

FEMSA Announces Second Quarter 2017 Results

Monterrey, Mexico, July 25, 2017 — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the second quarter of 2017.

FINANCIAL HIGHLIGHTS:

- 21.4% revenue growth (10.7% on an organic¹ basis) at FEMSA Consolidated
- 10.3% same-store sales growth at OXXO, including 4.4% growth in traffic
- 9.8% revenue growth at FEMSA Comercio’s Health Division
- 22.6% same-station sales growth at FEMSA Comercio’s Fuel Division
- 25.5% revenue growth (3.2% on an organic¹ basis) at Coca-Cola FEMSA

FINANCIAL SUMMARY FOR THE SECOND QUARTER AND FIRST SIX MONTHS OF 2017

Change vs. same period of last year

	Revenues		Gross Profit		Income from Operations		Same-Store Sales	
	2Q17	YTD17	2Q17	YTD17	2Q17	YTD17	2Q17	YTD17
FEMSA CONSOLIDATED	21.4%	24.4%	19.5%	22.2%	10.8%	15.6%		
FEMSA COMERCIO								
Retail Division	16.0%	14.0%	17.7%	16.8%	18.2%	10.6%	10.3%	8.1%
Health Division	9.8%	17.7%	9.1%	18.3%	0.3%	0.5%	6.3%	13.2%
Fuel Division	36.6%	42.8%	11.0%	21.6%	-96.6%	-26.1%	22.6%	23.8%
COCA-COLA FEMSA	25.5%	30.3%	23.8%	26.9%	8.1%	17.5%		

Carlos Salazar Lomelín, FEMSA’s CEO, commented: “We knew back in April that we would have some calendar tailwinds given the timing of Holy Week, particularly for our OXXO business, and the month did not disappoint. What we did not know back then was that the strong top-line trends would carry through the quarter the way they did. Revenue growth was strong during the quarter, not just for our retail formats but across operations, and reflected a resilient consumer environment in Mexico in spite of rising inflation. On the profitability front, operating leverage at FEMSA Comercio’s Retail Division helped the team expand its operating margin slightly, even as we continued to see pressure from operating expenses. At the Health Division, we again saw a steady South America provide cover for the ongoing work-in-progress of our Mexico operations. And at the Fuel Division, we saw the highest level of margin pressure that we expect to see during the year, driven by a unique set of circumstances, and resulting in a soft set of numbers that does not reflect our expectations for this business going forward.

At Coca-Cola FEMSA we are seeing some incipient, encouraging signs that the consumer environment in Brazil is beginning to improve, just in time to begin helping our Mexico operations carry the load. Conditions remained challenging across several markets during the second quarter, and we faced some cost pressures on the sugar front as well, however we believe we are well positioned for an improved performance in the second half of the year.”

¹ Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

To obtain the full text of this earnings release, please visit our Investor Relations website at www.femsa.com/investor 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 Retail Division operating various small-format store chains including OXXO, a Fuel Division, operating the OXXO GAS chain of retail service stations, and a Health Division, which includes drugstores and related operations. 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.