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## Femsa Reports Third Quarter 2000 And First Nine Months 2000 Results

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Monterrey, Mexico (October 25, 2000) — Fomento Económico Mexicano, S.A. de C.V. ("FEMSA" or the "Company") (NYSE: FMX; BMV: FEMSA UBD), Mexico's largest and one of Latin America's leading beverage companies, today reported consolidated net sales of Ps. 11.400 billion for the third quarter of 2000, an increase of 13.0% over the third quarter of 1999. Consolidated revenue growth was driven by strong revenue growth recorded in the Mexican operations of FEMSA Cerveza and Coca-Cola FEMSA, and by extraordinary sales growth recorded by FEMSA Comercio, which was attributable to same store sales growth from the steady growth in traffic and ticket per store as well as to an increase in the number of stores. FEMSA recorded strong revenue growth per unit sold of 9.2% for FEMSA Cerveza and 4.3% for Coca-Cola FEMSA's Mexican operations, reflecting the cumulative effect of the price increases implemented over the past twelve months and successful revenue management practices, particularly in Coca-Cola FEMSA. Demand behavior in response to such strong pricing, however, has not been the same for soft drinks and beer in the Mexican market. Soft-drink volumes increased by 12.3% in the third quarter of 2000 while domestic beer volumes increased by 2.5%. Management attributes this phenomenon, among other things, to (i) the fact that the price increase the Company implemented on its beer products was significantly higher than the price increase implemented on its soft-drink products and (ii) an important difference in the demand elasticity of beer and soft-drinks, as the beer consumer is more price sensitive than the soft-drink consumer.

The Company recorded consolidated operating income of Ps. 1.857 billion for the third quarter of 2000, an increase of 12.9% over the comparable period last year. The Company registered an operating margin for the third quarter of 2000 of 16.3%, relatively stable as compared to the operating margin recorded for the third quarter of 1999.

José Antonio Fernández, chief executive officer of the Company, stated, "We have recently announced a significant change in the strategic vision of our beer subsidiary, FEMSA Cerveza. We are working diligently in getting the organization ready to embrace a change that will enhance the Company's competitive and commercial practices. We are convinced that we are building on a very successful and focused business model aimed at creating value by targeting the consumer in order to grow the beer market." Mr. Fernandez added, "Coca-Cola FEMSA on the other hand is getting ready to move into its next phase of growth by expanding its portfolio of products and analyzing viable and value creating acquisition alternatives which should boost the Company's long-term growth prospects."

Net majority income decreased by 30.2% to Ps. 575 million for the third quarter of 2000, compared to the same period last year. Earnings per FEMSA UBD or UB Unit for the third quarter of 2000 amounted to Ps. 0.538.

This report may contain certain forward-looking statements concerning FEMSA's future performance that should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

FEMSA is Mexico's largest and one of Latin America's leading beverage companies with exports to the United States, Canada and numerous countries in Latin America, Europe and the Far East. Founded in 1890 and with headquarters in Monterrey, Mexico, FEMSA operates through the following subsidiaries: FEMSA Cerveza, which produces and distributes name brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis and Bohemia; Coca-Cola FEMSA, one of two "Anchor Bottlers" for The Coca-Cola Company in Latin America, which produces and distributes soft drinks including Coca-Cola, Coca-Cola Light, Sprite, Fanta and Quatro; FEMSA Empaques, which supports the beverage operations by producing beverage cans, glass bottles, crown caps, labels, commercial refrigerators, and serves third party clients throughout the Americas; FEMSA Comercio, which operates OXXO, Mexico's most extensive chain of convenience stores; Desarrollo Comercial FEMSA, which operates OXXO Express, a chain of convenience stores adjacent to gasoline stations; Logística CCM, which provides logistic management services to FEMSA Cerveza; and FEMSA Logística, which provides logistics management services to Coca-Cola FEMSA, FEMSA Empaques, and, recently, to third party clients.