

FEMSA Reports Record Results for 2004

Sales and Net Income increased 17% and 88%, respectively

Monterrey, Mexico, February 25, 2005 — Fomento Económico Mexicano, S.A. de C.V. ("FEMSA") today announced its operational and financial results for the fourth quarter and year ended December 31, 2004.

Fourth Quarter Highlights:

- **Coca-Cola FEMSA increased its soft-drink sales volume across most territories** and expanded its consolidated EBITDA margin to 23.1% of revenues.
- **Domestic beer volumes increased 3.1% and export beer volumes increased 7.0%**, as we transition to our new US importer.
- **Oxxo continued its pace of double-digit growth**, increasing revenues by 26.1% driven by 279 new stores and a 9.6% increase in same-store sales.
- **Consolidated net debt was reduced by Ps. 1,302 million** or 3.2% compared with 3Q04.

2004 Full Year Highlights:

- **Solid performance in all businesses** drove a 17.2% increase in consolidated total revenues and an 8.7% increase in operating income.
- **Corporate streamlining moved ahead.** Glass bottle and aluminum can operations are now part of FEMSA Cerveza.
- **Successful integration of newly acquired soft-drink territories.** Coca-Cola FEMSA remains one of the most profitable Coca-Cola bottlers in the world.
- **Profitable share gains in domestic and US beer markets.** Our domestic beer volume growth outpaced the industry while operating margin expanded 50 basis points; export beer volumes increased 13.0%.
- **Oxxo continues to be the fastest growing convenience store chain in Mexico**, opening 668 new stores, and ending the year with 3,466 Oxxos.

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José Antonio Fernández, Chairman and CEO of FEMSA, commented, “Despite significant competitive and raw material cost pressure, the FEMSA team was able to successfully navigate the challenges of 2004. I am pleased to report our 10th consecutive year of operating income growth.

Beyond our positive results, we also made great strategic strides. At Coca-Cola FEMSA, we finalized the integration of the new soft-drink territories, which include operations in seven new countries. While there is still much work to do, we are quickly seeing the benefits of our initiatives and continuing to raise our expectations. At FEMSA Cerveza, 2004 was a remarkable year, as we recovered 100% ownership of our beer operations, gained profitable market share in Mexico, established an alliance with Heineken to distribute our beers in the US, and began importing *Coors Light* into Mexico. For the first time, our return on invested capital at FEMSA Cerveza exceeded 11%. Finally, Oxxo continued consolidating its position as the leading convenience store chain in Mexico, becoming a powerful distribution channel for many consumer products and by far the largest client of The Coca-Cola Company in Mexico and one of its top clients in Latin America.”

Mr. Fernández added, “At FEMSA our good results are a product of a great team, doing the right things with the best technology. In 2004, we underscored our ability to operate successfully in complex market environments such as Brazil, Venezuela, and Colombia; to serve customers in a differentiated way through improved execution at the point of sale; and to manage a broad portfolio of strong brands in a precise and effective way.

In 2005, we will remain focused on delivering high-quality growth and building long-term value for our shareholders.”

To obtain the full text of this earnings release, please visit our Investor Relations website at www.femsa.com/investor under the Quarterly 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 3,000 stores.

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