



FEMSA Reports Solid Results: Income from Operations up 41.4% to Ps. 3.599 billion during 4Q03

Business Highlights

- FEMSA total revenues increased 37.0% reaching Ps. 75.891 billion during 2003 with a consolidated operating margin of 16.0%.
- Coca-Cola FEMSA continues its smooth integration of the Panamco territories. Total revenues increased 91.4% reaching Ps. 35.729 billion during 2003 to contribute nearly half of FEMSA total revenues. Comparable volume for Mexico was up 2.2% in 2003, including CSD volume growth of 2.9%.
- FEMSA Cerveza's domestic and export beer sales volume increased 5.2% to 5.820 million hectoliters and 2.9% to 0.419 million hectoliters respectively during 4Q03, in large part due to successful promotions with our Sol brand in Mexico and our Dos Equis and Tecate brands in the U.S.
- Oxxo opened 582 net new stores during 2003, totaling 2,798 locations nationwide. Total revenues increased by 27.6% reaching Ps. 4.511 billion during 4Q03 with an operating margin up 70 basis points from 4Q02.

Jose Antonio Fernandez, Chairman and CEO of FEMSA, commented, "During the fourth quarter and full year 2003, our company continued to strengthen its competitive position in Mexico and Latin America and I am pleased to report a ninth consecutive year of operating income growth. Today we operate in nine Latin American countries, up from two last year, and export to many key markets around the World. The Panamco acquisition confirmed FEMSA as a serious regional contender, but our challenge now is to ensure that the synergies and economies of scale of our new platform deliver lasting results for our employees, consumers, and 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 the leading beverage company in Latin America. It controls an integrated beverage platform that comprises the largest Coca-Cola bottler in the region, Coca-Cola FEMSA; the second largest brewer in Mexico and important beer exporter to the United States, FEMSA Cerveza; and Oxxo, the largest and fastest growing convenience store chain in Mexico with over 2,750 stores.

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