



FEMSA Reports Revenue Growth of 9% in 1Q07; Challenging Quarter Compresses Operating Margin

Full-Year Plan Remains in Place

[Click Here to View Full Text](#)

Monterrey, Mexico, April 30, 2007 - Fomento Económico Mexicano ("FEMSA") today announced its operational and financial results for the first quarter of 2007.

First Quarter 2007 Highlights:

- Consolidated total revenues increased 8.7%. All operating units contributed to this top-line growth.
- Coca-Cola FEMSA total sales volume increased 7.0% and income from operations increased 10.8%. Strongest growth came from all international operations, which combined grew at a double-digit pace.
- FEMSA Cerveza total revenues increased 3.6%; Mexico sales volume increased 2.6%, Brazil sales volume increased 14.4%, and export sales volume increased 5.8%.
 - A combination of external and internal factors, mainly in Brazil and Mexico resulted in a 57.6% decrease in income from operations.
 - Outlook for 2007 operating income in line with 2006 levels.
- Oxxo total revenues increased 14.0%, driven by 91 net new stores and a 3.5% increase in same-store sales. There are now over 4,900 Oxxo stores throughout Mexico.
- FEMSA Cerveza and Heineken USA have reached a new agreement to extend their successful relationship for the long-term. The two most complementary import portfolios in the U.S. beer industry will continue to be marketed together for the next 10 years.

"FEMSA delivered mixed results in a very tough first quarter. Most notable was the weakness at the beer division due to a softer demand environment in Mexico, a seasonal increase in marketing expenses in Brazil, and increased raw material pressure, as expected. Additionally, negative weather trends and a weak pricing environment further complicated matters. While we are not pleased with the first quarter results, we are as confident as ever that we are executing on the right strategy to maximize value creation over the long-term."

"Despite the challenges of the quarter, FEMSA's top-line was strong, led by the international operations of Coca-Cola FEMSA, most of whose business units, on average, experienced growth in the double-digits. We are confident in the course we have set and we remain committed to control costs within the context of what is best for the long-term - competing successfully and delivering sustainable growth across all our businesses", commented José Antonio Fernández, Chairman and CEO of FEMSA.

To obtain the full text of this earnings release, please visit our Investor Relations website a www.femsa.com/investor under the Financial Reports section.

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.

FEMSA is the leading beverage company in Latin America. It controls an integrated beverage platform that comprises Coca-Cola FEMSA, the largest Coca-Cola bottler in the region; FEMSA Cerveza, one of the leading brewers in Mexico and important beer exporter to the United States; and Oxxo, the largest and fastest growing convenience store chain in Mexico with over 4,900 stores.