



FEMSA Reports Fourth Quarter 2000 and Twelve Months Ended December 31, 2000 Results

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Monterrey, Mexico (February 27, 2001) — Fomento Económico Mexicano, S.A. de C.V. and Subsidiaries ("FEMSA" or the "Company") (NYSE: FMX; BMV: FEMSA UBD; FEMSA UB), Latin America's largest beverage company, today reported annual consolidated net sales of Ps. 45.343 billion, an increase of 9.6%, and operating income of Ps. 7.093 billion, an increase of 9.9%, both with respect to full year 1999. Therefore, the Company's operating margin for 2000 remained stable at 15.6% of total revenues compared that achieved in 1999. The Company's operating performance for 2000 reflects lackluster results in the beer division which were compensated by outstanding results in the soft drinks division.

For the fourth quarter of 2000, the Company recorded consolidated net sales of Ps. 11.8 billion, an increase of 5.3% and consolidated operating income of Ps. 1.773 billion, a decrease of 8.1% both relative to the fourth quarter of 1999. Lackluster consolidated revenue growth in the fourth quarter reflects a significant decline in domestic beer sales volume in the fourth quarter of 2000. Such decline is attributable to the simultaneous occurrence of several events which took place at the end of the year, namely, (i) the absence of inventory loading by FEMSA Cerveza's clients during the last two weeks of December, (ii) recently instituted commercial practices and (iii) extremely bad weather conditions in certain stronghold regions of FEMSA Cerveza which affected beer sales. The decline in beer volume impacted demand for packaging products and contributed to a decrease of 9.8% recorded in FEMSA Empaques net sales. Coca-Cola FEMSA on the other hand, recorded a strong performance in the fourth quarter in Mexico, which more than compensated the weak performance of the Argentine operations resulting from an extremely difficult economic and competitive environment. Finally, FEMSA Comercio also contributed to the Company's top line growth by opening 115 new sites during the fourth quarter and achieving same store sales growth of 5.3%.

José Antonio Fernández, chief executive officer of the Company, stated, "Notwithstanding the challenges faced by the Company this crucial first year of transition, we managed to sustain the operating profitability levels achieved in 1999, generate over U.S.\$ 1 billion dollars in gross cash flow, de-lever the balance sheet by U.S.\$ 48.6 million to U.S. \$ 454 million in net debt and implement a thorough change in the commercial and distribution practices of the beer operations. We strongly believe that the organization has successfully undergone a painful but necessary transition in 2000, laying the grounds for an increasingly more dynamic, innovative, efficient and commercially driven organization".

Net majority income increased by 17.0% to Ps. 929 million for the fourth quarter of 2000, and decreased by 20.3% to 2.535 billion for the full year 2000. Earnings per FEMSA UBD or UB Unit for the fourth quarter of 2000 amounted to Ps. 0.875.

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 with exports to the United States, Canada and numerous countries in Latin America, Europe and the Far East. Founded in 1890 and with headquarters in Monterrey, Mexico, FEMSA operates through the following subsidiaries: FEMSA Cerveza, which produces and distributes name brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis and Bohemia; Coca-Cola FEMSA, one of two "Anchor Bottlers" for The Coca-Cola Company in Latin America, which produces and distributes soft drinks including Coca-Cola, Coca-Cola Light, Sprite, Fanta and Quatro; FEMSA Empaques, which supports the beverage operations by producing beverage cans, glass bottles, crown caps, labels, commercial refrigerators, and serves third party clients throughout the Americas; FEMSA Comercio, which operates OXXO, Mexico's most extensive chain of convenience stores; Desarrollo Comercial FEMSA, which operates OXXO Express, a chain of convenience stores adjacent to gasoline stations; Logística CCM, which provides logistic management services to FEMSA Cerveza; and FEMSA Logística, which provides logistics management services to Coca-Cola FEMSA, FEMSA Empaques, and, recently, to third party clients.

