



## FEMSA Reports Record Revenues in 3rd Quarter with Net Income up 18%

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MONTERREY, Mexico--(BUSINESS WIRE)--Oct. 23, 2003--Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE: FMX; BMV: FEMSA UBD; FEMSA UB), the Leader in Latin Beverages, today reported its operational and financial results for the third quarter and first nine months of 2003.

- FEMSA consolidated total revenues reached Ps. 20.783 billion during the third quarter with a consolidated operating margin of 15.6%. Consolidated net income was Ps. 1.045 billion, 18.1% higher than the same period last year.
- Coca-Cola FEMSA contributed more than half of FEMSA consolidated total revenues and operating income for the quarter. Total revenue growth of 126.8% reflects the addition of the recently acquired territories into the KOF system. Comparable volume for Mexico grew 1.8% from the same period last year.
- FEMSA Cerveza's quarterly domestic and export beer sales volume increased 3.1% and 9.2% respectively, in large part due to the solid performance of our Sol brand in the domestic market and our Dos Equis and Tecate brands in the US.
- Oxxo opened 142 new stores during the quarter, totaling 2,541 locations nationwide. We successfully increased quarterly net sales by 23.6% while maintaining our operating margin (before management fees) at 5.1% of sales.
- FEMSA made several adjustments at the senior management levels to adapt its organizational structure to the increased scale and evolving nature of its beverage businesses.

Jose Antonio Fernandez, Chairman and CEO of FEMSA, commented, "We are very pleased with these results given the unfavorably rainy summer in Mexico and the increasingly competitive landscape in our soft drinks operations. Overall performance will benefit with the gradual recovery of demand for consumer products in the Mexican market. Furthermore, the smooth integration of the new Coca-Cola FEMSA territories, the advancements in the transformation of FEMSA Cerveza and the expansion in the number of Oxxo stores throughout Mexico, illustrate our ability to maneuver successfully towards the vision of making FEMSA the premier beverage company in Latin America.

With that same vision in mind, and after a thorough analysis of the new structural and managerial demands of our operations, we are announcing today a number of changes at the most senior executive levels of FEMSA and several of our operating subsidiaries. Utilizing the world-class management talent within our organization, we are modifying some structures and redeploying several key executives to new responsibilities. We are convinced that these adjustments will be instrumental as we guide FEMSA through the exciting new stage of growth that is now under way."

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 in terms of sales. Founded in 1890 and headquartered in Monterrey, Mexico, FEMSA is strategically comprised of the following subsidiaries: FEMSA Cerveza, which produces, distributes and exports various brands of beer such as Tecate, Carta Blanca, Sol, and Dos Equis; 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) and retail (FEMSA Comercio) operations, and whose main objective is to offer strategic competitive advantages to the beverage subsidiaries.

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