



---

## **Femsa Reports Results for Second Quarter and First Half Ended June 30, 2002; Second Quarter Consolidated Net Sales and Operating Income Up by 4.9% and 13.1%, Respectively**

[Click Here to View Full Text](#)

MONTERREY, Mexico, Jul 25, 2002 (BUSINESS WIRE) -- Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE: FMX; BMV: FEMSA UBD; FEMSA UB), the Leader in Latin Beverages, reported today consolidated net sales of Ps. 13.372 billion for the second quarter of 2002, an increase of 4.9% over the second quarter of 2001. Consolidated sales growth was driven mainly by an increase of 8.6% posted by our soft-drinks unit, which in turn reflects healthy volume and pricing trends for its Mexican operations. FEMSA Comercio, our retail subsidiary, also posted strong sales growth of 16.2%. FEMSA Cerveza recorded flat net sales as it continued to face weak demand in some of its largest markets, that yielded flat domestic volumes for the quarter compared to the same period last year. Export volumes on the other hand, recorded volume growth of 6.0%.

Consolidated operating income was Ps. 2.733 billion for the second quarter of 2002, an increase of 13.1% over the comparable period last year. Our operating performance reflects our continued efforts in administrative cost containment and increased efficiency across all our subsidiaries, translating into an operating margin expansion of 150 basis points over the second quarter of 2001, to 20.4% of total revenues. Majority net income, however, decreased by 7.5% to Ps. 819 million for the second quarter of 2002, compared to the same period last year, due mainly to a foreign exchange loss.

Jose Antonio Fernandez, Chairman and Chief Executive Officer of FEMSA commented, "Despite the prevailing weak economic environment, once again we delivered healthy growth in consolidated revenues and profitability. While we found signs of an incipient recovery in some parts of central and southern Mexico, the northern region has yet to experience an upturn in manufacturing activity, its main driver for growth. However, the breadth of our operations across regions, as well as the continued gains in efficiency at all our subsidiaries, allowed us to increase our profitability in a very tough quarter. We continue to push with the transformation efforts at FEMSA Cerveza according to plan, we keep improving on the strong results at Coca-Cola FEMSA even as Argentina struggles for a solution to its macroeconomic situation, and we have all cylinders running at Comercio and Empaques. We have a strong, committed team, and we will persevere in our effort to create value for our shareholders."

To obtain the full text of this earnings release, please visit our Investor Relations website at <http://ir.femsa.com/> under the Financial Reports section.

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

FEMSA is Latin America's largest beverage company, exporting to the United States, Canada, and select countries in Europe, Asia, and Latin America. Founded in 1890 and headquartered in Monterrey, Mexico, FEMSA is strategically comprised of and operates by means of the following subsidiaries: FEMSA Cerveza, which produces and distributes various brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis, and Bohemia; Coca-Cola FEMSA, the largest bottler for The Coca-Cola Co. in Latin America, which produces and distributes carbonated beverages such as Coca-Cola, Coca-Cola Light, Fanta, Sprite, and Quatro; and the Strategic Businesses Division, which groups the packaging (FEMSA Empaques), retail (FEMSA Comercio) and logistics (FEMSA Logistica) operations, whose main objective is to offer competitive advantages to the beverage subsidiaries.

CONTACT:

FEMSA S.A. de C.V.

Juan Fonseca, (52) 81 83 62 45 [jffonser@femsa.com.mx](mailto:jffonser@femsa.com.mx)

or

Alan Alanis, (52) 81 83 62 11 aalapen@femsa.com.mx

or

Arturo Ballester, (52) 81 83 61 89 abalala@femsa.com.mx