



FEMSA Reports Results for Fourth Quarter and Twelve Months Ended December 31, 2001

Operating Income for the Fourth Quarter and Twelve Months Ended December 31, 2001 Increased by 14.3% and 11.3% Respectively

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MONTERREY, Mexico, Feb 19, 2002 (BUSINESS WIRE) -- Fomento Economico Mexicano, S.A. de C.V. ("FEMSA" or the "Company") (NYSE:FMX) (BMV:FEMSA UBD), Mexico's largest and one of Latin America's leading beverage companies, today reported annual consolidated net sales of Ps. 49.681 billion for the full year 2001, an increase of 6.0%, and operating income of Ps. 8.205 billion, an increase of 11.3%, both with respect to the full year 2000. As a result, the Company's operating margin for 2001 increased by 0.8 percentage points to 16.5% of total revenues compared to the 15.7% achieved in 2000. The Company's operating income performance during 2001 primarily reflects a better than expected operating performance achieved by FEMSA Cerveza and an outstanding performance recorded by Coca-Cola FEMSA despite the recent deterioration of the Argentine political and economic crisis.

For the fourth quarter of 2001, the Company recorded consolidated net sales of Ps. 12.674 billion, an increase of 2.4% and consolidated operating income of Ps. 2.138 billion, an increase of 14.3% both relative to the fourth quarter of 2000. Lackluster consolidated revenue growth in the fourth quarter of 2001 reflects the decline in Coca-Cola FEMSA's and FEMSA Empaques' revenues, despite healthy growth rates recorded by FEMSA Cerveza and FEMSA Comercio. Coca-Cola FEMSA's revenues declined slightly in the fourth quarter primarily reflecting a reduction in the average revenue per case of the Mexican operations, plus the decline in revenues recorded by the Buenos Aires operations. Despite the decline in revenues recorded by Coca-Cola FEMSA in the fourth quarter of 2001, operating income for Coca-Cola FEMSA increased by 12.2% reflecting the successful containment of operating expenses both in Mexico and in Argentina. FEMSA Cerveza also recorded a strong operating performance in the fourth quarter of 2001 mostly reflecting the improvement in real domestic revenue per hectoliter of 4.4% and the successful program to contain operating expenses, both leveraged on a favorable cost environment. FEMSA Comercio also contributed to the Company's top line growth by opening 103 net new Oxxo stores during the fourth quarter, which returned an operating income growth of 0.5% relative to the same period in 2000.

Jose Antonio Fernandez, FEMSA's Chairman and Chief Executive Officer stated, "2001 was a challenging year for most Mexican companies and particularly for FEMSA. The project to restructure our beer operations faced a sharp deceleration of the Mexican economy. Notwithstanding this unexpected adverse environment, we proceeded with the original implementation plan of our new business model, making the necessary adjustment to our day-to-day operations to continue improving profitability while competing effectively. Despite the adverse macroeconomic environment, we achieved strong top-line growth and improved the operating margins of our main businesses, generated US\$ 1.3 billion in gross cash flow, achieved record-low net-debt levels, and advanced significantly in the steadfast implementation of important projects and investments that are the foundation of our competitive advantage for the years to come. We welcome 2002 as the year in which these initiatives begin to bear fruit under a scenario of expected economic recovery."

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, exporting to the United States, Canada, and select countries in Europe, Asia, and Latin America. Founded in 1890 and headquartered in Monterrey, Mexico, FEMSA is strategically comprised of and operates by means of the following subsidiaries: FEMSA Cerveza, which produces and distributes various brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis, and Bohemia; 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), retail (FEMSA Comercio) and logistics (FEMSA Logistica) operations, whose main objective is to offer competitive advantages to the beverage subsidiaries.

CONTACT: FEMSA
Juan Fonseca, (52) 81 83 62 45
jffonser@femsa.com.mx
or
Alan Alanis, (52) 81 83 62 11
aalapen@femsa.com.mx
or
Arturo Ballester, (52) 81 83 61 89
abalala@femsa.com.mx

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