

FEMSA Announces Third Quarter 2018 Results

Monterrey, Mexico, October 26, 2018 — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the third quarter of 2018.

As of the third quarter of 2018, we have made a change to the disclosure related to our businesses formerly named as FEMSA Comercio’s “Retail Division”: We have removed those operations that are not directly related to our proximity store business, namely our restaurant and discount retail units, from this segment. The segment is now named the “Proximity Division”, and will only include proximity and proximity-related operations, most of which operate today under the OXXO brand across markets. This change will provide a more accurate picture of the performance of this key, high-growth business.

FINANCIAL HIGHLIGHTS:

- 7.9% revenue growth (8.9% on an organic¹ basis) at FEMSA Consolidated
- 12.1% revenue growth (11.7% on an organic¹ basis) at FEMSA Comercio’s Proximity Division
- 29.5% income from operations growth at FEMSA Comercio’s Health Division
- 41.5% income from operations growth at FEMSA Comercio’s Fuel Division
- 8.2% income from operations growth (-6.9% on an organic¹ basis) at Coca-Cola FEMSA

FINANCIAL SUMMARY FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2018

Change vs. same period of last year

	Revenues		Gross Profit		Income from Operations		Same-Store Sales	
	3Q18	YTD18	3Q18	YTD18	3Q18	YTD18	3Q18	YTD18
FEMSA CONSOLIDATED	7.9%	5.1%	9.3%	6.9%	8.1%	6.1%		
FEMSA COMERCIO								
Proximity Division	12.1%	12.0%	17.2%	15.7%	8.7%	11.6%	6.2%	5.5%
Health Division	10.2%	10.2%	11.8%	14.1%	29.5%	46.0%	6.3%	6.2%
Fuel Division	26.7%	21.6%	47.4%	47.0%	41.5%	122.8%	7.1%	5.3%
COCA-COLA FEMSA	(0.7%)	(4.7%)	0.6%	(2.1%)	8.2%	1.6%		

Eduardo Padilla, FEMSA’s CEO, commented:

“During the third quarter, we continued to see our business units making steady progress. Store counts, comparable sales and gross margins once again grew across retail formats and markets. However, operating margins were under moderate pressure particularly in Mexico, reflecting tight labor conditions and higher operational costs, as well as OXXO’s increased international organic expansion efforts. At Coca-Cola FEMSA, we saw positive top-line performance in several of our markets, particularly Mexico, as well as encouraging signs of progress in other regions, including the recently acquired operations in Guatemala and Uruguay.

On the strategic front, there are interesting news as well. We recently announced our entry into Ecuador through our Health Division, with a transaction that is still subject to regulatory approval, and today we are announcing our

¹ Excludes the effects of significant mergers and acquisitions in the last twelve months and the results of Coca-Cola FEMSA Venezuela in 2017. For this quarter, it includes the consolidation of Caffenio, our sole coffee supplier in Mexico, which we now control with 50% share ownership.

entry into Peru through the opening of our first OXXO store in the city of Lima. These two announcements reflect our commitment to continue expanding our small-box platform across Latin America.

As we look toward the end of 2018 and into next year, we continue to see some macroeconomic uncertainty in many of our markets, including Mexico and Brazil. However, uncertainty can often bring opportunity, and with that view we are optimistic about our possibilities to create value as we chart our strategic path for 2019 and beyond.”

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

FORWARD-LOOKING STATEMENTS

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 a leading company that participates in the beverage industry through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world by volume; and in the beer industry, through its ownership of the second largest equity stake in Heineken, one of the world's leading brewers with operations in over 70 countries. In the retail industry it participates through FEMSA Comercio, comprising a Proximity Division operating OXXO, a small-format store chain, a Health Division, which includes all drugstores and related operations, and a Fuel Division, which operates the OXXO GAS chain of retail service stations. Additionally, through its Strategic Businesses unit, it provides logistics, point-of-sale refrigeration solutions and plastics solutions to FEMSA's business units and third-party clients.