8 |
| TOTAL ASSETS | 629,218 | 576,381 | 9.2 |

LIABILITIES & STOCKHOLDERS' EQUITY

| | | | |
|---|----------------|----------------|------------|
| Bank loans | 3,866 | 2,436 | 58.7 |
| Current maturities of long-term debt | 16,494 | 11,238 | 46.8 |
| Interest payable | 747 | 964 | (22.5) |
| Current maturities of long-term leases | 5,919 | - | N.S. |
| Operating liabilities | 99,808 | 86,826 | 15.0 |
| Total current liabilities | 126,834 | 101,464 | 25.0 |
| Long-term debt ⁽²⁾ | 96,565 | 108,161 | (10.7) |
| Long-term leases | 45,426 | - | N.S. |
| Laboral obligations | 4,744 | 4,699 | 1.0 |
| Other liabilities | 25,884 | 26,515 | (2.4) |
| Total liabilities | 299,453 | 240,839 | 24.3 |
| Total stockholders' equity | 329,765 | 335,542 | (1.7) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | 629,218 | 576,381 | 9.2 |

| DEBT MIX ⁽²⁾ | June 30, 2019 | |
|--------------------------------|----------------------|---------------------|
| | % of Total | Average Rate |
| Denominated in: | | |
| Mexican pesos | 49.1% | 8.1% |
| U.S. Dollars | 7.2% | 4.7% |
| Euros | 18.7% | 1.8% |
| Colombian pesos | 1.4% | 5.7% |
| Argentine pesos | 0.2% | 65.5% |
| Brazilian reais | 18.7% | 7.8% |
| Chilean pesos | 3.7% | 5.3% |
| Uruguayan Pesos | 1.0% | 10.0% |
| Total debt | 100.0% | 6.63% |
| Fixed rate ⁽²⁾ | 91.6% | |
| Variable rate ⁽²⁾ | 8.4% | |

| DEBT MATURITY PROFILE | 2019 | 2020 | 2021 | 2022 | 2023 | 2024+ |
|------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| % of Total Debt | 5.1% | 9.9% | 11.1% | 2.2% | 22.4% | 49.4% |

(1) Includes mainly the intangible assets generated by acquisitions.

(2) Includes the effect of derivative financial instruments on long-term debt.

FEMSA Comercio - Proximity Division
Results of Operations
Millions of Pesos

| | For the second quarter of: | | | | | | As Reported ^(B) | | | |
|--|----------------------------|-----------|--------|---------------------------|--------|-----------------------|----------------------------|-----------|--------|-----------------------|
| | Comparable ^(A) | | | Comparable ^(A) | | | | | | |
| | 2019 ^(A) | % of rev. | 2018 | % of rev. | % Var. | % Org. ^(C) | 2018 | % of rev. | % Var. | % Org. ^(C) |
| Total revenues | 47,190 | 100.0 | 42,387 | 100.0 | 11.3 | 11.0 | 42,387 | 100.0 | 11.3 | 11.0 |
| Cost of sales | 28,408 | 60.2 | 26,279 | 62.0 | 8.1 | | 26,279 | 62.0 | 8.1 | |
| Gross profit | 18,782 | 39.8 | 16,108 | 38.0 | 16.6 | | 16,108 | 38.0 | 16.6 | |
| Administrative expenses | 1,081 | 2.3 | 884 | 2.1 | 22.3 | | 885 | 2.1 | 22.1 | |
| Selling expenses | 12,994 | 27.5 | 11,130 | 26.2 | 16.7 | | 11,540 | 27.2 | 12.6 | |
| Other operating expenses (income), net | 74 | 0.2 | 80 | 0.2 | (7.0) | | 80 | 0.2 | (7.0) | |
| Income from operations | 4,633 | 9.8 | 4,014 | 9.5 | 15.4 | 14.2 | 3,603 | 8.5 | 28.6 | 27.2 |
| Depreciation | 2,291 | 4.9 | 2,028 | 4.8 | 13.0 | | 1,144 | 2.7 | 100.3 | |
| Amortization & other non-cash charges | 143 | 0.3 | 129 | 0.3 | 10.5 | | 129 | 0.3 | 10.5 | |
| Operative cash flow | 7,067 | 15.0 | 6,172 | 14.6 | 14.5 | 12.9 | 4,876 | 11.5 | 44.9 | 42.9 |
| CAPEX | 2,670 | | 2,394 | | 11.5 | | 2,394 | - | 11.5 | |
| Information of OXXO Stores | | | | | | | | | | |
| Total stores | 18,608 | | 17,296 | | 7.6 | | | | | |
| Net new convenience stores: | | | | | | | | | | |
| vs. Last quarter | 375 | | 479 | | (21.7) | | | | | |
| Year-to-date | 609 | | 719 | | (15.3) | | | | | |
| Last-twelve-months | 1,312 | | 1,483 | | (11.5) | | | | | |
| Same-store data: ⁽¹⁾ | | | | | | | | | | |
| Sales (thousands of pesos) | 822.2 | | 773.8 | | 6.2 | | | | | |
| Traffic (thousands of transactions) | 22.7 | | 22.9 | | (1.1) | | | | | |
| Ticket (pesos) | 36.3 | | 33.7 | | 7.5 | | | | | |

FEMSA Comercio - Proximity Division
Results of Operations
Millions of Pesos

| | For the six months of: | | | | | | As Reported ^(B) | | | |
|--|---------------------------|-----------|--------|---------------------------|--------|-----------------------|----------------------------|-----------|--------|-----------------------|
| | Comparable ^(A) | | | Comparable ^(A) | | | | | | |
| | 2019 ^(A) | % of rev. | 2018 | % of rev. | % Var. | % Org. ^(C) | 2018 | % of rev. | % Var. | % Org. ^(C) |
| Total revenues | 88,440 | 100.0 | 80,134 | 100.0 | 10.4 | 9.9 | 80,134 | 100.0 | 10.4 | 9.9 |
| Cost of sales | 53,804 | 60.8 | 50,565 | 63.1 | 6.4 | | 50,565 | 63.1 | 6.4 | |
| Gross profit | 34,636 | 39.2 | 29,569 | 36.9 | 17.1 | | 29,569 | 36.9 | 17.1 | |
| Administrative expenses | 2,083 | 2.4 | 1,728 | 2.2 | 20.6 | | 1,730 | 2.2 | 20.4 | |
| Selling expenses | 25,149 | 28.5 | 21,328 | 26.6 | 17.9 | | 22,135 | 27.6 | 13.6 | |
| Other operating expenses (income), net | 123 | 0.1 | 144 | 0.2 | (14.8) | | 144 | 0.2 | (14.8) | |
| Income from operations | 7,281 | 8.2 | 6,368 | 7.9 | 14.3 | 12.7 | 5,559 | 6.9 | 31.0 | 29.1 |
| Depreciation | 4,517 | 5.1 | 4,010 | 5.0 | 12.6 | | 2,260 | 2.8 | 99.9 | |
| Amortization & other non-cash charges | 283 | 0.4 | 242 | 0.4 | 17.0 | | 242 | 0.4 | 17.0 | |
| Operative cash flow | 12,081 | 13.7 | 10,620 | 13.3 | 13.8 | 11.7 | 8,060 | 10.1 | 49.9 | 47.2 |
| CAPEX | 4,505 | | 3,870 | | 16.3 | | 3,870 | | 16.3 | |
| Information of OXXO Stores | | | | | | | | | | |
| Total stores | 18,608 | | 17,296 | | 7.6 | | | | | |
| Net new convenience stores: | | | | | | | | | | |
| vs. Last quarter | 375 | | 479 | | (21.7) | | | | | |
| Year-to-date | 609 | | 719 | | (15.3) | | | | | |
| Last-twelve-months | 1,312 | | 1,483 | | (11.5) | | | | | |
| Same-store data: ⁽¹⁾ | | | | | | | | | | |
| Sales (thousands of pesos) | 775.6 | | 739.9 | | 4.8 | | | | | |
| Traffic (thousands of transactions) | 22.1 | | 22.1 | | (0.1) | | | | | |
| Ticket (pesos) | 35.1 | | 33.5 | | 5.0 | | | | | |

(A) Unaudited consolidated financial information. For more detail please refer to our Press Release published on april 5th, 2019.

(B) Amounts reported as of June 30, 2018, adjusted to reflect the change from Comercial Division to Proximity Division implemented since September, 2018.

(C) Organic basis (% Org.) Excludes the effects of significant mergers and acquisitions in the last twelve months.

(1) Monthly average information per store, considering same stores with more than twelve months of operations, income from services are included.

FEMSA Comercio - Health Division
Results of Operations
Millions of Pesos

| | For the second quarter of: Comparable ^(A) | | | | | | As Reported | | | |
|--|---|-----------|---------|-----------|--------|-----------------------|-------------|-----------|--------|-----------------------|
| | 2019 | % of rev. | 2018 | % of rev. | % Var. | % Org. ^(B) | 2018 | % of rev. | % Var. | % Org. ^(B) |
| Total revenues | 15,246 | 100.0 | 13,380 | 100.0 | 13.9 | 0.1 | 13,380 | 100.0 | 13.9 | 0.1 |
| Cost of sales | 10,705 | 70.2 | 9,287 | 69.4 | 15.3 | | 9,287 | 69.4 | 15.3 | |
| Gross profit | 4,541 | 29.8 | 4,093 | 30.6 | 10.9 | | 4,093 | 30.6 | 10.9 | |
| Administrative expenses | 719 | 4.7 | 514 | 3.8 | 39.9 | | 514 | 3.8 | 39.9 | |
| Selling expenses | 3,117 | 20.4 | 2,873 | 21.5 | 8.5 | | 2,923 | 21.9 | 6.6 | |
| Other operating expenses (income), net | 41 | 0.3 | 22 | 0.2 | 86.4 | | 22 | 0.2 | 86.4 | |
| Income from operations | 664 | 4.4 | 684 | 5.1 | (3.0) | (9.3) | 634 | 4.7 | 4.7 | (2.1) |
| Depreciation | 642 | 4.2 | 596 | 4.5 | 7.7 | | 166 | 1.2 | N.S. | |
| Amortization & other non-cash charges | 73 | 0.4 | 86 | 0.6 | (15.1) | | 86 | 0.7 | (15.1) | |
| Operative cash flow | 1,379 | 9.0 | 1,366 | 10.2 | 0.9 | (5.5) | 886 | 6.6 | 55.6 | 45.7 |
| CAPEX | 304 | | 229 | | 32.8 | | 229 | - | 32.8 | |
| Information of Stores | | | | | | | | | | |
| Total stores | 3,061 | | 2,251 | | 36.0 | | | | | |
| Net new stores: | | | | | | | | | | |
| vs. Last quarter | 677 | | 16 | | N.S. | | | | | |
| Year-to-date | 700 | | 26 | | N.S. | | | | | |
| Last-twelve-months | 810 | | 97 | | N.S. | | | | | |
| Same-store data: ⁽¹⁾ | | | | | | | | | | |
| Sales (thousands of pesos) | 1,476.6 | | 1,516.4 | | -2.6 | | | | | |

FEMSA Comercio - Health Division
Results of Operations
Millions of Pesos

| | For the six months of: Comparable ^(A) | | | | | | As Reported | | | |
|--|---|-----------|---------|-----------|--------|-----------------------|-------------|-----------|--------|-----------------------|
| | 2019 | % of rev. | 2018 | % of rev. | % Var. | % Org. ^(B) | 2018 | % of rev. | % Var. | % Org. ^(B) |
| Total revenues | 28,004 | 100.0 | 25,834 | 100.0 | 8.4 | 1.2 | 25,834 | 100.0 | 8.4 | 1.2 |
| Cost of sales | 19,802 | 70.7 | 18,045 | 69.8 | 9.7 | | 18,045 | 69.8 | 9.7 | |
| Gross profit | 8,202 | 29.3 | 7,789 | 30.2 | 5.3 | | 7,789 | 30.2 | 5.3 | |
| Administrative expenses | 1,240 | 4.4 | 999 | 3.9 | 24.1 | | 999 | 3.9 | 24.1 | |
| Selling expenses | 5,928 | 21.2 | 5,734 | 22.2 | 3.4 | | 5,833 | 22.6 | 1.6 | |
| Other operating expenses (income), net | 54 | 0.2 | 43 | 0.2 | 25.6 | | 43 | 0.2 | 25.6 | |
| Income from operations | 980 | 3.5 | 1,013 | 3.9 | (3.3) | (7.6) | 914 | 3.5 | 7.2 | 2.5 |
| Depreciation | 1,240 | 4.4 | 1,186 | 4.6 | 4.5 | | 332 | 1.3 | N.S. | |
| Amortization & other non-cash charges | 154 | 0.6 | 171 | 0.7 | (9.9) | | 171 | 0.7 | (9.9) | |
| Operative cash flow | 2,374 | 8.5 | 2,371 | 9.2 | 0.1 | (3.6) | 1,417 | 5.5 | 67.5 | 61.3 |
| CAPEX | 595 | | 580 | | 2.6 | | 580 | - | 2.6 | |
| Information of Stores | | | | | | | | | | |
| Total stores | 3,061 | | 2,251 | | 36.0 | | | | | |
| Net new stores: | | | | | | | | | | |
| vs. Last quarter | 677 | | 16 | | N.S. | | | | | |
| Year-to-date | 700 | | 26 | | N.S. | | | | | |
| Last-twelve-months | 810 | | 97 | | N.S. | | | | | |
| Same-store data: ⁽¹⁾ | | | | | | | | | | |
| Sales (thousands of pesos) | 1,494.0 | | 1,504.9 | | -0.7 | | | | | |

(A) Unaudited consolidated financial information. For more detail please refer to our Press Release published on april 5th, 2019.

(B) Organic basis (% Org.) Excludes the effects of significant mergers and acquisitions in the last twelve months.

(1) Monthly average information per store, considering same stores with more than twelve months of all the operations of FEMSA Comercio - Health Division.

FEMSA Comercio - Fuel Division
Results of Operations
Millions of Pesos

| | For the second quarter of: | | | | | | | | |
|---|----------------------------|-----------|---------|---------------------------|--------|--------|-------------|--------|--|
| | | | | Comparable ^(A) | | | As Reported | | |
| | 2019 | % of rev. | 2018 | % of rev. | % Var. | 2018 | % of rev. | % Var. | |
| Total revenues | 12,415 | 100.0 | 11,511 | 100.0 | 7.8 | 11,511 | 100.0 | 7.8 | |
| Cost of sales | 11,196 | 90.2 | 10,595 | 92.0 | 5.7 | 10,595 | 92.0 | 5.7 | |
| Gross profit | 1,219 | 9.8 | 916 | 8.0 | 33.1 | 916 | 8.0 | 33.1 | |
| Administrative expenses | 49 | 0.4 | 61 | 0.5 | (19.0) | 61 | 0.5 | (19.7) | |
| Selling expenses | 834 | 6.7 | 640 | 5.6 | 30.3 | 771 | 6.8 | 8.2 | |
| Other operating expenses (income), net | 53 | 0.4 | 2 | - | N.S. | 2 | - | N.S. | |
| Income from operations | 283 | 2.3 | 213 | 1.9 | 32.6 | 82 | 0.7 | N.S. | |
| Depreciation | 208 | 1.7 | 186 | 1.6 | 12.0 | 32 | 0.3 | N.S. | |
| Amortization & other non-cash charges | 56 | 0.4 | 8 | - | N.S. | 8 | 0.1 | N.S. | |
| Operative cash flow | 547 | 4.4 | 407 | 3.5 | 34.3 | 122 | 1.1 | N.S. | |
| CAPEX | 122 | | 129 | | (5.8) | 129 | | (5.8) | |
| Information of OXXO GAS Service Stations | | | | | | | | | |
| Total service stations | 541 | | 499 | | 8.4 | | | | |
| Net new service stations | | | | | | | | | |
| vs. Last quarter | 1 | | 32 | | (96.9) | | | | |
| Year-to-date | 2 | | 47 | | (95.7) | | | | |
| Last-twelve-months | 42 | | 109 | | (61.5) | | | | |
| Volume (million of liters) total stations | 698 | | 708 | | (1.5) | | | | |
| Same-stations data: ⁽¹⁾ | | | | | | | | | |
| Sales (thousands of pesos) | 7,817.7 | | 7,817.9 | | (0.0) | | | | |
| Volume (thousands of liters) | 440.5 | | 480.9 | | (8.4) | | | | |
| Average price per liter | 17.7 | | 16.3 | | 9.2 | | | | |

FEMSA Comercio - Fuel Division
Results of Operations
Millions of Pesos

| | For the six months of: | | | | | | | | |
|---|------------------------|-----------|---------|---------------------------|--------|--------|-------------|--------|--|
| | | | | Comparable ^(A) | | | As Reported | | |
| | 2019 | % of rev. | 2018 | % of rev. | % Var. | 2018 | % of rev. | % Var. | |
| Total revenues | 23,268 | 100.0 | 22,104 | 100.0 | 5.3 | 22,104 | 100.0 | 5.3 | |
| Cost of sales | 20,944 | 90.0 | 20,301 | 91.8 | 3.2 | 20,301 | 91.8 | 3.2 | |
| Gross profit | 2,324 | 10.0 | 1,803 | 8.2 | 28.9 | 1,803 | 8.2 | 28.9 | |
| Administrative expenses | 92 | 0.4 | 112 | 0.5 | (17.9) | 113 | 0.5 | (18.6) | |
| Selling expenses | 1,571 | 6.8 | 1,212 | 5.5 | 29.7 | 1,468 | 6.7 | 7.0 | |
| Other operating expenses (income), net | 70 | 0.3 | 3 | - | N.S. | 3 | - | N.S. | |
| Income from operations | 591 | 2.5 | 476 | 2.2 | 24.0 | 219 | 1.0 | 169.9 | |
| Depreciation | 411 | 1.8 | 364 | 1.6 | 12.9 | 62 | 0.3 | N.S. | |
| Amortization & other non-cash charges | 80 | 0.4 | 15 | 0.1 | N.S. | 15 | - | N.S. | |
| Operative cash flow | 1,082 | 4.7 | 855 | 3.9 | 26.5 | 296 | 1.3 | N.S. | |
| CAPEX | 244 | | 193 | | 26.6 | 193 | | 26.6 | |
| Information of OXXO GAS Service Stations | | | | | | | | | |
| Total service stations | 541.0 | | 499.0 | | 8.4 | | | | |
| Net new service stations | | | | | | | | | |
| vs. Last quarter | 1 | | 32 | | (96.9) | | | | |
| Year-to-date | 2 | | 47 | | (95.7) | | | | |
| Last-twelve-months | 42 | | 109 | | (61.5) | | | | |
| Volume (million of liters) total stations | 1,314 | | 1,382 | | (4.9) | | | | |
| Same-stations data: ⁽¹⁾ | | | | | | | | | |
| Sales (thousands of pesos) | 7,455.1 | | 7,732.2 | | (3.6) | | | | |
| Volume (thousands of liters) | 422.0 | | 483.5 | | (12.7) | | | | |
| Average price per liter | 17.7 | | 16.0 | | 10.5 | | | | |

(A) Unaudited consolidated financial information. For more detail please refer to our Press Release published on april 5th, 2019.

(1) Monthly average information per station, considering same stations with more than twelve months of operations.

Coca-Cola FEMSA
Results of Operations
Millions of Pesos

| | For the second quarter of: | | | | | | | | | |
|--|----------------------------|-----------|--------|-----------|--------|-----------|----------------|------------|--------|-----------|
| | Comparable (A) | | | | | | As Reported(B) | | | |
| | 2019 | % of rev. | 2018 | % of rev. | % Var. | % Org.(C) | 2018 | % Integral | % Var. | % Org.(C) |
| Total revenues | 47,978 | 100.0 | 44,569 | 100.0 | 7.6 | 5.1 | 44,569 | 100.0 | 7.6 | 5.1 |
| Cost of sales | 25,876 | 53.9 | 23,710 | 53.2 | 9.1 | | 23,712 | 53.2 | 9.1 | |
| Gross profit | 22,102 | 46.1 | 20,859 | 46.8 | 6.0 | | 20,857 | 46.8 | 6.0 | |
| Administrative expenses | 2,172 | 4.5 | 2,054 | 4.6 | 5.7 | | 2,057 | 4.6 | 5.6 | |
| Selling expenses | 12,864 | 26.9 | 12,302 | 27.6 | 4.6 | | 12,312 | 27.6 | 4.5 | |
| Other operating expenses (income), net | 728 | 1.5 | 537 | 1.2 | 35.6 | | 537 | 1.2 | 35.6 | |
| Income from operations | 6,338 | 13.2 | 5,967 | 13.4 | 6.2 | 4.7 | 5,952 | 13.4 | 6.5 | 4.9 |
| Depreciation | 2,214 | 4.6 | 2,217 | 5.0 | (0.1) | | 2,066 | 4.6 | 7.2 | |
| Amortization & other non-cash charges | 627 | 1.3 | 709 | 1.6 | (11.6) | | 708 | 1.6 | (11.5) | |
| Operative cash flow | 9,180 | 19.1 | 8,892 | 20.0 | 3.2 | 1.0 | 8,726 | 19.6 | 5.2 | 2.9 |
| CAPEX | 2,407 | | 2,404 | | 0.1 | | 2,404 | | 0.1 | |
| Sales volumes | | | | | | | | | | |
| (Millions of unit cases) | | | | | | | | | | |
| Mexico and Central America | 554.7 | 66.0 | 552.2 | 67.1 | 0.5 | | | | | |
| South America | 103.1 | 12.3 | 99.9 | 12.1 | 3.2 | | | | | |
| Brazil | 183.1 | 21.8 | 170.8 | 20.8 | 7.3 | | | | | |
| Total | 840.9 | 100.0 | 822.9 | 100.0 | 2.2 | | | | | |

Coca-Cola FEMSA
Results of Operations
Millions of Pesos

| | For the six months of: | | | | | | | | | |
|--|------------------------|-----------|---------|-----------|--------|-----------|----------------|------------|--------|-----------|
| | Comparable (A) | | | | | | As Reported(B) | | | |
| | 2019 | % of rev. | 2018 | % of rev. | % Var. | % Org.(C) | 2018 | % Integral | % Var. | % Org.(C) |
| Total revenues | 94,444 | 100.0 | 88,692 | 100.0 | 6.5 | 3.1 | 88,692 | 100.0 | 6.5 | 3.1 |
| Cost of sales | 51,349 | 54.4 | 47,615 | 53.7 | 7.8 | | 47,619 | 53.7 | 7.8 | |
| Gross profit | 43,095 | 45.6 | 41,077 | 46.3 | 4.9 | | 41,073 | 46.3 | 4.9 | |
| Administrative expenses | 4,385 | 4.6 | 4,273 | 4.8 | 2.6 | | 3,956 | 4.5 | 10.9 | |
| Selling expenses | 25,577 | 27.1 | 24,442 | 27.6 | 4.6 | | 24,784 | 27.9 | 3.2 | |
| Other operating expenses (income), net | 1,063 | 1.1 | 616 | 0.7 | 72.4 | | 616 | 0.7 | 72.6 | |
| Income from operations | 12,070 | 12.8 | 11,746 | 13.2 | 2.8 | 0.7 | 11,718 | 13.2 | 3.0 | 0.9 |
| Depreciation | 4,493 | 4.8 | 4,354 | 4.9 | 3.2 | | 4,049 | 4.6 | 11.0 | |
| Amortization & other non-cash charges | 1,192 | 1.2 | 1,126 | 1.3 | 5.9 | | 1,125 | 1.2 | 6.0 | |
| Operative cash flow | 17,756 | 18.8 | 17,226 | 19.4 | 3.1 | 0.2 | 16,891 | 19.0 | 5.1 | 2.2 |
| CAPEX | 3,961 | | 4,016 | | (1.4) | | 4,016 | | (1.4) | |
| Sales volumes | | | | | | | | | | |
| (Millions of unit cases) | | | | | | | | | | |
| Mexico and Central America | 1,032.7 | 63.1 | 1,027.1 | 63.8 | 0.5 | | | | | |
| South America | 208.8 | 12.8 | 218.2 | 13.5 | (4.3) | | | | | |
| Brazil | 395.7 | 24.2 | 365.6 | 22.7 | 8.3 | | | | | |
| Total | 1,637.1 | 100.0 | 1,610.9 | 100.0 | 1.6 | | | | | |

(A) Unaudited consolidated financial information. For more detail please refer to our Press Release published on april 5th, 2019.

(B) Amounts reported as of June 30, 2018, adjusted for the discontinued operations of Coca-Cola FEMSA Philippines.

(C) Organic basis (% Org.) excludes the effects of significant mergers and acquisitions in the last twelve months.

FEMSA
Macroeconomic Information

| | Inflation | | End-of-period Exchange Rates | | | |
|-----------|-----------|---------------------------|------------------------------|---------|----------|---------|
| | 2Q 2019 | LTM ⁽¹⁾ Jun-19 | Jun-19 | | Dic-18 | |
| | | | Per USD | Per MXN | Per USD | Per MXN |
| México | -0.08% | 3.52% | 19.17 | 1.0000 | 19.68 | 1.0000 |
| Colombia | 2.76% | 2.88% | 3,205.67 | 0.0060 | 3,249.75 | 0.0061 |
| Venezuela | 2318.90% | 931193.84% | 6,733.29 | 0.0028 | 638.18 | 0.0308 |
| Brasil | 2.35% | 4.00% | 3.83 | 5.0020 | 3.87 | 5.0797 |
| Argentina | 22.81% | 53.26% | 42.46 | 0.4514 | 37.70 | 0.5221 |
| Chile | 2.11% | 2.21% | 679.86 | 0.0282 | 695.69 | 0.0283 |
| Zona Euro | 1.04% | 1.43% | 0.88 | 21.8643 | 0.87 | 22.5383 |

(1) LTM = Last twelve months.



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Coca-Cola FEMSA Announces Results For Second Quarter and First Six Months Of 2019

Mexico City, July 25, 2019, Coca-Cola FEMSA, S.A.B. de C.V. (BMV: KOF UBL, NYSE: KOF) (“Coca-Cola FEMSA”, “KOF” or the “Company”), the largest Coca-Cola franchise bottler in the world by sales volume, announces results for the second quarter and the first six months of 2019.

SECOND QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Volumes increased in Brazil, Central America and Colombia; transactions outperformed volumes in Argentina and Brazil.
- Revenues increased 7.6%, while comparable revenues grew 11.6%. Solid pricing, revenue management initiatives across our operations and volume growth in Brazil, Central America and Colombia were partially offset by unfavorable currency translation effects from all of our operating currencies.
- Operating income increased 6.5%, while comparable operating income increased 13.8%. Favorable price mix effect, more stable raw material prices, and operating expense efficiencies, were partially offset by higher concentrate costs, the depreciation of most of our operating currencies as applied to our U.S. dollar denominated raw material costs, and restructuring severances for Ps. 512 million in Argentina, Central America, Colombia, and Mexico related to our efficiency initiatives to create a leaner and more agile organization.
- Earnings per share¹ were Ps. 0.21 (Earnings per unit were Ps. 1.66 and per ADS were Ps. 16.60).

FINANCIAL SUMMARY FOR THE SECOND QUARTER AND FIRST SIX MONTHS OF 2019

Change vs. same period of last year

| | | Total Revenues | | Gross Profit | | Operating Income | | Majority Net Income | |
|-----------------------------------|--------------------------|----------------|----------|--------------|----------|------------------|----------|---------------------|----------|
| | | 2Q 2019 | YTD 2019 | 2Q 2019 | YTD 2019 | 2Q 2019 | YTD 2019 | 2Q 2019 | YTD 2019 |
| As Reported ⁽²⁾ | Consolidated | 7.6% | 6.5% | 6.0% | 4.9% | 6.5% | 3.0% | 25.4% | 17.2% |
| | Mexico & Central America | 9.9% | 10.6% | 10.0% | 11.1% | 19.1% | 17.6% | | |
| | South America | 4.4% | 1.5% | (0.5%) | (3.2%) | (15.8%) | (15.0%) | | |
| Comparable ⁽³⁾ | Consolidated | 11.6% | 10.8% | 10.1% | 9.5% | 13.8% | 11.7% | | |
| | Mexico & Central America | 9.2% | 8.3% | 9.3% | 8.8% | 18.6% | 16.1% | | |
| | South America | 15.9% | 14.7% | 11.8% | 10.6% | 2.4% | 4.1% | | |

John Santa Maria, Coca-Cola FEMSA’s CEO, commented:

“Our second quarter results show continuous progress and positive momentum. Despite prevailing external volatility and currency headwinds, our consolidated revenues grew 7.6% while our comparable revenues grew 11.6%. Importantly, our majority net income grew 25.4%, reflecting our progress to transform Coca-Cola FEMSA into a stronger and more resilient business. In Mexico and Central America, we continue to report healthy top-and-bottom line growth. In South America, we continue to see strong top-line performance driven mainly by strong volumes in Brazil, better-than-expected volume performance in Colombia and signs of stabilization in Argentina —encouraging trends as we move into the second half of the year.

Finally, as part of our commitment to drive agility and efficiency across our organization, we started the rollout of a set of initiatives during the first half of the year to create a leaner, more agile organization that is fully focused on its consumers. We expect that these efforts, which will be rolled out to all of our operations throughout the coming months, combined with ongoing digitalization, will provide us with the required flexibility to continue driving growth in our business.”

(1) Quarterly earnings / outstanding shares. Earnings per share (EPS) for all periods are adjusted to give effect to the stock split resulting in 16,806.7 million shares outstanding. For the convenience of the reader, as a KOF UBL Unit is comprised of 8 shares (3 Series B shares and 5 Series L shares); earnings per unit are equal to EPS multiplied by 8. Each ADS represents 10 KOF UBL Units.

(2) According to IFRS 5, figures for 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

(3) Please refer to page 9 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and operating performance.





RECENT DEVELOPMENTS

- On May 3, 2019, Coca-Cola FEMSA paid the first installment of the 2018 dividend in the amount of Ps. 0.4425 per share.

CONFERENCE CALL INFORMATION



Thursday July 25, 2019
10:00 A.M. Eastern Time
9:00 A.M. Mexico City Time



Mr. John Anthony Santa Maria, Chief Executive Officer
Mr. Constantino Spas, Chief Financial Officer
Mrs. Maria Dyla Castro, Investor Relations Director

To participate in the conference call please dial:

Domestic U.S.: 888-394-8218
International: +1 323 701 0225
Participant passcode: 1436870

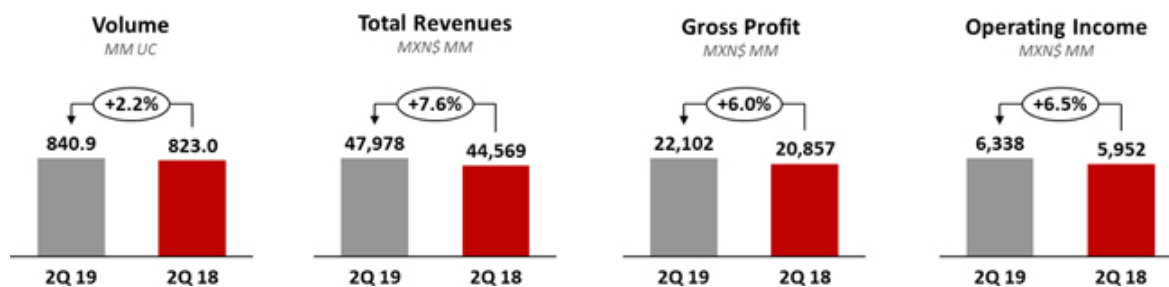


Webcast:

<http://bit.do/KOF2Q19Results>



CONSOLIDATED SECOND QUARTER RESULTS



CONSOLIDATED SECOND QUARTER RESULTS

| Expressed in millions of Mexican pesos | As Reported ⁽¹⁾ | | | Comparable ⁽²⁾ | |
|--|----------------------------|---------|------|---------------------------|-------|
| | 2Q 2019 | 2Q 2018 | Δ% | | Δ% |
| Total revenues | 47,978 | 44,569 | 7.6% | | 11.6% |
| Gross profit | 22,102 | 20,857 | 6.0% | | 10.1% |
| Operating income | 6,338 | 5,952 | 6.5% | | 13.8% |
| Operating cash flow ⁽³⁾ | 9,180 | 8,726 | 5.2% | | 9.2% |

Volume increased 2.2% to 840.9 million unit cases, driven mainly by 7.2% growth in Brazil, slight growth in Colombia and the consolidation of recently acquired territories in Guatemala and Uruguay; partially offset by volume declines in Mexico and Argentina. On a comparable basis, total volumes increased 1.3%.

Total revenues increased 7.6% to Ps. 47,978 million, driven mainly by price increases above inflation and revenue management initiatives across our territories, volume growth in Brazil, Central America and Colombia, the consolidation of recently acquired territories in Guatemala and Uruguay and a favorable mix effect driven by transactions growing ahead of volumes in Argentina and Brazil. These factors were partially offset by the negative translation effect resulting from the depreciation of all of our operating currencies as compared to the Mexican Peso, combined with volume decline in Argentina and Mexico. On a comparable basis, total revenues increased 11.6%.

Gross profit increased 6.0% to Ps. 22,102 million and gross margin contracted 70 basis points to 46.1%. More stable sweetener and packaging prices were offset by i) higher concentrate costs in Mexico; ii) higher concentrate costs in Brazil, related to the reduction of tax credits on concentrate purchased from the Manaus Free Trade Zone; iii) an unfavorable currency hedging position in most of our operations; and iv) the depreciation in the average exchange rate of most of our operating currencies as applied to our U.S. dollar-denominated raw material costs. On a comparable basis, gross profit increased 10.1%.

Operating income increased 6.5% to Ps. 6,338 million, and operating margin contracted 20 basis points to 13.2%. This increase was driven mainly by operating expense efficiencies and freight efficiencies in Brazil and Mexico; effects that were partially offset by restructuring severance in Argentina, Central America, Colombia, and Mexico. On a comparable basis, operating income increased 13.8%.

(1) According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

(2) Please refer to page 9 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and operating performance.

(3) Operating cash flow = operating income + depreciation + amortization & other operating non-cash charges.





Comprehensive financing result recorded an expense of Ps. 1,559 million, compared to an expense of Ps. 1,438 million in the same period of 2018. This quarter we had a reduction in our interest expense, net, as compared to the same period of 2018, a foreign exchange loss—as our cash exposure in U.S. dollars was negatively impacted by the appreciation of the Mexican Peso during the second quarter of 2019—and a reduction in other financial expenses.

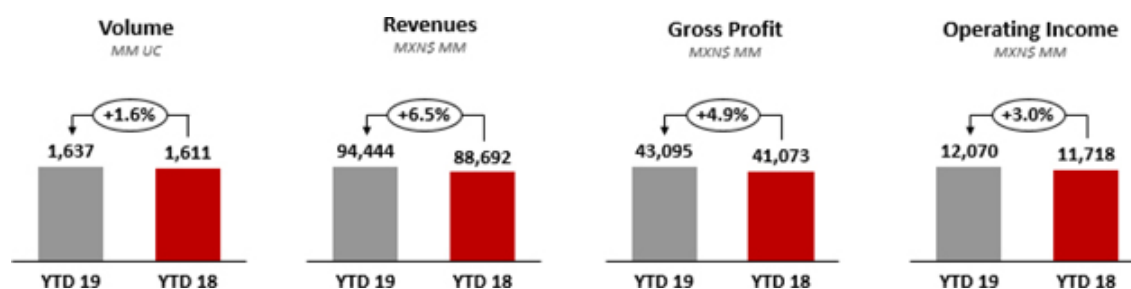
Income tax as a percentage of income before taxes was 24.7% as compared to 30.7% during the same period of the previous year. This decrease was driven mainly by the increase in the relative weight of our Mexico operation's profits in our consolidated results, which have a lower tax rate, coupled with certain tax efficiencies and ongoing efforts to reduce non-deductible items across our operations.

Net income attributable to equity holders of the company reached Ps. 3,487 million as compared to Ps. 2,781 million during the same period of the previous year. Earnings per share¹ were Ps. 0.21 (Earnings per unit were Ps. 1.66 and earnings per ADS were Ps. 16.60).

(1) Quarterly earnings / outstanding shares. Earnings per share (EPS) for all periods are adjusted to give effect to the stock split resulting in 16,806.7 million shares outstanding. For the convenience of the reader, as a KOF UBL Unit is comprised of 8 shares (3 Series B shares and 5 Series L shares); earnings per unit are equal to EPS multiplied by 8. Each ADS represents 10 KOF UBL Units.



CONSOLIDATED FIRST SIX MONTHS RESULTS



CONSOLIDATED FIRST SIX MONTHS RESULTS

| Expressed in millions of Mexican pesos | As Reported ⁽¹⁾ | | | Comparable ⁽²⁾ | |
|--|----------------------------|----------|------|---------------------------|--|
| | YTD 2019 | YTD 2018 | Δ% | Δ% | |
| Total revenues | 94,444 | 88,692 | 6.5% | 10.8% | |
| Gross profit | 43,095 | 41,073 | 4.9% | 9.5% | |
| Operating income | 12,070 | 11,718 | 3.0% | 11.7% | |
| Operating cash flow ⁽³⁾ | 17,756 | 16,891 | 5.1% | 10.1% | |

Volume increased 1.6% to 1,637.1 million unit cases in the first six months of 2019 as compared to the same period of 2018, driven mainly by 8.2% growth in Brazil, and the consolidation of recently acquired territories in Guatemala and Uruguay, partially offset by volume declines in the rest of our operations. On a comparable basis, total volumes increased 0.7%.

Total revenues increased 6.5% to Ps. 94,444 million in the first six months of 2019 as compared to the same period of 2018, driven mainly by price increases above inflation and revenue management initiatives across our territories, volume growth in Brazil, the consolidation of recently acquired territories in Guatemala and Uruguay, and a favorable mix effect driven by transactions growing ahead of volumes in Argentina and Brazil. These factors were partially offset by the negative translation effect resulting from the depreciation of all of our operating currencies as compared to the Mexican Peso, combined with volume declines in Argentina, Colombia and Mexico. On a comparable basis, total revenues increased 10.8%.

Gross profit increased 4.9% to Ps. 43,095 million in the first six months of 2019 as compared to the same period of 2018, and gross margin contracted 70 basis points to 45.6%. Lower sweetener prices were offset by i) higher concentrate costs in Mexico; ii) higher concentrate costs in Brazil, related to the reduction of tax credits on concentrate purchased from the Manaus Free Trade Zone; iii) higher PET prices during the first quarter of 2019 across most of our operations; and iv) the depreciation in the average exchange rate of most of our operating currencies as applied to our U.S. dollar-denominated raw material costs. On a comparable basis, gross profit increased 9.5%.

Operating income increased 3.0% to Ps. 12,070 million in the first six months of 2019 as compared to the same period of 2018, and operating margin contracted 40 basis points to 12.8%. This increase was driven mainly by operating expense efficiencies, and freight efficiencies in Brazil and Mexico; effects that were partially offset by restructuring severance of Ps. 701 million in Argentina, Central America, Colombia, and Mexico. On a comparable basis, operating income increased 11.7%.

(1) According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

(2) Please refer to page 9 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and operating performance.

(3) Operating cash flow = operating income + depreciation + amortization & other operating non-cash charges.





Comprehensive financing result recorded an expense of Ps. 3,153 million during the first six months of 2019 compared to an expense of Ps. 3,539 million in the same period of 2018. For this period we had a reduction in our interest expense, net, as compared to the same period of 2018, a foreign exchange loss—as our cash exposure in U.S. dollars was negatively impacted by the appreciation of the Mexican Peso during the first six months of 2019—and a reduction in other financial expenses.

Income tax as a percentage of income before taxes was 28.4% as compared to 31.0% during the first six months of the previous year. This decrease was driven mainly by the increase in the relative weight of our Mexico operation's profits in our consolidated results, which have a lower tax rate, coupled with certain tax efficiencies and ongoing efforts to reduce non-deductible items across our operations.

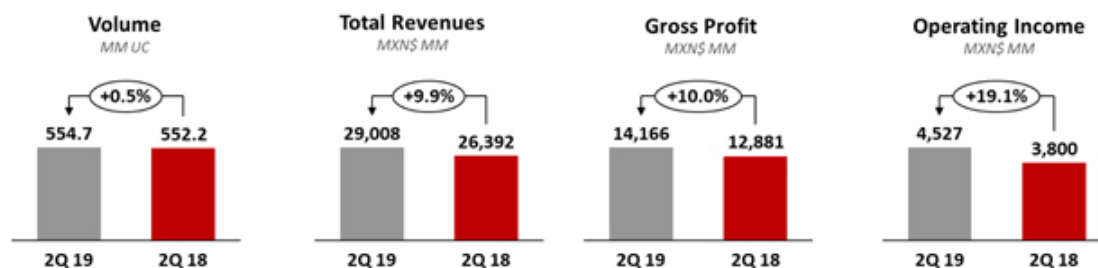
Net income attributable to equity holders of the company reached Ps. 6,088 million in the first six months of 2019 as compared to Ps. 5,195 million during the same period of the previous year. Earnings per share¹ were Ps. 0.56 (Earnings per unit were Ps. 28.98 and earnings per ADS were Ps. 12.33).

⁽¹⁾ Quarterly earnings / outstanding shares. Earnings per share (EPS) for all periods are adjusted to give effect to the stock split resulting in 16,806.7 million shares outstanding. For the convenience of the reader, as each KOF UBL Unit is comprised of 8 shares (3 Series B shares and 5 Series L shares), earnings per unit are equal to EPS multiplied by 8. Each ADS represents 10 KOF UBL Units.



MEXICO & CENTRAL AMERICA DIVISION SECOND QUARTER RESULTS

(Mexico, Guatemala, Costa Rica, Panama, and Nicaragua)



MEXICO & CENTRAL AMERICA DIVISION RESULTS

| Expressed in millions of Mexican pesos | As Reported ⁽¹⁾ | | | Comparable ⁽²⁾ | |
|--|----------------------------|---------|-------|---------------------------|--|
| | 2Q 2019 | 2Q 2018 | Δ% | Δ% | |
| Total revenues | 29,008 | 26,392 | 9.9% | 9.2% | |
| Gross profit | 14,166 | 12,881 | 10.0% | 9.3% | |
| Operating income | 4,527 | 3,800 | 19.1% | 18.6% | |
| Operating cash flow ⁽³⁾ | 6,285 | 5,614 | 12.0% | 11.4% | |

Volume increased 0.5% to 554.7 million unit cases, driven by the consolidation of recently acquired territories in Guatemala and volume growth in Costa Rica, Panama and organic volume in Guatemala, partially offset by volume decline in Mexico and Nicaragua. On a comparable basis, volume decreased 0.5%.

Total revenues increased 9.9% to Ps. 29,008 million, driven by pricing ahead of inflation across the division, volume growth in Costa Rica, Panama and organic volume growth in Guatemala, and the consolidation of recently acquired territories in Guatemala as of May 1, 2018. These effects were partially offset by volume declines in Mexico and Nicaragua and a slightly unfavorable mix driven by volumes outperforming transactions. On a comparable basis, total revenues increased 9.2%.

Gross profit increased 10.0% to Ps. 14,166 million and gross profit margin remained flat at 48.8% driven mainly by our pricing initiatives and lower sweetener and PET costs. These factors were partially offset by higher concentrate costs in Mexico, and an unfavorable currency hedging position. On a comparable basis, gross profit increased 9.3%.

Operating income increased 19.1% to Ps. 4,527 million in the second quarter of 2019, and operating income margin expanded 120 basis points to 15.6% during the period driven mainly by operating expense efficiencies and lower freight in Mexico, partially offset by restructuring severances of Ps. 436 million in the division. On a comparable basis, operating income increased 18.6%.

⁽¹⁾ According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

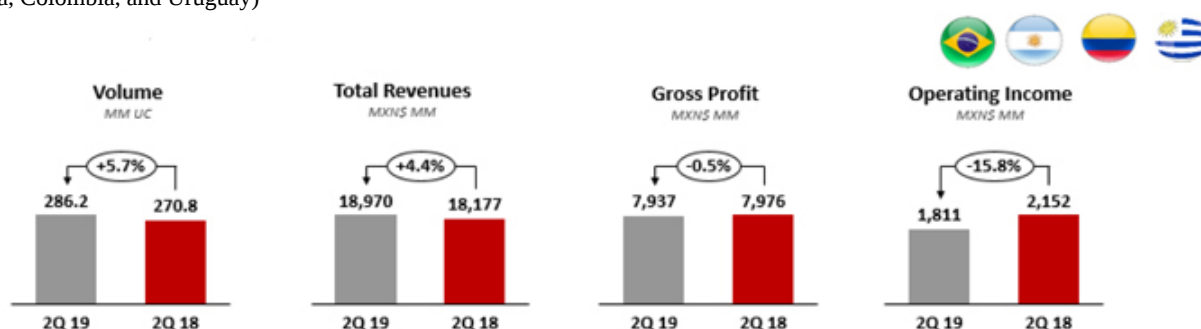
⁽²⁾ Please refer to page 9 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and operating performance.

⁽³⁾ Operating cash flow = operating income + depreciation + amortization & other operating non-cash charges.



SOUTH AMERICA DIVISION SECOND QUARTER RESULTS

(Brazil, Argentina, Colombia, and Uruguay)



SOUTH AMERICA DIVISION RESULTS

| Expressed in millions of Mexican pesos | As Reported ⁽¹⁾ | | | Comparable ⁽²⁾ | |
|--|----------------------------|---------|---------|---------------------------|-------|
| | 2Q 2019 | 2Q 2018 | Δ% | | Δ% |
| Total revenues | 18,970 | 18,177 | 4.4% | | 15.9% |
| Gross profit | 7,937 | 7,976 | (0.5%) | | 11.8% |
| Operating income | 1,811 | 2,152 | (15.8%) | | 2.4% |
| Operating cash flow ⁽³⁾ | 2,895 | 3,112 | (7.0%) | | 4.1% |

Volume increased 5.7% to 286.2 million unit cases, driven by volume growth of 7.2% in Brazil, 0.6% in Colombia, and the consolidation of the recently acquired territory in Uruguay partially offset by a volume decline in Argentina. On a comparable basis, volume grew 5.4%.

Total revenues increased 4.4% to Ps. 18,970 million, driven mainly by strong volume growth in Brazil, pricing ahead or in line with inflation in the division, a favorable mix effect driven by transactions outperforming volumes in Argentina and Brazil, and the consolidation of the recently acquired territory in Uruguay as of July 1, 2018. These factors were partially offset by a volume contraction in Argentina, coupled with an unfavorable currency translation effect resulting from the depreciation of all our local currencies in the division as compared to the Mexican Peso. On a comparable basis, total revenues increased 15.9%.

Gross profit decreased 0.5% to Ps. 7,937 million, and gross profit margin contracted 210 basis points to 41.8%. This is a result of higher concentrate costs in Brazil related to the reduction of tax credits on concentrate purchased from the Manaus free trade zone, and the depreciation of the average exchange rate of all our local currencies in the division as applied to our U.S. dollar-denominated raw material costs. These factors were partially offset by our pricing initiatives, lower sweetener and PET prices. On a comparable basis, gross profit increased 11.8%.

Operating income decreased 15.8% to Ps. 1,812 million in the second quarter of 2019, resulting in a margin contraction of 230 basis points to 9.5% driven mainly by a decline in Argentina's top line and restructuring severances of Ps. 76 million in Argentina and Colombia, partially offset by freight efficiencies in Brazil and expense control in the division. On a comparable basis, operating income increased 2.4%.

⁽¹⁾ According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

⁽²⁾ Please refer to page 9 for our definition of "comparable" and a description of the factors affecting the comparability of our financial and operating performance.

⁽³⁾ Operating cash flow = operating income + depreciation + amortization & other operating non-cash charges.





DEFINITIONS

Volume is expressed in unit cases. Unit case refers to 192 ounces of finished beverage product (24 eight-ounce servings) and, when applied to soda fountains, refers to the volume of syrup, powders and concentrate that is required to produce 192 ounces of finished beverage product.

Transactions refers to the number of single units (e.g. a can or a bottle) sold, regardless of their size or volume or whether they are sold individually or in multipacks, except for soda fountains, which represent multiple transactions based on a standard 12 oz. serving.

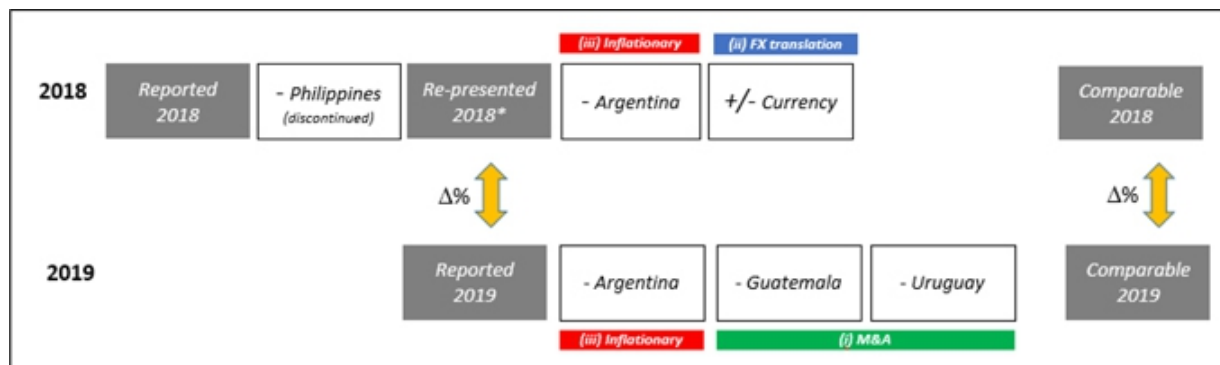
Operating income is a non-GAAP financial measure computed as “gross profit – operating expenses – other operating expenses, net + operative equity method (gain) loss in associates.”

Operating cash flow is a non-GAAP financial measure computed as “operating income + depreciation + amortization & other operating non-cash charges.”

Earnings per share are equal to “quarterly earnings / outstanding shares.” Earnings per share (EPS) for all periods are adjusted to give effect to the stock split resulting in 16,806,658,096 shares outstanding. For the convenience of the reader, as each KOF UBL Unit is comprised of 8 shares (3 Series B shares and 5 Series L shares), earnings per unit are equal to EPS multiplied by 8. Each ADS represents 10 KOF UBL Units.

COMPARABILITY

In an effort to provide our readers with a more useful representation of our company's underlying financial and operating performance, we are including the term “Comparable.” This means, with respect to a year-over-year comparison, the change of a given measure excluding the effects of: (i) mergers, acquisitions, and divestitures, including acquisitions made in Guatemala and Uruguay as of May and July 2018, respectively; (ii) translation effects resulting from exchange rate movements; and (iii) the results of hyperinflationary subsidiaries in both periods: Argentina’s results from 2019 and 2018. In preparing this measure, management has used its best judgment, estimates, and assumptions in order to maintain comparability. The relation between our reported and comparable figures is described in the following chart:



*Reported 2018 figures reflect the Philippines as a discontinued operation.





ABOUT THE COMPANY

Stock listing information: Mexican Stock Exchange, Ticker: KOF UBL | NYSE (ADS), Ticker: KOF | Ratio of KOF UBL to KOF = 10:1

Coca-Cola FEMSA files reports, including annual reports and other information with the U.S. Securities and Exchange Commission, or the “SEC”, and the Mexican Stock Exchange (Bolsa Mexicana de Valores, or the “BMV”) pursuant to the rules and regulations of the SEC (that apply to foreign private issuers) and of the BMV. Filings we make electronically with the SEC and the BMV are available to the public on the Internet at the SEC’s website at www.sec.gov, the BMV’s website at www.bmv.com.mx and our website at www.coca-colafemsa.com.

Coca-Cola FEMSA, S.A.B. de C.V. is the largest Coca-Cola franchise bottler in the world by sales volume. The Company produces and distributes trademark beverages of The Coca-Cola Company, offering a wide portfolio of 131 brands to a population of more than 257 million. With over 83 thousand employees, the Company markets and sells approximately 3.3 billion unit cases through close to 2 million points of sale a year. Operating 49 manufacturing plants and 275 distribution centers, Coca-Cola FEMSA is committed to generating economic, social, and environmental value for all of its stakeholders across the value chain. The Company is a member of the Dow Jones Sustainability Emerging Markets Index, Dow Jones Sustainability MILA Pacific Alliance Index, FTSE4Good Emerging Index, and the Mexican Stock Exchange’s IPC and Social Responsibility and Sustainability Indices, among others. Its operations encompass franchise territories in Mexico, Brazil, Guatemala, Colombia, and Argentina, and, nationwide, in Costa Rica, Nicaragua, Panama, Uruguay, and Venezuela through its investment in KOF Venezuela. For further information, please visit www.coca-colafemsa.com



ADDITIONAL INFORMATION

All of the financial information presented in this report was prepared under International Financial Reporting Standards (IFRS).

This news release may contain forward-looking statements concerning Coca-Cola FEMSA’s future performance, which should be considered as good faith estimates by Coca-Cola FEMSA. These forward-looking statements reflect management’s expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, many of which are outside Coca-Cola FEMSA’s control, which could materially impact the Company’s actual performance. References herein to “US\$” are to United States dollars. This news release contains translations of certain Mexican peso amounts into U.S. dollars for the convenience of the reader. These translations should not be construed as representations that Mexican peso amounts actually represent such U.S. dollars amounts or could be converted into U.S. dollars at the rate indicated.

(5 pages of tables to follow)





COCA-COLA FEMSA
CONSOLIDATED INCOME STATEMENT
Millions of Pesos ⁽¹⁾

| | For the Second Quarter of: | | | | | | For the First Six Months of: | | | | | |
|--|----------------------------|---------------|---------------------|---------------|----------------|---------------------------------|------------------------------|---------------|---------------------|---------------|----------------|---------------------------------|
| | 2019 | % of Rev. | 2018 ⁽⁴⁾ | % of Rev. | Δ% Reported | Δ% Comparable ⁽⁸⁾ | 2019 | % of Rev. | 2018 ⁽⁴⁾ | % of Rev. | Δ% Reported | Δ% Comparable ⁽⁸⁾ |
| Transactions (million transactions) | 5,012.5 | | 4,880.4 | | 2.7% | 1.4% | 9,850.2 | | 9,565.9 | | 3.0% | 1.2% |
| Volume (million unit cases) | 840.9 | | 823.0 | | 2.2% | 1.3% | 1,637.1 | | 1,610.9 | | 1.6% | 0.7% |
| Average price per unit case | 52.82 | | 50.58 | | 4.4% | | 52.83 | | 50.93 | | 3.7% | |
| Net revenues | 47,672 | | 44,468 | | 7.2% | | 93,909 | | 88,473 | | 6.1% | |
| Other operating revenues | 306 | | 101 | | 202.1% | | 535 | | 218 | | 145.1% | |
| Total revenues ⁽²⁾ | 47,978 | 100.0% | 44,569 | 100.0% | 7.6% | 11.6% | 94,444 | 100.0% | 88,692 | 100.0% | 6.5% | 10.8% |
| Cost of goods sold | 25,876 | 53.9% | 23,712 | 53.2% | 9.1% | | 51,349 | 54.4% | 47,619 | 53.7% | 7.8% | |
| Gross profit | 22,102 | 46.1% | 20,857 | 46.8% | 6.0% | 10.1% | 43,095 | 45.6% | 41,073 | 46.3% | 4.9% | 9.5% |
| Operating expenses | 15,036 | 31.3% | 14,368 | 32.2% | 4.7% | | 29,963 | 31.7% | 28,738 | 32.4% | 4.3% | |
| Other operative expenses, net | 655 | 1.4% | 470 | 1.1% | 39.4% | | 968 | 1.0% | 501 | 0.6% | 93.3% | |
| Operative equity method (gain) loss in associates ⁽³⁾ | 73 | 0.2% | 67 | 0.2% | 8.6% | | 95 | 0.1% | 116 | 0.1% | -18.4% | |
| Operating income ⁽⁶⁾ | 6,338 | 13.2% | 5,952 | 13.4% | 6.5% | 13.8% | 12,070 | 12.8% | 11,718 | 13.2% | 3.0% | 11.7% |
| Other non operative expenses, net | (3) | 0.0% | 59 | 0.1% | NA | | 73 | 0.1% | 121 | 0.1% | -39.8% | |
| Non Operative equity method (gain) loss in associates ⁽⁵⁾ | 3 | 0.0% | (18) | 0.0% | NA | | (31) | 0.0% | (6) | 0.0% | 399.5% | |
| Interest expense | 1,732 | | 1,679 | | 3.2% | | 3,475 | | 3,688 | | -5.8% | |
| Interest income | 300 | | 50 | | 505.2% | | 551 | | 426 | | 29.4% | |
| Interest expense, net | 1,433 | | 1,629 | | -12.1% | | 2,924 | | 3,262 | | -10.4% | |
| Foreign exchange loss (gain) | 91 | | (251) | | NA | | 199 | | (29) | | NA | |
| Loss (gain) on monetary position in inflationary subsidiaries | 36 | | - | | NA | | 30 | | - | | NA | |
| Market value (gain) loss on financial instruments | (0) | | 59 | | NA | | (0) | | 305 | | NA | |
| Comprehensive financing result | 1,559 | | 1,438 | | 8.4% | | 3,153 | | 3,539 | | -10.9% | |
| Income before taxes | 4,779 | | 4,473 | | 6.8% | | 8,875 | | 8,065 | | 10.0% | |
| Income taxes | 1,181 | | 1,397 | | -15.5% | | 2,519 | | 2,499 | | 0.8% | |
| Result of discontinued operations | - | | 115 | | NA | | - | | 166 | | NA | |
| Consolidated net income | 3,598 | | 3,191 | | 12.7% | | 6,357 | | 5,732 | | 10.9% | |
| Net income attributable to equity holders of the company | 3,487 | 7.3% | 2,781 | 6.2% | 25.4% | | 6,088 | 6.4% | 5,195 | 5.9% | 17.2% | |
| Non-controlling interest | 111 | 0.2% | 410 | 0.9% | -73.0% | | 269 | 0.3% | 537 | 0.6% | -49.9% | |
| Operating Cash Flow & CAPEX | | | | | | | | | | | | |
| Operating income ⁽⁶⁾ | 6,338 | 13.2% | 5,952 | 13.4% | 6.5% | | 12,070 | 12.8% | 11,718 | 13.2% | 3.0% | |
| Depreciation | 2,218 | | 2,065 | | 7.4% | | 4,493 | | 4,048 | | 11.0% | |
| Amortization and other operative non-cash charges | 625 | | 709 | | -12.0% | | 1,193 | | 1,125 | | 6.0% | |
| Operating cash flow ⁽⁶⁾⁽⁷⁾ | 9,180 | 19.1% | 8,726 | 19.6% | 5.2% | 9.2% | 17,756 | 18.8% | 16,891 | 19.0% | 5.1% | 10.1% |
| CAPEX | 2,407 | | 2,404 | | 0.1% | | 3,961 | | 4,016 | | -1.4% | |

(1) Except volume and average price per unit case figures.

(2) Please refer to pages 14 and 15 for revenue breakdown.

(3) Includes equity method in Jugos del Valle, Leao Alimentos, Estrella Azul, among others.

(4) According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

(5) Includes equity method in PIASA, IEQSA, Beta San Miguel, IMER and KSP Participacoes among others.

(6) The operating income and operating cash flow lines are presented as non-gaap measures for the convenience of the reader.

(7) Operating cash flow = operating income + depreciation, amortization & other operating non-cash charges.

(8) Please refer to page 9 for our definition of "comparable" and a description of the factors affecting the comparability of our financial and operating performance.





**MEXICO & CENTRAL AMERICA DIVISION
RESULTS OF OPERATIONS**

Millions of Pesos ⁽¹⁾

| | For the Second Quarter of: | | | | | | For the First Six Months of: | | | | | |
|--|----------------------------|-----------|---------|-----------|----------------|---------------------------------|------------------------------|-----------|---------|-----------|----------------|---------------------------------|
| | 2019 | % of Rev. | 2018 | % of Rev. | Δ% Reported | Δ% Comparable ⁽⁶⁾ | 2019 | % of Rev. | 2018 | % of Rev. | Δ% Reported | Δ% Comparable ⁽⁶⁾ |
| Transactions (million transactions) | 3,060.6 | | 3,072.2 | | -0.4% | -1.8% | 5,749.0 | | 5,746.2 | | 0.0% | -2.6% |
| Volume (million unit cases) | 554.7 | | 552.2 | | 0.5% | -0.5% | 1,032.7 | | 1,027.1 | | 0.5% | -1.3% |
| Average price per unit case | 52.28 | | 47.78 | | 9.4% | | 52.09 | | 47.37 | | 10.0% | |
| Net revenues | 29,001 | | 26,383 | | | | 53,789 | | 48,652 | | | |
| Other operating revenues | 7 | | 9 | | | | 42 | | 17 | | | |
| Total Revenues ⁽²⁾ | 29,008 | 100.0% | 26,392 | 100.0% | 9.9% | 9.2% | 53,831 | 100.0% | 48,669 | 100.0% | 10.6% | 8.3% |
| Cost of goods sold | 14,842 | 51.2% | 13,511 | 51.2% | | | 27,884 | 51.8% | 25,305 | 52.0% | | |
| Gross profit | 14,166 | 48.8% | 12,881 | 48.8% | 10.0% | 9.3% | 25,946 | 48.2% | 23,365 | 48.0% | 11.1% | 8.8% |
| Operating expenses | 9,130 | 31.5% | 8,719 | 33.0% | | | 17,686 | 32.9% | 16,585 | 34.1% | | |
| Other operative expenses, net | 422 | 1.5% | 276 | 1.0% | | | 535 | 1.0% | 172 | 0.4% | | |
| Operative equity method (gain) loss in associates ⁽³⁾ | 87 | 0.3% | 85 | 0.3% | | | 123 | 0.2% | 144 | 0.3% | | |
| Operating income ⁽⁴⁾ | 4,527 | 15.6% | 3,800 | 14.4% | 19.1% | 18.6% | 7,603 | 14.1% | 6,463 | 13.3% | 17.6% | 16.1% |
| Depreciation, amortization & other operating non-cash charges | 1,758 | 6.1% | 1,814 | 6.9% | | | 3,454 | 6.4% | 3,247 | 6.7% | | |
| Operating cash flow ⁽⁴⁾⁽⁵⁾ | 6,285 | 21.7% | 5,614 | 21.3% | 12.0% | 11.4% | 11,057 | 20.5% | 9,710 | 20.0% | 13.9% | 11.8% |

(1) Except volume and average price per unit case figures.

(2) Please refer to pages 14 and 15 for revenue breakdown.

(3) Includes equity method in Jugos del Valle, Estrella Azul, among others.

(4) The operating income and operating cash flow lines are presented as non-gaap measures for the convenience of the reader.

(5) Operating cash flow = operating income + depreciation, amortization & other operating non-cash charges.

(6) Please refer to page 9 for our definition of "comparable" and a description of the factors affecting the comparability of our financial and operating performance.

**SOUTH AMERICA DIVISION
RESULTS OF OPERATIONS**

Millions of Pesos ⁽¹⁾

| | For the Second Quarter of: | | | | | | For the First Six Months of: | | | | | |
|--|----------------------------|-----------|---------|-----------|----------------|---------------------------------|------------------------------|-----------|---------|-----------|----------------|---------------------------------|
| | 2019 | % of Rev. | 2018 | % of Rev. | Δ% Reported | Δ% Comparable ⁽⁶⁾ | 2019 | % of Rev. | 2018 | % of Rev. | Δ% Reported | Δ% Comparable ⁽⁶⁾ |
| Transactions (million transactions) | 1,951.8 | | 1,808.2 | | 7.9% | 7.6% | 4,101.2 | | 3,819.7 | | 7.4% | 7.8% |
| Volume (million unit cases) | 286.2 | | 270.8 | | 5.7% | 5.4% | 604.5 | | 583.8 | | 3.5% | 4.9% |
| Average price per unit case | 53.88 | | 56.29 | | -4.3% | | 54.10 | | 57.20 | | -5.4% | |
| Net revenues | 18,671 | | 18,085 | | | | 40,120 | | 39,821 | | | |
| Other operating revenues | 299 | | 93 | | | | 493 | | 201 | | | |
| Total Revenues ⁽²⁾ | 18,970 | 100.0% | 18,177 | 100.0% | 4.4% | 15.9% | 40,614 | 100.0% | 40,022 | 100.0% | 1.5% | 14.7% |
| Cost of goods sold | 11,034 | 58.2% | 10,201 | 56.1% | | | 23,465 | 57.8% | 22,314 | 55.8% | | |
| Gross profit | 7,937 | 41.8% | 7,976 | 43.9% | -0.5% | 11.8% | 17,149 | 42.2% | 17,708 | 44.2% | -3.2% | 10.6% |
| Operating expenses | 5,906 | 31.1% | 5,649 | 31.1% | | | 12,277 | 30.2% | 12,153 | 30.4% | | |
| Other operative expenses, net | 233 | 1.2% | 194 | 1.1% | | | 433 | 1.1% | 329 | 0.8% | | |
| Operative equity method (gain) loss in associates ⁽³⁾ | (14) | -0.1% | (18) | -0.1% | | | (29) | -0.1% | (28) | -0.1% | | |
| Operating income ⁽⁴⁾ | 1,811 | 9.5% | 2,152 | 11.8% | -15.8% | 2.4% | 4,467 | 11.0% | 5,255 | 13.1% | -15.0% | 4.1% |
| Depreciation, amortization & other operating non-cash charges | 1,084 | 5.7% | 961 | 5.3% | | | 2,232 | 5.5% | 1,925 | 4.8% | | |
| Operating cash flow ⁽⁴⁾⁽⁵⁾ | 2,895 | 15.3% | 3,112 | 17.1% | -7.0% | 4.1% | 6,699 | 16.5% | 7,181 | 17.9% | -6.7% | 6.9% |

(1) Except volume and average price per unit case figures.

(2) Please refer to pages 14 and 15 for revenue breakdown.

(3) Includes equity method in Leao Alimentos, Verde Campo, among others.

(4) The operating income and operating cash flow lines are presented as non-gaap measures for the convenience of the reader.

(5) Operating cash flow = operating income + depreciation, amortization & other operating non-cash charges.

(6) Please refer to page 9 for our definition of "comparable" and a description of the factors affecting the comparability of our financial and operating performance.





COCA-COLA FEMSA
CONSOLIDATED BALANCE SHEET
 Millions of Pesos

| Assets | Jun-19 | Dec-18 | % Var. |
|--|----------------|----------------|------------|
| Current Assets | | | |
| Cash, cash equivalents and marketable securities | 23,486 | 23,727 | -1% |
| Total accounts receivable | 11,530 | 14,847 | -22% |
| Inventories | 10,020 | 10,051 | 0% |
| Other current assets | 8,900 | 8,865 | 0% |
| Total current assets | 53,936 | 57,490 | -6% |
| Non-Current Assets | | | |
| Property, plant and equipment | 106,874 | 106,259 | 1% |
| Accumulated depreciation | (46,393) | (44,316) | 5% |
| Total property, plant and equipment, net | 60,481 | 61,942 | -2% |
| Right of use assets | 1,552 | - | NA |
| Investment in shares | 10,618 | 10,518 | 1% |
| Intangible assets and other assets | 115,709 | 116,804 | -1% |
| Other non-current assets | 17,434 | 17,033 | 2% |
| Total Assets | 259,730 | 263,788 | -2% |

| Debt Mix | June 30, 2019 | | |
|-------------------|---------------------|-------------------------------------|-----------------|
| | % Total Debt (1) | % Interest Rate Floating (1) (2) | Average Rate |
| Currency | | | |
| Mexican Pesos | 58.5% | 10.9% | 8.4% |
| U.S. Dollars | 8.9% | 0.0% | 3.9% |
| Colombian Pesos | 1.7% | 100.0% | 5.5% |
| Brazilian Reals | 29.0% | 1.7% | 7.8% |
| Uruguayan Pesos | 1.6% | 0.0% | 10.0% |
| Argentine Pesos | 0.3% | 20.0% | 65.5% |
| Total Debt | 100% | 4.6% | 8.0% |

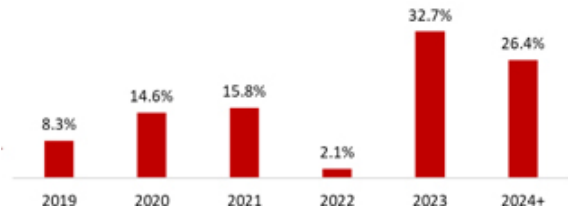
- (1) After giving effect to cross- currency swaps.
 (2) Calculated by weighting each year's outstanding debt balance mix.

| Financial Ratios | LTM 2019 | FY 2018 | Δ% |
|--|----------|---------|-------|
| Net debt including effect of hedges (1)(3) | 51,670 | 56,934 | -9.2% |
| Net debt including effect of hedges / Operating cash flow (1)(3) | 1.39 | 1.61 | |
| Operating cash flow/ Interest expense, net (1) | 6.07 | 5.40 | |
| Capitalization (2) | 40.2% | 40.5% | |

- (1) Net debt = total debt – cash
 (2) Total debt / (long-term debt + shareholders' equity)
 (3) After giving effect to cross-currency swaps.

| Liabilities & Equity | Jun-19 | Dec-18 | % Var. |
|---|----------------|----------------|------------|
| Current Liabilities | | | |
| Short-term bank loans and notes payable | 16,726 | 11,604 | 44% |
| Suppliers | 15,993 | 19,746 | -19% |
| Short-term leasing Liabilities | 487 | - | |
| Other current liabilities | 20,142 | 14,174 | 42% |
| Total current liabilities | 53,347 | 45,524 | 17% |
| Non-Current Liabilities | | | |
| Long-term bank loans and notes payable | 58,863 | 70,201 | -16% |
| Long Term Leasing Liabilities | 1,076 | - | |
| Other long-term liabilities | 17,254 | 16,313 | 6% |
| Total liabilities | 130,540 | 132,037 | -1% |
| Equity | | | |
| Non-controlling interest | 6,942 | 6,807 | 2% |
| Total controlling interest | 122,248 | 124,943 | -2% |
| Total equity | 129,190 | 131,750 | -2% |
| Total Liabilities and Equity | 259,730 | 263,788 | -2% |

Debt Maturity Profile





COCA-COLA FEMSA
QUARTERLY- VOLUME, TRANSACTIONS & REVENUES

Volume

| | 2Q 2019 | | | | | 2Q 2018 ⁽³⁾ | | | | | YoY |
|----------------------------|--------------|----------------------|---------------------|-------------|--------------|------------------------|----------------------|---------------------|-------------|--------------|-------------|
| | Sparkling | Water ⁽¹⁾ | Bulk ⁽²⁾ | Stills | Total | Sparkling | Water ⁽¹⁾ | Bulk ⁽²⁾ | Stills | Total | Δ % |
| Mexico | 357.1 | 28.3 | 77.6 | 31.5 | 494.5 | 360.9 | 29.0 | 76.4 | 32.4 | 498.7 | -0.8% |
| Central America | 51.6 | 3.2 | 0.1 | 5.4 | 60.2 | 45.5 | 2.6 | 0.1 | 5.2 | 53.5 | 12.6% |
| Mexico and Central America | 408.7 | 31.4 | 77.8 | 36.8 | 554.7 | 406.4 | 31.6 | 76.5 | 37.7 | 552.2 | 0.5% |
| Colombia | 48.6 | 5.8 | 4.6 | 3.2 | 62.2 | 47.3 | 5.9 | 4.7 | 3.9 | 61.8 | 0.6% |
| Brazil | 157.9 | 10.4 | 1.6 | 13.1 | 183.1 | 150.0 | 9.7 | 1.6 | 9.6 | 170.8 | 7.2% |
| Argentina | 25.5 | 3.1 | 0.9 | 2.0 | 31.6 | 31.0 | 3.6 | 1.0 | 2.5 | 38.1 | -17.2% |
| Uruguay | 8.6 | 0.7 | - | 0.1 | 9.4 | - | - | - | - | - | NA |
| South America | 240.6 | 20.0 | 7.1 | 18.4 | 286.2 | 228.3 | 19.2 | 7.3 | 16.0 | 270.8 | 5.7% |
| TOTAL | 649.3 | 51.5 | 84.8 | 55.2 | 840.9 | 634.6 | 50.8 | 83.8 | 53.7 | 823.0 | 2.2% |

(1) Excludes water presentations larger than 5.0 Lt ; includes flavored water.

(2) Bulk Water = Still bottled water in 5.0, 19.0 and 20.0 - liter packaging presentations; includes flavored water

Transactions

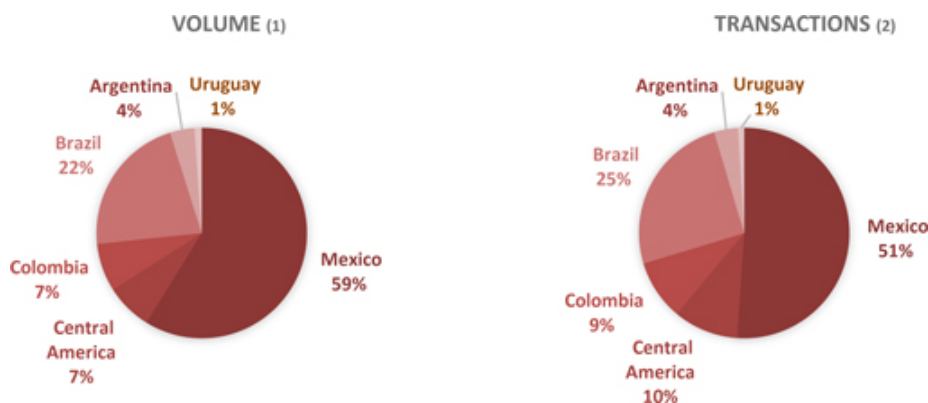
| | 2Q 2019 | | | | 2Q 2018 ⁽³⁾ | | | | YoY |
|----------------------------|----------------|--------------|--------------|----------------|------------------------|--------------|--------------|----------------|-------------|
| | Sparkling | Water | Stills | Total | Sparkling | Water | Stills | Total | Δ % |
| Mexico | 2,112.7 | 181.6 | 265.6 | 2,559.8 | 2,154.8 | 211.5 | 261.2 | 2,627.5 | -2.6% |
| Central America | 414.2 | 24.5 | 62.1 | 500.8 | 364.9 | 16.0 | 63.7 | 444.7 | 12.6% |
| Mexico and Central America | 2,526.9 | 206.1 | 327.7 | 3,060.6 | 2,519.8 | 227.5 | 325.0 | 3,072.2 | -0.4% |
| Colombia | 352.8 | 77.8 | 33.9 | 464.5 | 348.0 | 82.2 | 44.4 | 474.5 | -2.1% |
| Brazil | 1,047.8 | 91.6 | 117.5 | 1,256.9 | 936.1 | 82.2 | 107.2 | 1,125.5 | 11.7% |
| Argentina | 147.4 | 19.5 | 15.9 | 182.8 | 169.5 | 20.5 | 18.1 | 208.2 | -12.2% |
| Uruguay | 43.8 | 3.0 | 0.8 | 47.6 | - | - | - | - | - |
| South America | 1,591.7 | 191.9 | 168.2 | 1,951.8 | 1,453.6 | 184.9 | 169.7 | 1,808.2 | 7.9% |
| TOTAL | 4,118.6 | 398.0 | 495.8 | 5,012.5 | 3,973.3 | 412.4 | 494.7 | 4,880.4 | 2.7% |

Revenues

| Expressed in million Mexican Pesos | 2Q 2019 | 2Q 2018 ⁽³⁾ | Δ % |
|------------------------------------|---------------|------------------------|-------------|
| Mexico | 24,474 | 22,437 | 9.1% |
| Central America | 4,534 | 3,955 | 14.6% |
| Mexico and Central America | 29,008 | 26,392 | 9.9% |
| Colombia | 3,220 | 3,493 | -7.8% |
| Brazil ⁽⁴⁾ | 13,265 | 12,318 | 7.7% |
| Argentina | 1,731 | 2,366 | -26.8% |
| Uruguay | 754 | - | - |
| South America | 18,970 | 18,177 | 4.4% |
| TOTAL | 47,978 | 44,569 | 7.6% |

(3) Volume, transactions and revenues for 2Q 2018 are re-presented excluding the Philippines.

(4) Brazil includes beer revenues of Ps.3,253.3 million for the second quarter of 2019 and Ps. 2,842.6 million for the same period of the previous year.



(1) Volume is expressed in unit cases. Unit case refers to 192 ounces of finished beverage product (24 eight-ounce servings) and, when applied to soda fountains, refers to the volume of syrup, powders and concentrate that is required to produce 192 ounces of finished beverage product.

(2) Transactions refers to the number of single units (e.g. a can or a bottle) sold, regardless of their size or volume or whether they are sold individually or in multipacks, except for fountain which represents multiple transactions based on a standard 12 oz. serving.





COCA-COLA FEMSA
YTD - VOLUME, TRANSACTIONS & REVENUES

Volume

| | YTD 2019 | | | | | YTD 2018 ⁽³⁾ | | | | | YoY Δ % |
|----------------------------|----------------|----------------------|---------------------|--------------|----------------|-------------------------|----------------------|---------------------|--------------|----------------|-------------|
| | Sparkling | Water ⁽¹⁾ | Bulk ⁽²⁾ | Stills | Total | Sparkling | Water ⁽¹⁾ | Bulk ⁽²⁾ | Stills | Total | |
| Mexico | 661.6 | 50.2 | 143.6 | 60.7 | 916.1 | 671.0 | 54.2 | 142.9 | 60.6 | 928.7 | -1.4% |
| Central America | 99.7 | 6.2 | 0.3 | 10.4 | 116.6 | 82.3 | 5.5 | 0.3 | 10.2 | 98.4 | 18.5% |
| Mexico and Central America | 761.3 | 56.4 | 144.0 | 71.1 | 1,032.7 | 753.3 | 59.7 | 143.2 | 70.8 | 1,027.1 | 0.5% |
| Colombia | 94.3 | 12.1 | 9.3 | 6.8 | 122.5 | 97.7 | 12.8 | 9.8 | 8.2 | 128.5 | -4.6% |
| Brazil | 342.6 | 24.9 | 4.0 | 24.0 | 395.5 | 319.3 | 22.1 | 3.6 | 20.6 | 365.6 | 8.2% |
| Argentina | 52.9 | 6.9 | 1.9 | 4.6 | 66.3 | 71.8 | 8.9 | 2.5 | 6.5 | 89.7 | -26.1% |
| Uruguay | 18.2 | 1.7 | - | 0.1 | 20.0 | - | - | - | - | - | NA |
| South America | 508.0 | 45.6 | 15.2 | 35.5 | 604.3 | 488.8 | 43.8 | 15.9 | 35.3 | 583.8 | 3.5% |
| TOTAL | 1,269.2 | 102.0 | 159.2 | 106.6 | 1,637.0 | 1,242.1 | 103.5 | 159.1 | 106.1 | 1,610.9 | 1.6% |

(1) Excludes water presentations larger than 5.0 Lt ; includes flavored water.

(2) Bulk Water = Still bottled water in 5.0, 19.0 and 20.0 - liter packaging presentations; includes flavored water

Transactions

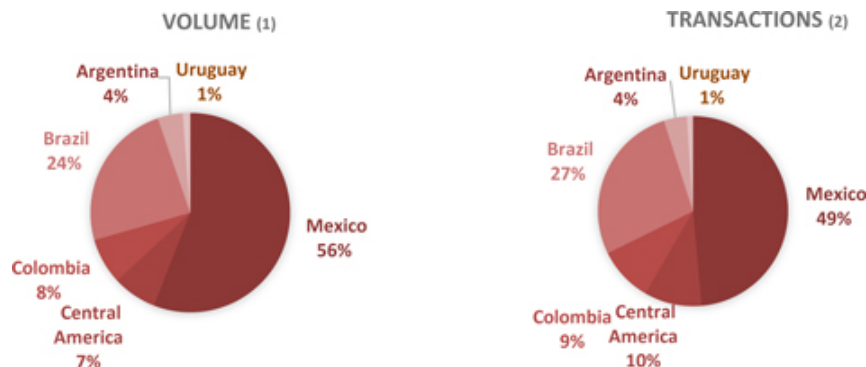
| | YTD 2019 | | | | YTD 2018 ⁽³⁾ | | | | YoY Δ % |
|----------------------------|----------------|--------------|--------------|----------------|-------------------------|----------------|----------------|-----------------|---------------|
| | Sparkling | Water | Stills | Total | Sparkling | Water | Stills | Total | |
| Mexico | 3,940.1 | 371.2 | 471.6 | 4,782.9 | 4,041.3 | 394.1 | 491.6 | 4,927.0 | -2.9% |
| Central America | 797.3 | 47.7 | 121.1 | 966.1 | 659.8 | 32.2 | 127.2 | 819.2 | 17.9% |
| Mexico and Central America | 4,737.4 | 418.9 | 592.8 | 5,749.0 | 4,701.1 | 426.4 | 618.8 | 5,746.2 | 0.0% |
| Colombia | 686.2 | 162.6 | 73.5 | 922.3 | 722.4 | 167.6 | 90.3 | 980.4 | -5.9% |
| Brazil | 2,228.7 | 216.4 | 247.5 | 2,692.6 | 1,960.3 | 190.6 | 223.3 | 2,374.2 | 13.4% |
| Argentina | 307.4 | 43.0 | 33.3 | 383.7 | 373.9 | 48.0 | 43.2 | 465.1 | -17.5% |
| Uruguay | 93.9 | 7.2 | 1.5 | 102.6 | - | - | - | - | - |
| South America | 3,316.2 | 429.2 | 355.8 | 4,101.2 | 6,763.2 | 837.5 | 764.4 | 8,365.1 | -51.0% |
| TOTAL | 8,053.6 | 848.1 | 948.5 | 9,850.2 | 11,464.3 | 1,263.9 | 1,383.1 | 14,111.3 | -30.2% |

Revenues

| Expressed in million Mexican Pesos | YTD 2019 | YTD 2018 ⁽³⁾ | Δ % |
|------------------------------------|---------------|-------------------------|-------------|
| Mexico | 45,049 | 41,521 | 8.5% |
| Central America | 8,782 | 7,148 | 22.9% |
| Mexico and Central America | 53,831 | 48,669 | 10.6% |
| Colombia | 6,409 | 7,093 | -9.6% |
| Brazil ⁽⁴⁾ | 28,778 | 27,166 | 5.9% |
| Argentina | 3,774 | 5,763 | -34.5% |
| Uruguay | 1,653 | - | - |
| South America | 40,614 | 40,022 | 1.5% |
| TOTAL | 94,444 | 88,692 | 6.5% |

(3) Volume, transactions and revenues for Year to date are re-presented excluding the Philippines.

(4) Brazil includes beer revenues of Ps. 7,419.9 million for the first six months of 2019 and Ps. 6,429.1 million for the same period of the previous year.



(1) Volume is expressed in unit cases. Unit case refers to 192 ounces of finished beverage product (24 eight-ounce servings) and, when applied to soda fountains, refers to the volume of syrup, powders and concentrate that is required to produce 192 ounces of finished beverage product.

(2) Transactions refers to the number of single units (e.g. a can or a bottle) sold, regardless of their size or volume or whether they are sold individually or in multipacks, except for fountain which represents multiple transactions based on a standard 12 oz. serving.



**COCA-COLA FEMSA
MACROECONOMIC INFORMATION**

Inflation ⁽¹⁾

| | LTM | 2Q19 | YTD |
|------------|--------|--------|--------|
| Mexico | 4.15% | -0.11% | -0.08% |
| Colombia | 3.37% | 0.99% | 2.76% |
| Brazil | 4.38% | 1.15% | 2.35% |
| Argentina | 58.81% | 10.84% | 22.81% |
| Costa Rica | 2.57% | 0.60% | 0.82% |
| Panama | 0.08% | 0.78% | 0.69% |
| Guatemala | 4.32% | 0.95% | 2.60% |
| Nicaragua | 6.30% | 4.10% | 4.40% |
| Uruguay | 7.28% | 0.80% | 5.01% |

(1) Source: inflation estimated by the company based on historic publications from the Central Bank of each country.

Average Exchange Rates for each period ⁽²⁾

| | Quarterly Exchange Rate (Local Currency per USD) | | | Quarterly Exchange Rate (Local Currency per USD) | | |
|------------|---|----------|-------|---|----------|-------|
| | 2Q19 | 2Q18 | Δ % | YTD 19 | YTD 18 | Δ % |
| Mexico | 19.12 | 19.37 | -1.3% | 19.17 | 19.07 | 0.6% |
| Colombia | 3,239.81 | 2,840.31 | 14.1% | 3,187.08 | 2,850.34 | 11.8% |
| Brazil | 3.92 | 3.61 | 8.6% | 3.84 | 3.43 | 12.2% |
| Argentina | 43.96 | 23.53 | 86.8% | 41.53 | 21.62 | 92.1% |
| Costa Rica | 595.98 | 569.03 | 4.7% | 602.97 | 570.49 | 5.7% |
| Panama | 1.00 | 1.00 | 0.0% | 1.00 | 1.00 | 0.0% |
| Guatemala | 7.67 | 7.44 | 3.1% | 7.70 | 7.40 | 3.9% |
| Nicaragua | 32.92 | 31.36 | 5.0% | 32.73 | 31.17 | 5.0% |
| Uruguay | 34.85 | 30.07 | 15.9% | 33.84 | 29.27 | 15.6% |

End-of-period Exchange Rates

| | Closing Exchange Rate (Local Currency per USD) | | | Closing Exchange Rate (Local Currency per USD) | | |
|------------|---|----------|-------|---|----------|--------|
| | Jun-19 | Jun-18 | Δ % | Mar-19 | Mar-18 | Δ % |
| Mexico | 19.17 | 19.86 | -3.5% | 19.38 | 18.34 | 5.6% |
| Colombia | 3,205.67 | 2,930.80 | 9.4% | 3,174.79 | 2,780.47 | 14.2% |
| Brazil | 3.83 | 3.86 | -0.6% | 3.90 | 3.32 | 17.2% |
| Argentina | 42.46 | 28.85 | 47.2% | 43.35 | 20.15 | 115.1% |
| Costa Rica | 583.64 | 570.08 | 2.4% | 602.36 | 569.31 | 5.8% |
| Panama | 1.00 | 1.00 | 0.0% | 1.00 | 1.00 | 0.0% |
| Guatemala | 7.71 | 7.49 | 2.9% | 7.68 | 7.40 | 3.8% |
| Nicaragua | 33.12 | 31.55 | 5.0% | 32.72 | 31.16 | 5.0% |
| Uruguay | 35.18 | 31.47 | 11.8% | 32.39 | 28.76 | 12.6% |

(2) Average exchange rate for each period computed with the average exchange rate of each month.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the undersigned, thereunto duly authorized.

FOMENTO ECONÓMICO MEXICANO, S.A. DE C.V.

By: /s/ Gerardo Estrada Attolini
Gerardo Estrada Attolini
Director of Corporate Finance

Date: July 25, 2019
