FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION:
Laura E. Solano/Ma. Elena Gutiérrez
Investor Relations
FEMSA
011-528-328-6150/011-528-328-6245
e-mail: invrel@femsa.com
or
Howard S. Anger/Felicia Vonella
Dewe Rogerson, Inc.
212-688-6840

FEMSA ANNOUNCES FIRST QUARTER 1997 RESULTS

Highlights

FEMSA Consolidated:	**Income from operations increased 70%; operating margin reached 9.7%, 3.6 percentage points higher than in 1996.**
FEMSA Cerveza:	**Income from operations grew 171.5%; operating margin reached 7.5%.**
Coca-Cola FEMSA:	**Income from operations grew 135.3%; income from operations in KOFBA was Ps. 63.3 million, compared with a loss of Ps 9.2 million for the first quarter of 1996.**
FEMSA Empaques:	**Operating margin was 18.5%; volumes in bottles, cardboard and refrigerators grew by 43%, 41.8% and 150%, respectively.**
OXXO:	**Traffic per store increased 3.4%; 14 new stores were opened.**

Monterrey, Mexico (April 28, 1997) - Fomento Económico Mexicano, S.A. de C.V. (FEMSA) (FEMSYP:PORTAL), Mexico's largest fully integrated beverage company, today announced its results for the quarter-ended March 31, 1997.

FEMSA and Subsidiaries - Consolidated Results
(For the quarter-ended March 31, 1997)

Consolidated sales from FEMSA and Subsidiaries during the first quarter of 1997 were Ps. 4.995 billion, 6% higher in real terms compared with the same period in 1996, as a result of the increase in real sales in its four subsidiaries: FEMSA Cerveza, 1.4%; Coca-Cola FEMSA, 9.6%; FEMSA Empaques, 2.1% and OXXO, 8.7%.

Cost of sales was similar in real terms to the first quarter of 1996, due to the stability, and in some cases, the decrease in the prices of some of its main raw materials. Gross profit increased 17% quarter-over-quarter in real terms to Ps. 2.118 billion, representing 42.4% of sales.

Operating expenses increased 7% in real terms, to reach Ps. 1.641 billion or 32.9% of sales, a similar percentage to that of the same quarter in 1996. Income from operations was Ps. 485 million, 70% higher in real terms than in 1996. Operating margin for the first quarter in 1997 was 9.7%, a substantial improvement of 3.6 percentage points over the same period a year ago.

Integral cost of financing was negative (income) Ps. 30 million, a decrease of 93% over the same quarter in 1996, mainly due to a devaluation of the peso of 0.3% compared with a revaluation of 1.9% in the same period of last year, and due to a decrease of 46% in monetary gains due to lower inflation. Considering other expenses of Ps. 10 million, earnings before taxes were Ps. 505 million, 29% lower in real terms over 1996. Tax reserves for the period were Ps. 130 million.

Notwithstanding the substantial improvement in the operating profitability of the company, the impact of devaluation and inflation in the integral cost of financing resulted in a consolidated net income of Ps. 375 million, 37% lower compared with Ps. 595 million in the first quarter of 1996. Majority net income for the first quarter of 1997 was Ps. 293 million or Ps. 0.541 per share, compared to Ps. 1.025 per share the same period of the previous year.

The improved performance of FEMSA and subsidiaries recognizes an overall improvement in its four businesses. Among the most significant achievements stand out:

- An increase of 171.5% in FEMSA Cerveza´s operating income.
- Volume growth of 14% in Coca-Cola FEMSA´s Mexican operations.
- KOFBA´s positive operating income of Ps. 68.3 million.
- FEMSA Empaques´ outstanding operating performance.
- OXXO´s sustained profitability.

<u>OPERATIONAL HIGHLIGHTS</u>
(For the quarter-ended March 31, 1997)

NOTE: To facilitate comparisons from this first quarter of 1997 and thereafter, the Income Statements corresponding to FEMSA Cerveza, FEMSA Empaques and FEMSA Comercio (OXXO), will be presented displaying Management Fees charged by FEMSA (and by Labatt in the case of FEMSA Cerveza). Such Management Fees were implemented and/or modified during 1996 and early 1997. During 1996, these companies' results were presented excluding such fees, in order to make them comparable with 1995 results. These Management Fees are not charged to Coca-Cola FEMSA.

FEMSA Cerveza

Beer volumes for the first quarter of 1997 were as follows:

(Thousands of hectoliters)

Domestic	1997	1996	% Var.
Returnable	3,649	3,693	(1.2)
Non-returnable	181	181	-
Cans	873	805	8.4
Total Domestic	4,703	4,679	0.5
Exports	251	248	1.2
US$MM.	17	16	6.3

In the domestic market, Tecate's sales volume increased 6.8%, to 1.4 million hectoliters and Sol continued to experience outstanding growth rates, reaching 490 thousand hectoliters, 72.5% higher over the same quarter a year ago. It is important to highlight that for the first time since 1995, volumes for higher priced can presentations increased 8.4%, as a result of the growth in the economy and a recovery in employment.

Exports to the United States increased 19.6%. Global exports of Dos Equis amber and XX Lager increased 17.1% and 50% respectively.

Operating results for the first quarter of 1997 were as follows:

FEMSA Cerveza

(Millions of closing pesos as of March 31, 1997)

	1997	1996	% Var.
Total Sales	2,039.0	2,011.7	1.4
Cost of Sales	1,221.8	1,309.5	(6.7)
Gross Margin	817.2	702.2	16.4
Operating expenses	672.9	652.2	3.2
EBIT before part. in Labatt USA	144.3	50.0	188.6
Part. in Labatt USA	8.0	6.1	31.1
EBIT	152.3	56.1	171.5
Management Fees	17.0	12.8	32.8
EBIT after Management Fees	135.3	43.3	212.5
Depreciation	117.3	136.0	(13.8)
Other non-cash charges	76.7	53.8	42.6
EBITDA	329.3	233.1	41.3

EBIT/Sales	7.5	2.8
EBIT after Mgmt. Fees./Sales	6.6	2.2
EBITDA/Sales	16.2	11.6

The improved performance in FEMSA Cerveza in the first quarter of 1997 is attributed to several factors:

- The slight increase in domestic and export volume versus the first quarter of 1996;
- a slightly better average unit price in real terms compared with 1996 (a 22% average price increase in beer was implemented by the end of February 1997);
- an improvement in the mix of higher priced presentations, where canned beer represented 18.6% of the total mix, an increase of 1.4 percentage points over the first quarter of 1996;
- a decrease in the variable cost of production due to the decline of international grain prices and of packaging costs, and
- better effectiveness in the commercial efforts (market expenses and promotions) due to the restructuring of the distribution network and commercial activities.

As a result, income from operations was Ps.152.3 million, an important increase of 171.5% in real terms over the previous year; EBITDA rose 41.3%, to reach Ps. 329.3 million. Operating margin was 7.5%, a significant increase of 4.7 percentage points compared with the first quarter of 1996; EBITDA as a percentage of sales was 16.2%, 4.6 percentage points higher than in 1996.

Capital expenditures for the first quarter of 1997 amounted to US$MM 22.2, destined to replace plant equipment, expand capacity of the Toluca plant, replace distribution equipment and upgrade distribution facilities.

Coca-Cola FEMSA

Soft drink volumes for the first quarter of 1997 were as follows:

Sales Volumes
For the quarters-ended on March 31 1997 and 1996
(Millions of Unit Cases)

	1997	1996
Valley of México	55.2	48.5
Southeast	16.5	14.3
Buenos Aires	26.8	26.4
Total	98.5	89.2

Presentations Mix
(Returnable/Non-Returnable Volume)
For the quarters-ended on March 31 1997 and 1996

	1997	1996
Valley of México	60/40	62/38
Southeast	75/25	88/12
Buenos Aires	39/61	52/48
Total	57/43	63/37

Product Mix
(Colas/Flavors Volume)
For the quarters-ended on March 31 1997 and 1996

	1997	1996
Valley of México	80/20	82/18
Southeast	75/25	75/25
Buenos Aires	74/26	71/29
Total	78/22	78/22

Consolidated operating results were as follows:

Coca-Cola FEMSA and Subsidiaries
(Millions of closing pesos as of March 31, 1997)

	1997	1996	% Var.
Total Sales	2,035.1	1,856.3	9.9
Cost of Sales	1,146.0	1,110.9	3.2
Gross Margin	889.1	745.4	19.3
Operating expenses	673.7	646.4	4.2
EBIT before Goodwill	215.5	99.0	117.7
Goodwill	17.4	14.7	18.4
EBIT	198.1	84.3	135.0
Depreciation	81.2	67.0	21.2
Other non-cash charges	93.0	84.6	9.9
EBITDA	372.3	235.9	57.8

EBIT/Sales	9.7	4.5
EBITDA/Sales	18.3	12.7

Mexico

Total sales for KOF´s Mexican operations grew 6.7% to Ps. 1.175 billion, notwithstanding a reduction in the average price per unit case of 6.5% in real terms. Gross profit was Ps. 543.9 million, 11.7% higher than the comparable figure for 1996. Gross margin increased from 44.2% in 1996 to 46.3% for the first quarter of 1997. These increases were mainly due to a greater fixed cost absorption generated from higher sales volumes and a real decrease in the unit price (caused by the appreciation of the Mexican peso versus the U.S. dollar) of certain packaging and other raw materials whose prices are indexed to the dollar.

Operating income for the Company's Mexican operations reached Ps. 146 million during the first quarter of 1997, an increase of 40.9% over 1996. Operating margin was 12.4%, 3.0 percentage points higher than the comparable period of 1996.

Buenos Aires

KOFBA's total sales reached A$ 109.0 million, an increase of 14.0%, while cost of goods sold grew only 3.8% to A$ 65.3 million. This allowed for a 5.9 percentage point increase in gross margin, which reached 40.1%. This increase in gross margin is mainly attributable to economies of scale resulting from increased sales volume due to the incorporation of the San Isidro territory and to a better pricing environment in the soft drink market in the Buenos Aires region.

KOFBA's operating income reached A$ 8.0 million for the first quarter of 1997, which favorably compares to an operating loss of A$ 1.2 million for the first quarter of 1996.

Consolidated Results

Due to the operating improvement of KOF's businesses, consolidated operating income (after goodwill amortization charges attributable to the Buenos Aires territory) increased 135.0% during the first quarter of 1997 to Ps. 198.1. Consolidated operating margin reached 9.7%, a significant increase of 5.2 percentage points over the comparable period a year ago. Consolidated EBITDA grew 57.9% to Ps. 372.3 million.

Capital expenditures for the first quarter of 1997 amounted to US$MM 17.3 and were invested in: capacity increases in the Villahermosa and Tlalneplanta facilities, modernization of distribution equipment, new PET blowing equipment, and glass bottles.

FEMSA Empaques

Volumes for the first quarter of 1997 were as follows:

Domestic	1997	1996	% Var.
Cans (MM)	587	480	22
Crown caps (MM)	2,299	2,538	(9.4)
Beer bottles (MM)	155	120	29.2
Soft drink bottles (MM)	71	38	86.8
Cardboard box. (Th. m^2)	20,620	14,543	41.8
Refrigerators (Th.)	20	8	150.0
Labels (MM)	775	824	(5.9)
Exports			
Cans (MM)	45	30	50.0
Crown caps (MM)	480	499	(3.8)
Can lids (MM)	119	103	15.5
Export revenues(US$MM)	10.6	10.2	3.9

Percentage of sales volume to third parties were:

	1997	1996	Var.p.p.
Cans	39	38	1
Crown caps	53	53	-
Can lids	46	47	(1)
Cardboard box.	34	32	2
Labels	76	67	9

Operating results were as follows:

FEMSA Empaques

(Millions of closing pesos as of March 31, 1997)

	1997	1996	% Var.
Total Sales	1,014.3	993.7	2.1
Cost of Sales	751.9	770.5	(2.4)
Gross Margin	262.4	223.2	17.6
Operating expenses	74.8	56.4	32.6
EBIT	187.6	166.8	12.5
Management Fees	10.7	6.0	78.3
EBIT after Management Fees	176.9	160.8	10.0
Depreciation	40.3	39.0	3.3
Other non-cash charges	1.3	1.7	(23.5)
EBITDA	218.5	201.5	8.4

EBIT/Sales	18.5	16.8
EBIT after Mgmt. Fees/Sales	17.4	16.2
EBITDA/Sales	21.5	20.3

Total sales increased 2.1% to reach Ps. 1.014 billion. Cost of sales was Ps. 752 million, 2.4% lower than the comparable period of 1996, mainly due to stable and/or lower prices in some of FEMSA Empaques' main raw materials (some of which were transferred to clients in the form of lower prices), a real appreciation of the Mexican peso and favorable raw materials price negotiations.

Operating expenses increased 32.6%, mostly as a result of:

- FEMSA Empaques' support to its main can clients, who in turn implemented promotions to stimulate the consumption of canned beverages and other products, and
- the reinforcement of its international and planning areas to adequately support export growth.

Notwithstanding the above, operating income increased 12.5%, to reach Ps. 187.6 million. Operating margin was 18.5%, an important improvement of 1.6 percentage points as compared with the same period of 1996.

Capital expenditures for the first quarter of 1997 amounted to US$MM 18.7 destined to the following projects: a 600 million unit plastic cap production facility, the final phase of a 360 million bottle glass furnace, an increase in paper production capacity, an increase in speed of can manufacturing lines and a change in the size of the can lids.

FEMSA Comercio, S.A. de C.V. and Subsidiaries (OXXO)

	1997	1996	Var.
Total stores	828	771	57
New stores	14	14	-
Closed stores	9	10	(1)
Average sales			
Total (Thds. Ps)	213.2	210.9	1.1%
Monthly same store sales(Thds. Ps.)	216.8	218.4	(0.7)%
Average ticket per customer (Ps.)	11.8	12.3	(0.5)%
Average monthly traffic (Thds.)	18.4	17.8	3.4%

Same store sales slightly decreased, but significantly improved compared with the decrease of 15.4% observed during the first quarter of 1996. Such is the case for the average ticket per customer, which in the first quarter of 1997 decreased only 0.5%, due to an improving economy in Mexico and a slight improvement in the purchasing power of OXXO's customer segment, while in the first quarter of 1996 it decreased 14.6%.

Operating results were as follows:

FEMSA Comercio, S.A. de C.V. and Subsidiaries
(Millions of closing pesos as of March 31, 1997)

	1997	1996	% Var.
Total Sales	593.0	545.7	8.7
Cost of Sales	440.4	399.3	10.3
Gross Margin	152.6	146.4	4.2
Operating expenses	139.8	135.0	3.6
EBIT	12.8	11.4	12.3
Management Fees	1.7	1.6	6.3
EBIT after Management Fees	11.1	9.8	13.3
Depreciation	6.0	5.4	11.1
Other non-cash charges	5.7	5.2	9.6
EBITDA	22.8	20.4	11.8

EBIT/Sales	2.2	2.1
EBIT after Mgmt. Fees/Sales	1.9	1.8
EBITDA/Sales	3.8	3.7

Operating expenses represented 23.6% of sales, compared with 24.7% for the first quarter of 1996 (despite the expansion in the number of stores), mainly due to better inventory management and higher sales. As a result, operating income reached Ps. 12.7 million, 11.4% higher than the comparable period of 1996. EBIT as a percentage of net operating assets was 11.0%, a significant improvement of 3.7 percentage points over the same period of 1996.

Capital expenditures for the first quarter of 1997 amounted to US$MM 2.5.

AMOXXO

A total of six OXXO Express service centers were in operation by the end of the first quarter of 1997 and eight more were under construction.

The chain has achieved its targeted growth rate and the company believes it will be able to reach its goal of having 20 service centers in operation by year-end 1997.

OXXO Express service centers have received overwhelming acceptance by the automotive public, since they have completely changed the concept and perception of a service station in those regions where they are now operating, by providing its customers with the best service available, sparkling clean facilities and professional operators.

As AMOXXO achieves a larger number of service centers in operation, we will start reporting the results of this subsidiary.

FEMSA is the largest fully integrated beverage group in Mexico, with exports to numerous countries worldwide, including the United States, Latin America and Europe. Founded in 1890, FEMSA's subsidiaries produce and distribute name brands of beer such as Tecate, Carta Blanca, Superior, Sol, Dos Equis and Bohemia; and soft drinks including Coca-Cola, diet Coke, Sprite, Fanta and Quatro. FEMSA also produces beverage cans, glass bottles, crown caps, labels, cardboard and commercial refrigerators and operates OXXO, México's largest chain of convenience stores.

All of the figures in this report have been restated in pesos as of March 31, 1997; therefore, all the percentage increases are expressed in real terms. The restatement was determined as follows:

1. ***For the results generated by Mexico's operations using factors derived from the Mexican National Consumer Price Index.***

2. ***For comparison purposes in the Coca-Cola FEMSA consolidated statements, 1996 figures corresponding to KOFBA were re-expressed using Argentine inflation and converted into Mexican pesos using the March 31, 1997, exchange rate (Ps. 7.8925 per A$).***

-2 pages of tables to follow-

FEMSA

BALANCE SHEET
At March 31, 1997 and 1996
Millions of pesos expressed in currency with purchasing power as of March 31, 1997

ASSETS	1997	1996
Cash	1,547	1,238
Receivables	1,654	1,821
Inventories	2,485	2,408
Prepaid expenses	313	368
Tax recoverable	134	9
Total Current Assets	6,133	5,845
Investments and others	378	287
Property, plant and equipment, net	16,975	17,520
Other assets	2,230	2,041
TOTAL ASSETS	25,716	25,693

LIAB. & STOCK-HOLDERS´EQUITY	1997	1996
Bank loans	539	1,084
Long term maturities	2,755	404
Interest payable	170	143
Suppliers	1,392	1,319
Accounts payable	1,038	873
Total Current Liabilities	5,894	3,823
Bank loans	5,055	7,095
Labor obligations	855	732
Other liabilities	189	198
Total Liabilities	11,993	11,849
Minority interest	4,272	4,186
Majority interest	9,451	9,658
Stockholders´ Equity	13,723	13,844
LIAB. & STOCK-HOLDER´S EQUITY.	25,716	25,693

FINANCIAL RATIOS	1997	1996
Liquidity	1.04	1.53
Debt service coverage	4.50	3.29
Leverage	0.87	0.86
Capitalization	0.44	0.41

FEMSA

INCOME STATEMENT
For the three months ended March 31, 1997
Millions of pesos expressed in currency with purshasing power as of March 31, 1997

	México			México + Buenos Aires		
	1997	1996	% var	1997	1996	% var
Total sales	4,134	3,944	5	4,995	4,699	6
Cost of sales	2,362	2,389	(1)	2,877	2,886	-
Gross margin	1,772	1,555	14	2,118	1,813	17
Operating expenses	1,347	1,256	7	1,641	1,533	7
Part. in associated companies	8	6	33	8	6	33
Income from operation before goodwill amortization	433	305	42	502	301	67
Goodwill amortization				17	15	13
Income from operations	433	305	42	485	286	70
Interest expenses				214	237	(10)
Interest income				53	98	(46)
Financial expenses, net				161	139	16
Foreign exchange (gain) loss				48	(125)	138
Gain on monetary position				239	417	(43)
Integral cost of financing				(30)	(403)	(93)
Other income (expenses), net				(10)	25	(140)
Income for the period before taxes				505	714	(29)
Taxes				130	119	9
Net Income for the period				375	595	(37)
Net Majority Interest				293	555	(47)
Net Minority Interest				82	40	105