



FEMSA Net Income up 95.9%, Reaching Ps. 1,346 Million During First Quarter 2004

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MONTERREY, Mexico--(BUSINESS WIRE)--April 26, 2004--Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE:FMX) (BMV: FEMSA UBD, FEMSA UB), the Leader in Latin Beverages, today reported strong operational and financial results for the first quarter of 2004.

Business Highlights -- First Quarter 2004

- FEMSA Consolidated Operating Income up 43.7% reaching Ps. 2.561 billion.
- Carbonated soft-drinks comparable sales volume in Mexico increased 3.7%, mostly from Coca-Cola brand. Coca-Cola FEMSA's integration process is moving forward. Operating income increased 51.4% to Ps. 1.573 billion.
- FEMSA Cerveza's beer sales volume grew profitably: domestic up 5.8% to 5.122 million hectoliters and exports up 32.8% to 480 thousand hectoliters, while operating income before management fee increased 24.5% reaching Ps. 675 million.
- Oxxo continued its expansion and opened 99 net new stores during the quarter, totaling 2,897 locations nationwide. Operating income increased by 50.3% to Ps. 169 million.

Jose Antonio Fernandez, Chairman and CEO of FEMSA, commented, "We started the year 2004 on the right note. Our beer operations achieved significant volume growth and improved margins as we intensified our effort to grow profitably through focused market execution, efficient resource allocation, and better tailoring of our offers to the consumer. In soft drinks, we continue integrating our new territories into the FEMSA culture leveraging the best practices developed over time by Coca-Cola FEMSA. Consequently, we are better prepared to face the challenging competitive landscape of our soft-drink territories, particularly in Mexico. Our retail chain, Oxxo, continues its expansion, increasing its relevance for FEMSA as a valuable strategic vehicle for distributing our beverages."

Mr. Fernandez continued, "This quarter was a step in the right direction but we must keep working: I know we have the best team and have developed the right tools to continue consolidating our position as the leading beverage company in Latin America."

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 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 2,750 stores.

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