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FEMSA REPORTS FOURTH QUARTER 2000 AND TWELVE MONTHS ENDED DECEMBER 31, 2000 RESULTS

Monterrey, Mexico (February 27, 2001) — Fomento Económico Mexicano, S.A. de C.V. and Subsidiaries ("FEMSA" or the "Company") (NYSE: FMX; BMV: FEMSA UBD; FEMSA UB), Latin America's largest beverage company, today reported annual consolidated net sales of Ps. 45.343 billion, an increase of 9.6%, and operating income of Ps. 7.093 billion, an increase of 9.9%, both with respect to full year 1999. Therefore, the Company's operating margin for 2000 remained stable at 15.6% of total revenues compared that achieved in 1999. The Company's operating performance for 2000 reflects lackluster results in the beer division which were compensated by outstanding results in the soft drinks division.

For the fourth quarter of 2000, the Company recorded consolidated net sales of Ps. 11.8 billion, an increase of 5.3% and consolidated operating income of Ps. 1.773 billion, a decrease of 8.1% both relative to the fourth quarter of 1999. Lackluster consolidated revenue growth in the fourth quarter reflects a significant decline in domestic beer sales volume in the fourth quarter of 2000. Such decline is attributable to the simultaneous occurrence of several events which took place at the end of the year, namely, (i) the absence of inventory loading by FEMSA Cerveza's clients during the last two weeks of December, (ii) recently instituted commercial practices and (iii) extremely bad weather conditions in certain stronghold regions of FEMSA Cerveza which affected beer sales. The decline in beer volume impacted demand for packaging products and contributed to a decrease of 9.8% recorded in FEMSA Empaques net sales. Coca-Cola FEMSA on the other hand, recorded a strong performance in the fourth quarter in Mexico, which more than compensated the weak performance of the Argentine operations resulting from an extremely difficult economic and competitive environment. Finally, FEMSA Comercio also contributed to the Company's top line growth by opening 115 new sites during the fourth quarter and achieving same store sales growth of 5.3%.

José Antonio Fernández, chief executive officer of the Company, stated, "Notwithstanding the challenges faced by the Company this crucial first year of transition, we managed to sustain the operating profitability levels achieved in 1999, generate over U.S.$ 1 billion dollars in gross cash flow, de-lever the balance sheet by U.S.$ 48.6 million to U.S. $ 454 million in net debt and implement a thorough change in the commercial and distribution practices of the beer operations. We strongly believe that the organization has successfully undergone a painful but necessary transition in 2000, laying the grounds for an increasingly more dynamic, innovative, efficient and commercially driven organization".

Net majority income increased by 17.0% to Ps. 929 million for the fourth quarter of 2000, and decreased by 20.3% to 2.535 billion for the full year 2000. Earnings per FEMSA UBD or UB Unit for the fourth quarter of 2000 amounted to Ps. 0.875.

AUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED DECEMBER 31, 2000 COMPARED TO THE FOURTH QUARTER AND TWELVE MONTHS ENDED DECEMBER 31, 1999

Set forth below is certain audited financial information for Fomento Económico Mexicano, S.A. de C.V. and Subsidiaries ("FEMSA" or the "Company") (NYSE: FMX; BMV: FEMSA UBD) for the fourth quarter and twelve months ended December 31, 2000, compared to the fourth quarter and twelve months ended December 31, 1999. FEMSA is a holding company whose principal activities are grouped under the following seven subholding companies (the "Subholding Companies") and carried out by their respective operating subsidiaries: FEMSA Cerveza, S.A. de C.V. ("FEMSA Cerveza"), which engages in the production, distribution and marketing of beer; Coca-Cola FEMSA, S.A. de C.V. ("Coca-Cola FEMSA"), which engages in the production, distribution and marketing of soft drinks; FEMSA Empaques, S.A. de C.V. ("FEMSA Empaques"), which engages in the production and distribution of packaging materials; FEMSA Comercio, S.A. de C.V. ("FEMSA Comercio"), which engages in the operation of convenience stores; Desarrollo Comercial FEMSA, S.A. de C.V. ("DCF"), which owns 50.01% of the voting capital stock of Empresas Amoxxo, S.A. de C.V. ("Amoxxo"), which operates convenience stores adjacent to gasoline stations; Logística CCM, S.A. de C.V. ("Logística CCM") which provides logistics management services to FEMSA Cerveza, and FEMSA Logística, S.A. de C.V. ("FEMSA Logística"), which provides logistics management services to Coca-Cola FEMSA, FEMSA Empaques and, recently, to third party clients.

All of the figures in this report have been restated in constant Mexican pesos ("Pesos" or "Ps.") with purchasing power as of December 31, 2000 and were prepared in accordance with Mexican Generally Accepted Accounting Principles ("Mexican GAAP"); therefore, all percentage changes are expressed in real terms. The restatement was determined as follows:

- For the results of the Mexican operations, using factors derived from the Mexican National Consumer Price Index ("NCPI"). To restate year-end 1999 pesos to year-end 2000 pesos, the Company applied an inflation factor of 1.0891 and to restate September 2000 pesos to year-end 2000 pesos, the Company applied a 1.032 inflation factor.
- For the results of the Buenos Aires operations, using factors derived from the Argentine National Consumer Price Index of 0.992 to restate year-end 1999 argentine pesos to year-end 2000 pesos and of 0.995 to restate September 2000 argentine pesos to year-end 2000 pesos; and converting constant Argentine pesos into Pesos, based on the December 31, 2000 exchange rate of Ps. 9.61 per Argentine peso.

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.

IMPORTANT NOTICES:

We invite you to register in our *NEW* Investor Relations Site located at http://ir.femsa.com to receive all of our press releases, earnings releases and IR Events automatically through our e-mail alert service.

Please contact FEMSA's Investor Relations officers if you wish to have your name added or removed from this distribution list or to receive this press release through a specific medium only.

PRINCIPAL ACCOMPLISHMENTS DURING 2000,
OVERVIEW OF FEMSA'S 2000 OPERATING PERFORMANCE
AND OUTLOOK FOR 2001

Executive Summary

Year 2000 was a year of transition for FEMSA. The management change implemented in January 1, 2000 brought about a fresh and constructive perspective on all of the Company's operations, consummating one of the management's objectives in the reorganization of the senior executive ranks—to revitalize the organization and motivate executives and employees to embrace extraordinary business practices and innovative operating philosophies. During 2000, the Company invested significant amount of time and resources aligning the organization accordingly by exchanging executives, hiring new personnel, redesigning commercial training processes and reallocating commercial resources to increase effectiveness. Today, the beverage business directors have a keen understanding of their respective strategic priorities and a clear business direction for years ahead. This executive summary highlights the most important accomplishments as well as the challenges faced through out 2000 by the principal operating divisions of the Company.

FEMSA Cerveza

FEMSA Cerveza's new strategic direction hinges on raising per capita consumption by addressing the consumer, positioning the beverage as a top alternative of choice in a wide variety of consumption occasions. The new direction represents a significant departure from the traditional industry practices, which so far have focused on tying the channel and competing for market share at all costs. Consequently, FEMSA Cerveza's organization underwent some significant changes through out the year 2000 in preparation for the deployment of the new strategy.

Among the most important accomplishments in 2000, stands out the reorganization of the marketing department with the objective of reinforcing the competencies and skills necessary to address the consumer. Management believes that the existing marketing organization accomplishes, among others, the following objectives: 1) ensures the alignment between the marketing and the sales organizations linking the promotional programs of each brand with their respective communication and advertising campaigns; 2) institutionalizes the channel marketing and market research functions; and 3) establishes differentiated strategies that acknowledge the stage of development of the brand and are congruent with the brand's ultimate objective of either increasing frequency of consumption or increasing the consumer base..

FEMSA Cerveza also renovated its public relations efforts by creating a public relations department whose primary responsibilities is to execute the government agenda, lead the lobbing efforts and manage the relations with the different governmental ministries, departments and agencies the brewery interacts with. FEMSA Cerveza is committed to work with the respective regulating bodies to define a regulation framework for the beer industry different than that of the spirits industry. The current regulation makes no distinction and potentially favors the spirit industry since the strict regulation of the sale of cold beer over the weekends actually induces higher demand for spirits which are easier to store for consumption at home.

FEMSA Cerveza's management set clear guidelines for the standardization of commercial practices and processes across the country—an initiative with potentially adverse short-term growth implications—setting stricter credit and payment terms for retailers and third party distributors and banishing end-of-the-month inventory loading practices characteristic of the Mexican beer industry. FEMSA Cerveza also implemented management changes, particularly at the distribution unit level, to ensure a smoother cultural transition of the sales organization. In addition, management is committed to divert resources away from low turnover, expensive sponsorships and tied accounts into programs designed to activate consumption in the young-adult target segment of the population by increasing the number of consumption occasions, and to deploy a cooler program which will ensure that FEMSA Cerveza's products will always be properly cooled in the point of sale.

On the planning front, FEMSA Cerveza's management instituted new planning cycles and processes that separate the planning from the execution function that provide for concrete performance measures and rapid feedback into the organization. Furthermore, management completed an operating plan utilizing advanced technological systems designed to follow 60 operational planning variables and modeled the brewery's comprehensive enterprise resource plan, which will be implemented through SAP technology starting 2001. Finally, it structured the organizational modules for the rollout of pre-sell systems and processes in 2001.

Commencing with the current quarter, FEMSA will report invoiced "sales volume" for its beer subsidiary FEMSA Cerveza. FEMSA will discontinue reporting FEMSA Cerveza's volume in terms of "beer shipments." Beer shipments refers to the number of hectoliters of beer shipped from FEMSA Cerveza's breweries to affiliated and unaffiliated distributors. Invoiced "sales volume" refers to the number of hectoliters of beer sold by FEMSA Cerveza's breweries to unaffiliated distributors and by affiliated distributors to retailers. Invoiced "sales volume" is reflected in FEMSA and FEMSA Cerveza's audited financial statements and is a better measure of sales volume because it excludes shipments to affiliated distributors[1].

With respect to executive and employee training and compensation programs, FEMSA Cerveza's management founded an academy to instruct the pre-sell function along with new marketing and merchandising practices. FEMSA Cerveza's academy graduated 90 individuals in 2000 that will be assigned to implement pre-sell in prospective markets and to support merchandising and third party distributors. In addition, management redesigned the incentive compensation schemes for its employees and executives effective in 2001, emphasizing the successful execution of the business plans and the growth of profitable volume.

FEMSA Cerveza's operational results for 2000 were lower than expected, especially in light of the strong performance of the Mexican economy. Net sales increased by 6.2% over 1999 primarily explained by the real increase in the wholesale price of beer which fully materialized in an improvement in revenue per hectoliter of 6.7%. Domestic sales volume declined slightly versus 1999 reflecting the combined effect of (i) slower demand growth observed in the northern regions of the country (where FEMSA Cerveza sells 60% of its domestic sales volume) as a result of higher prices and colder and humid weather which depressed beer demand particularly during the second half of 2000 and (ii) streamlined commercial practices, which as explained above, affected retailer demand for our products. Furthermore, since management decided not to raise prices at the end of 2000, sales volume for the fourth quarter 2000 experienced an adverse comparison against domestic sales volume for the fourth quarter of 1999, figure which included approximately 365,000 hectoliters (equivalent to 1.6% of 1999 annual domestic sales volume) sold in anticipation of the price increase implemented in January 1, 2000 and in connection with Y2K inventory loading.

Despite an improvement in gross profit of 11.4% (an increase of 2.6 percentage points in the gross margin), operating income for 2000 before management fees increased only by 0.6% and operating margin declined by 0.9 percentage points relative to 1999 reflecting higher operating expenses. The increase in operating expenses is attributable to (i) additional staffing of the distribution units and of the commercial and marketing areas in central office, (ii) higher commercial expenses (channel and demand related) and (iii) operating charges in connection with the implementation of new commercial practices with FEMSA Cerveza's clients.

[1] Please refer to the annexes to obtain quarterly sales volumes for 1999 and 2000.

Coca-Cola FEMSA

Certainly 2000 was an outstanding year for Coca-Cola FEMSA. The management team advanced significantly on the accomplishment of its strategic plan at the same time that the company's growth engine in Mexico posted unparalleled growth rates.

The Company has gained a better understanding of the consumer preferences in the area of packaging and other products and has advanced considerably in developing a comprehensive non-alcoholic beverage portfolio. During this past year Coca-Cola FEMSA has re-emphasized returnable presentations as a key element of its packaging portfolio strategy. The returnable packages are not only more profitable for Coca-Cola FEMSA, but they act as an effective barrier to entry for B-brands and strengthen the fragmented channel market structure that exists in Mexico.

Furthermore, Coca-Cola FEMSA has only begun its effort to develop a portfolio architecture that meets the demand of the market segments while increasing the overall profitability of the Company. In Argentina, the launch of Taí, a low cost, low price value protection soft drink, and of Schweppes Citrus and Tonic, in the premium drink segment, are evidence of the Company's strategy to manage revenue by capturing consumer surplus across the demand curve. Coca-Cola FEMSA is currently analyzing other non-alcoholic beverage categories as potential opportunities such as the still and mineral water market in Mexico, a market the company has not exploited yet.

The strengthening of existing competencies and standardization of best practices were the guidelines for this year's restructuring process throughout the Coca-Cola FEMSA organization. In Mexico, Coca-Cola FEMSA has rationalized its bottling capacity, streamlined its distribution system, and strengthened its supplier relationships, while continuing to grow volumes at a rate of 10.3%. Specifically, three out of the twelve production facilities in operation at the beginning of 2000 were shut down during the year. Most of that capacity was absorbed by the remaining facilities. As a result, average capacity utilization increased from 65.4% to 71.0% in Mexico. In Argentina, Coca-Cola shut down the San Justo facility increasing capacity utilization from 50.3% to 54.9%. Management expects to continue rationalizing the production infrastructure in the future.

The Coca-Cola FEMSA organization greatly enhanced its channel marketing and market execution capabilities. Cooler placement, special events, promotions, advertising and customer service were important catalysts for this past year's strong growth in per-capita consumption for Coca-Cola FEMSA's products. For example, the Company is applying its knowledge of the markets to fine-tune an already very successful cooler placement program by focusing not only on placement but also on the position of these coolers within the point of sale. This enhanced focus has lead to improved sales and therefore improved return on the refrigeration assets. The Company is also designing coolers for the specific channel needs. Currently, Coca-Cola FEMSA's cooler program enjoys a level of penetration of approximately 70% of its clients.

Efforts in the area of pricing have been key in growing the profitability of Coca-Cola FEMSA this year. Management has been testing the price elasticity of all products and has re-emphasized the practice of revenue management, a core competency that will be essential to the successful horizontal growth of the company. The company has enhanced its expertise on price segmentation by channel, packaging and geographic regions, which has enable it, for example, to detect the willingness of Coca-Cola Light consumers to pay a premium for the product or to charge a premium for convenience in a re-sealable non-returnable 600 ml presentation.

Finally, Coca-Cola FEMSA advanced significantly in decreasing operational redundancies and in working with The Coca-Cola Company to develop the product portfolio that enables Coca-Cola FEMSA to meet local consumer preferences with a cost structure that allows an equitable and fair dual profit scheme.

For the year 2000, Coca-Cola FEMSA's Mexican operations posted an outstanding 10.3% growth in volume, an improvement of 4.3% in real revenue per unit case and operating income growth of 38.8% compared to last year. A strong macro-economic environment, good weather conditions in Coca-Cola FEMSA's territories through out the year and lower packaging and sweetener costs in real terms favored the Mexican operations during 2000.

The Buenos Aires operations face an extremely adverse economic scenario in 2000. Volumes declined by 3.6%, average unit case prices dropped by 4.9% and operating income decreased by 17.9%. Despite significant management's efforts to contain costs and stabilize pricing, the poor macro-economic performance, continued deflation and increased competitive pressures from alternative products continue to harm Coca-Cola FEMSA's performance in such market. Notwithstanding this, Coca-Cola FEMSA's operations in Buenos Aires are ready to enjoy considerable improvement as soon as the macroeconomic environment turns more favorable.

FEMSA Comercio

The outstanding top line growth recorded by FEMSA Comercio in the year 2000 was leveraged on a healthy improvement in per capita income, derived from growth in real wages, lower unemployment and an accelerated expansion of the chain. Enhanced purchasing power is a natural driver for retail sales, which combined with FEMSA Comercio's successful merchandising strategies, yielded an improvement of 4.5% in Oxxo's real sales-per-customer, an increase of 3.7% in same-store traffic and a 22.2% increase in annual total traffic reaching 348.7 million customers, from 285.3 million in 1999.

In 2000, FEMSA Comercio opened a total of 254 new Oxxo sites, totaling 1,451 stores in operation by December 31, 2000, which represents an increase of 21.2% in retail sale space. The number new Oxxo stores opened in 2000 is almost equivalent to the total number of stores currently in operation by Oxxo's nearest competitor. As an additional fact, beer sales in FEMSA Comercio's combined outlets increased by approximately 5.0% in 2000.

FEMSA Comercio implemented key strategies as part of its ongoing effort to saturate its markets and penetrate new markets. Firstly, the organization invested importantly on the on-site operating personnel, revamping the commission and wage tabulators with the objective of promoting loyalty and a true customer-service mindset and to avoid personnel turnover in the stores.

Secondly, Oxxo consolidated its market presence achieving over 50% market participation in its key markets and regions and extended its presence into new cities. The Oxxo convenience chain began operations in four new cities during 2000, Nogales, Sonora and Monclova, Coahuila in the north of Mexico, Zacatecas in the center and Coatzacoalcos, Veracruz in the south.

Thirdly, Oxxo's national and local marketing and promotional strategies continued to drive sales and capture new segments of the population. For example, the organization refined its expertise in executing cross promotions (discounts on multi-packs, or sale of complementary products at a special price) and targeted promotions to attract new customer segments such as housewives through value propositions in the grocery product category.

Lastly, in order to begin executing revenue management strategies, FEMSA Comercio aligned the organization to enhance and exploit its consumer information base and market intelligence capabilities by creating a division in charge of product category management. In order to support this objective, FEMSA Comercio's management selected a technology provider to develop an Enterprise Resource Planning platform to be deployed in the next two years, which will allow the company to redesign its key operating processes and enhance the functionality of its market information going forward.

In 2000, FEMSA Comercio's net sales increased by 28.9% explained by an increase of 21.2% in sales space and of 8.3% in same store sales, which compares to an estimated 1.1% same store sales growth achieved by the retail industry. Income from operations increased 22.7%, and operating margin before management fees decreased by 0.2 percentage points to 4.3%. The decline in operating margins is attributable to higher operating expenses in connection with (i) additional administrative and central office infrastructure as a result of the expansion of the Oxxo chain and (ii) improved compensation structures to on site operating personnel.

Outlook for 2001

FEMSA expects the Mexican economy to record GDP growth of 3.8% in 2001. The anticipated slowdown relative to 2000 owes much to the foreseen economic deceleration in the U.S. economy, which could affect demand for Mexican exports and depress the maquiladora industry in northern Mexico. Most likely, Mexico's central bank will pursue a more restrictive monetary policy that together with the potential impact in disposable income from a fiscal reform (the 2001 fiscal reform, which awaits approval by congress in April, includes a proposal of VAT increase in foodstuffs and medicine) could depress consumption in 2001. Notwithstanding these, employment is expected to increase by 2.5% and average real wages by 1.2%. Real interest rates are expected to remain at attractive levels (expected average nominal rate for the benchmark 28-day Cetes for 2001 is 16.7%), prompting a healthy inflow of foreign investment which should contain any abnormal pressures on the Peso-Dollar exchange rate expected to close at $10.35 at the end of 2001. This in turn is supported by the anticipated downward trend in inflation expected to be approximately 9.0%.

FEMSA Cerveza

FEMSA Cerveza's domestic beer sales volume is expected to increase in the range of 3%-5% and export sales volume to grow by 10%-15% for the year 2001. Management expects volume growth to be stronger during the second half of 2001, as the company begins to capitalize on the benefits of the consumer and channel activation strategies rolled out during the first half of 2001. Nevertheless, it is important to highlight the dynamics that could alter the company's growth expectations for 2001, namely (i) an economic slow down in the northern regions of the country as the growth in the U.S. economy decelerates, (ii) the implementation of the fiscal reforms yet to be approved by congress and (iii) an increasingly competitive environment in response to the roll-out of FEMSA Cerveza's new commercial and marketing initiatives.

FEMSA Cerveza's management expects to begin raising nominal beer prices tactically in different regions of the country and not necessarily by the same amount or at the same time. The objective is to raise prices so that the weighted average price of the domestic mix remains relatively stable in real terms with respect to 2000. It is important to mention that FEMSA Cerveza will continue to engage in commercial practices such as revenue management, channel marketing and optimized discounting, which could lead to a continuous improvement in real revenue per hectoliter without having to raise prices in real terms.

FEMSA Cerveza's operating income is expected to improve 3%-5% in 2001 reflecting marginal costs savings expected from higher efficiencies and a relatively strong currency environment. The marketing budget for 2001 has been principally assigned to brand activation programs, and those resources previously spent in low impact sponsorships and marketing efforts, have been reallocated to consumer activation. Furthermore, management expects to place special beer coolers in deposits, mom and pop stores and selected on-premise sites particularly during the first half of 2001, focusing on FEMSA Cerveza's key markets.. The core activation programs for 2001 will be launched during the summer season in FEMSA Cerveza's markets, corresponding to the second and third quarters of the year. Finally, although pre-sale was rolled out in a few cities at the beginning of 2001, management expects to be ready for deployment of large-scale pre-sale processes planned for 2001, until the second half of 2001. FEMSA Cerveza's capital expenditure budget, including investments in capacity expansion and modernization programs, distribution equipment, market investments, information technology, refrigeration and pre-sell equipment ascends to approximately US$355 million and will be financed entirely with FEMSA Cerveza's funds from operations.

Coca-Cola FEMSA

Coca-Cola FEMSA expects volumes for its Mexican territories to increase in the range of 5%-7% and in its Argentine territories by 3%-5% during 2001. Pricing in Mexico is expected to continue improving slightly above inflation. In Buenos Aires, management will try to stabilize the weighted average revenue per case through revenue management strategies and establishing new consumption occasions. Among the most important initiatives in Mexico stand out the reinforcement to Ref PET and PET 600ml; the launch of mineral and still water products; efforts to continue increasing per capita consumption with the objective of closing the gap between consumption in D.F. versus Estado de Mexico and consumption between the urban versus rural southeast territory regions. In the Buenos Aires territory, management expects to continue facing an unfavorable competitive environment and will respond accordingly by continuing to reinforce the product portfolio with price brands (Taí), premium brands (Schweppes) and new packaging for the traditional brands. Operating income for Coca-Cola FEMSA's Mexican operations is expected to increase approximately by 13%-16% and for the Buenos Aires operations by 5%-8%. Coca-Cola FEMSA's capital expenditure budget for 2001 amounts to US$90 million destined primarily to capacity expansion at the Toluca facility, modernization of production and distribution facilities, and information technology.

FEMSA Comercio

FEMSA Comercio expects to open 200-250 new stores in 2001 equivalent to an increase of 14%-17% in selling space. Management expects same store sales to grow by at least 4.5% and the ticket per customer to continue improving as most of the prices of the products sold by the Oxxo convenience store chain are expected to either increase or remain stable in real terms in 2001. FEMSA Comercio's operating income is expected to increase by approximately 8%, below expected net sale growth, reflecting (i) higher expenses in connection with a new round of investment in information technology platforms, (ii) the expansion in the number of stores, (iii) higher labor costs, (iv) the anticipated impact of the Bara discount chain store, and (v) expenses related with e-commerce development platform. Management expects to have approximately 1,700 new stores in operation by the end of 2001 and to invest approximately US$37 million to open such sites, US$19 million for technology and e-business related projects, and US$6 million in new Bara sites.

FEMSA Empaques

FEMSA Empaques' expected performance primarily depends on the demand for packaging products of its most important client, FEMSA Cerveza. As it has been stated in the past, management's objective has been and will continue to be to sustain the high profitability level of the packaging operations through high capacity utilization levels. It is important to highlight that operating margin levels (before management fees) for FEMSA Empaques for the last three years have oscillated between 16% and 17%, despite the adverse circumstances the Mexican packaging industry has experienced over such period (i.e., a strong currency environment, higher raw material and energy prices and increased competition). Consequently, management expects net sales to increase by 3%-5% and operating income by 10%-15%. Volumes for FEMSA Empaques principal products such as glass bottles, beverage cans and crown caps are expected to increase by 15%, 2% and 6%, respectively in 2001 and FEMSA Empaques will not engage in any investments to increase capacity. As such, the capital expenditure budget for 2001 of US$23 million is destined primarily to the modernization and replacement of manufacturing equipment particularly in the beverage can and crown cap facilities.

Audited Financial Results for the Fourth Quarter Ended December 31, 2000 Compared to the Fourth Quarter Ended December 31, 1999

FEMSA Consolidated

Total Revenues/Net Sales

FEMSA's consolidated total revenues increased by 5.5% to Ps. 11.835 billion and consolidated net sales increased by 5.3% to Ps. 11.8 billion. Coca-Cola FEMSA Mexico and FEMSA Comercio recorded net sales growth of 8.6% and 25.7%, respectively. Coca-Cola FEMSA's strong net sales growth reflects an increase of 13.7% in volume and of 2.8% in the unit price per case in the Mexican territories. FEMSA Comercio's strong net sales growth resulted from the growth of 47.4% in sales space and of 5.3% in same store sales. On the other hand, FEMSA Cerveza, Coca-Cola FEMSA Buenos Aires and FEMSA Empaques recorded a decrease in net sales for the fourth quarter partially offsetting the strong revenue growth recorded by Coca-Cola FEMSA Mexico and FEMSA Comercio.

NET SALES GROWTH	**4 Qtr 00 vs 4 Qtr 99**
FEMSA Consolidated	5.3%
FEMSA Cerveza	(4.4)%
Coca-Cola FEMSA	8.6%
FEMSA Empaques	(9.8)%
FEMSA Comercio	25.7%

FEMSA Cerveza's net sales decreased by 4.4% reflecting an increase of 9.9% in revenue per hectoliter and a decline in domestic sales volume of 11.9% as a result of (i) a drastic decline in beer consumption during the fourth quarter as a consequence of very bad weather conditions in FEMSA Cerveza's strong hold regions and (ii) an inventory adjustment in the fourth quarter in connection with the absence of retail inventory loading the last weeks of December of 2000 in anticipation of a price increase, and (iii) recently instituted commercial practices with FEMSA Cerveza's clients. As a result of the decline in beer demand, FEMSA Cerveza reduced its purchases from FEMSA Empaques which, along with lower domestic prices for packaging products and a strong Peso-Dollar exchange rate, had a negative impact of FEMSA Empaques net sales, which declined by 9.8% in the quarter.

Gross Profit

FEMSA's consolidated gross profit increased by 5.1% to Ps. 5.999 billion, representing a consolidated gross profit margin of 50.8%, a decrease of 0.1 percentage points relative to the fourth quarter last year. FEMSA Cerveza, Coca-Cola FEMSA and FEMSA Comercio recorded gross margin expansion for the fourth quarter compensating the decline of 1.7 percentage points experienced by FEMSA Empaques.

Income from Operations

FEMSA's consolidated operating expenses increased by 11.5% and consolidated income from operations (after participation in the results of affiliated companies) decreased by 8.1% in the fourth quarter primarily reflecting the decline in operating income of FEMSA Empaques, Coca-Cola FEMSA Buenos Aires and most importantly, FEMSA Cerveza. The significant decline in FEMSA Cerveza's operating income primarily reflects the decline in domestic sales volume and the charge for Ps. 156 millions of non-recurring expenses in connection with new commercial practices. FEMSA's consolidated operating margin declined by 2.2 percentage points to 15.0% of total revenues for the fourth quarter of 2000.

CHANGE IN INCOME FROM OPERATIONS Before management fees	**4 Qtr 00 vs 4 Qtr 99**
FEMSA Consolidated	(8.1)%
FEMSA Cerveza	(24.4)%
Coca-Cola FEMSA	18.4%
FEMSA Empaques	17.4%
FEMSA Comercio	0.8%

Net Income

FEMSA's consolidated net income increased by 10.1% to Ps. 1.203 billion from Ps. 1.093 billion recorded in the fourth quarter of 1999. The increase in net income recorded in the fourth quarter primarily reflects the net effect of (i) an increase of 48.2% in the integral result of financing expense to Ps. 421 million compared to an integral result of financing expense of Ps. 284 million recorded in the fourth quarter of 1999 and (ii) other income of Ps. 320 million primarily reflecting a favorable resolution in a lawsuit against the Ministry of Finance. The Company obtained a favorable resolution in a lawsuit against the Ministry of Finance with respect to income tax paid in prior years and will be collectable in 2001.

During the fourth quarter of 2000, consolidated net financial expense decreased by 36.5% to Ps. 139 million compared to the fourth quarter of 1999, primarily reflecting a decline of 18.5% in interest expense as a result of (i) a reduction in the average debt balance of the Company during the fourth quarter of U.S.$72 million relative to the fourth quarter of 1999 (ii) a reduction of 0.2 percentage points in the Company's weighted average interest rate relative to the fourth quarter of 1999, and (iii) an increase of 25.8% in interest income reflecting higher cash balances.

FEMSA recorded a consolidated foreign exchange loss of Ps. 362 million, which reflects the net effect of (i) a Ps. 271 million loss generated from U.S. Dollar-exchange forward contracts due in the fourth quarter of 2000, and (ii) approximately Ps. 91 million of foreign exchange loss as a result of the nominal depreciation of the Peso against the U.S. Dollar of 1.8% in the fourth quarter of 2000. The gain on monetary position amounted to Ps. 80 million, an increase of 36.5%, primarily reflecting a slightly lower inflation rate for the fourth quarter of 2000 than the one recorded in the fourth quarter of 1999.

FEMSA and its subsidiaries recognized consolidated income tax, tax on assets and employee profit sharing ("taxes") of Ps. 384 million, a decrease of 15.0%. The Company's average tax rate for the fourth quarter of 2000 amounted to 24.2%, a decrease of 5.1 percentage points relative to the 29.3% average tax rate realized in the fourth quarter of 1999.

Consolidated net majority income amounted to Ps. 929 million for the fourth quarter of 2000, compared with Ps. 794 million recorded in the fourth quarter of 1999. Net majority income per FEMSA UBD unit[1] amounted to Ps. 0.875, an increase of 17.7%, compared with Ps. 0.743 for the same period last year.

4 QTR	**Per FEMSA Unit**[1]	
Pesos	**2000**	**1999**
Net Majority Income	0.875	0.743
EBITDA[2]	2.596	2.604

[1]FEMSA Units consists of FEMSA UBD units and FEMSA UB units. Each FEMSA UBD unit is comprised of one Series B share, two Series D-B shares and two Series D-L shares. Each FEMSA UB unit is comprised of five series B shares. The number of FEMSA Units outstanding as of December 31, 2000 was 1,061,518,090, equivalent to the total number of shares of the Company outstanding as of December 31, 2000 divided by 5.

[2] EBITDA is calculated as income from operations plus depreciation and amortization plus non-cash charges. Please note that the U.S. Securities and Exchange Commission does not endorse the use of EBITDA. However, FEMSA's management has chosen to present EBITDA because it believes it is a useful measure.

Recent Developments

Stock Repurchase
As of December 31, 2000, the Company had bought 6.75 million FEMSA BD Units in the open market, effectively reducing the number of units outstanding from 1,068,268,090 to 1,061,518,090. As of February 27, 2001, the Company had bought a total of 8.806 million FEMSA BD Units in the open market and expects to cancel them.

Hedging Policy 2001
During October and November of 2000, the Company unwound approximately 56% of its 2001 hedge program. Specifically, it sold into the open market its entire US$131 million forward contract exposure for 2001 and sold US$73 million of Ps./US$ call option contracts. The net cost of unwinding part of the 2001 hedge program amounted to US$3 million, which will be recorded during 2001.

As of December 31, 2000 the Company had US$160.6 million option hedges at an average strike price of Ps. 10.4 per U.S. Dollar. Year to date, the Company had US$131.5 million at an average strike price of Ps. 10.5 per U.S. Dollar. In addition, on October of 2000, the Company bought forward contracts for US$100 million at a P.A./US$ average strike price of 1.070 to hedge the Argentine peso risk.

FEMSA Cerveza

Net Sales

FEMSA Cerveza's net sales decreased by 4.4% to Ps. 4.599 billion primarily reflecting the net effect of: (i) a decline in total sales volume of 10.7%, and (ii) an increase of 9.9% in the domestic revenue per hectoliter recorded in the fourth quarter. Volume sold in the domestic market decreased by 11.9% to 5.580 million hectoliters, below the industry growth rate in the fourth quarter. In absolute terms, FEMSA Cerveza recorded a decline of 751,000 hectoliters in the domestic market compared to the fourth quarter of 1999 reflecting (i) absence of inventory loading in the last two weeks of December, (ii) streamlined commercial practices, (iii) bad weather conditions during the fourth quarter and (iv) market share loss from competitive effects.

OPERATING HIGHLIGHTS	
% Change	**4 Qtr 00 vs 4 Qtr 99**
Domestic Volume	(11.9)%
Export Volume	13.2%
Total Volume	(10.7)%
Net Sales	(4.4)%
Income from Operations before management fees	(24.4)%

Management estimates that approximately 365,000 hectoliters are explained by the inventory loading by FEMSA Cerveza's clients (i.e., retailers and third party distributors) in the last weeks of December of 1999 in anticipation of the price increase implemented in January 2000 and in connection with Y2K contingency plans, phenomena which did not occur in December 2000.

The effects of FEMSA Cerveza's streamlined commercial practices vis-à-vis retailers and third party distributors, which include tighter credit policies and stricter payment terms (more favorable to FEMSA Cerveza), have resulted in leaner inventory levels of FEMSA Cerveza's clients. Management estimates the adjustment from streamlined commercial practices in the fourth quarter of 2000 amounted to 118,000 hectoliters in the fourth quarter contributing to decline in sales volume reported for the fourth quarter of 2000.

Furthermore, beer demand in the northern regions of the country was significantly affected by abnormally cold weather experienced throughout the quarter, which had a detrimental effect in beer consumption. In the states where FEMSA Cerveza sells approximately 60% of its domestic volume (such as Baja California Norte and Sur, Sonora, Coahuila, Sinaloa, Chihuahua, Tamaulipas, Nuevo Leon, and Durango) sales volume declined on average by approximately 14% in the fourth quarter. Such states recorded an increase of approximately 50% in average precipitation levels during the quarter relative to historical average levels. In addition to increased precipitation, certain northern regions of the country also recorded significantly lower average temperature than in the past five years.

Management estimates that the volume effect from poor climate conditions experienced in FEMSA Cerveza's stronghold regions in the fourth quarter is in the order of 142,000 hectoliters, assuming that the natural growth of demand for beer in the north of Mexico remained at approximately 3% during the last quarter of the year, similar to the growth levels experienced for the first nine months of 2000 in such region. The remaining 126,000 hectoliters of less volume sold relative to the fourth quarter of 1999, reflects direct market share lost to the competition. The combined effect of bad weather, absence of inventory loading at year-end, higher real beer prices in FEMSA Cerveza's territories and recently instituted commercial practices generated a loss in market share of approximately 4 percentage points in the fourth quarter of 2000.

Export sales volume grew by 13.2%, reaching 361 thousand hectoliters in the fourth quarter of 2000. Export growth continues to be driven by growth in the North American market, which increased by 17.0% during the fourth quarter of 2000. Total export revenues in U.S. Dollar terms amounted to U.S.$ 23.1 million, 9.2% above the comparable period last year, mainly reflecting slightly lower Dollar prices for FEMSA Cerveza's products in the U.S. market. Total export revenues in Peso terms increased by 0.5% to Ps. 223.6 million as a consequence of the real appreciation of the Peso against the U.S. Dollar over the past twelve months.

Gross Profit

FEMSA Cerveza's cost of goods sold decreased by 7.3% relative to the fourth quarter of 1999 to Ps. 1.980 billion reflecting a decline in variable costs as a result of the decline in domestic volume. The raw material and packaging cost trends observed in the fourth quarter, were similar to those experienced through out the first nine months of 2000. Nevertheless, the significant decline in sales volume resulted in lower fixed cost absorption and negatively impacted gross margins, which although still improved versus the fourth quarter of 1999, it did so at a much lower rate than the improvement observed for the first nine months of 2000.

MARGINS		
	4 Qtr 00	4 Qtr 99
Gross margin	57.7%	56.0%
Operating margin before management fees	14.0%	17.8%

Income from Operations

FEMSA Cerveza's operating income for the fourth quarter of 2000 declined by 24.4% to Ps. 650.2 million relative to the fourth quarter of last year. The decline in operating income is primarily attributable to the combined effect of a decline in volume and to an increase in operating expenses. Of the Ps. 160.6 million incremental operating expenses relative to the fourth quarter of 1999, approximately 156 million are attributable to non-recurring operating expenses in connection with (i) the streamlining of some commercial practices with retailers and third party distributors, (ii) the recognition of insufficient reserves to cover losses from under-performing tied, uncollectable accounts (in part a result of the recent decline in demand) and irrecoverable channel expenses and (iii) write-offs of obsolete inventories of promotional materials and other investments. Management frontloaded an important percentage of the budgeted commercial expenditures into the first half of 2000 and therefore observed a lower increase in such expenditures in the fourth quarter of 2000 relative to the first nine months of 2000. FEMSA Cerveza's operating margin before deduction of management fees paid to FEMSA and Labatt decreased by 3.8 percentage points as a percentage of total revenues to 14.0%.

Coca-Cola FEMSA

Net Sales

Coca-Cola FEMSA recorded net sales growth of 8.6% to Ps. 4.435 billion, primarily reflecting net sales growth in the Mexican territories. Volumes in Mexico increased by 13.7% reflecting an increase of 12.4% in the Valley of Mexico and of 17.4% in the Southeast territory. Management believes that the significant increase in volumes in the Mexican territory, cycling very high comparisons versus de fourth quarter of 1999, is attributable to (i) cooler penetration, reposition and relocation programs tailored to the needs of the different sales channels, (ii) highly successful consumer activation programs focused on Holiday and special event promotions and (iii) special incentive programs for Coca-Cola FEMSA's sales force. Revenue per case recorded by the Mexican operations increased by 2.8% for the fourth quarter relative to the fourth quarter of 1999, primarily as a result of (i) a weighted average price increase of approximately 9% implemented in November of 2000 in the Valley of Mexico and of approximately 5% in the Southeast in December of 2000 and (ii) price differentiation and revenue management strategies that Coca-Cola FEMSA continues to implement with the objective to extract higher revenue per case by positioning the optimal combination of brand/packaging/price on each channel. As a result of the previously mentioned strategies, net sales growth in the Mexican territories for the fourth quarter increased by 16.9%. Management estimates that Coca-Cola FEMSA's volumes in the Mexican territories increased by approximately 5 percentage points above the growth recorded by the Coca-Cola system in Mexico for the fourth quarter.

VOLUME GROWTH 4 Qtr 00 vs 4 Qtr 99	
	Total
Mexico	13.7%
Buenos Aires	(6.4)%
Total	8.3%

Net sales for the Buenos Aires territory decreased by 13.5%, reflecting a decline in volume of 6.4% and a decline in the average unit price per case (in Argentine Pesos) of 7.6% for the fourth quarter of 2000. Despite the adverse economic environment that has prevailed in Argentina throughout the year, Coca-Cola FEMSA Buenos Aires launched several products during the second semester of 2000 with the objective to broaden its product offering to consumers by distributing products targeted to price sensitive segments of the population and products designed to capture consumer surplus in niche premium markets. All of these new products were launched in non-returnable packages. In addition to the ordinary holiday promotional campaigns, Coca-Cola FEMSA Buenos Aires launched a special December promotional campaign on the flavor category, where recently launched Tai performed extremely well. Management attributes the reduction in weighted average revenue per case mainly to the heavy promotional activity which took place in the fourth quarter. Management estimates that for the fourth quarter of 2000, Coca-Cola FEMSA's volumes in the Buenos Aires territory decreased more than the Coca-Cola system in Argentina and lagged considerably the growth of the soft-drink industry in Argentina, mainly as a result of continuous growth experienced by the lower price brands fueled by a prevailing depressed economic environment.

Gross Profit

Coca-Cola FEMSA's cost of goods sold increased by only 3.7% to Ps. 2.152 billion, despite consolidated volume growth of 8.3%. Coca-Cola FEMSA's gross profit increased by 13.8% and the gross margin improved by 2.4 percentage points to 52.1% of net sales. In the Mexican territories, Coca-Cola FEMSA's gross profit increased by 24.3% driven by volume and revenue growth leveraged on a more efficient variable and fixed cost structure. Coca-Cola FEMSA Mexico recorded a decline in all of its Peso denominated costs and in its most important Dollar denominated costs with the exception of the cost of PET preforms, which increased relative to the fourth quarter of 1999, as a result of higher prices of oil derivative products. The increase in the cost of PET preforms, however, has been partially offset by the effect of the real appreciation of the Peso against the U.S. Dollar on the cost of U.S. Dollar denominated packaging materials. Furthermore, fixed costs as a percentage of sales declined importantly as a result of the significant growth in net sales. Coca-Cola FEMSA Buenos Aires' gross margin declined by 2.7 percentage points relative to the fourth quarter of 1999, primarily as a result of the decline in volume and the write-offs of San Justo facility assets which could not be transferred for production at the San Isidro facility.

MARGINS		
	4 Qtr 00	4 Qtr 99
Gross margin	52.1%	49.8%
Operating margin	19.7%	18.1%

Income from Operations

Operating expenses (excluding goodwill amortization) increased by 11.5% representing 31.5% of total revenues, an increase of 0.8 percentage points relative to the fourth quarter of 1999. The increase in operating expenses is primarily attributable to an increase in variable selling expenses in connection with the increase in volumes in Mexico reflecting new economic incentives for the sales force, asset write-offs and technology related expenses. Income from operations increased by 18.4% to Ps. 878.3 million and Coca-Cola FEMSA's operating margin increased by 1.6 percentage points to 19.7%. For the fourth quarter 2000, Coca-Cola FEMSA Buenos Aires income from operations represented 9.9% of Coca-Cola FEMSA's consolidated income from operations.

FEMSA Empaques

Net Sales

FEMSA Empaques' net sales decreased by 9.8% to Ps. 1.648 billion in the fourth quarter of 2000 reflecting the decline in sales for its principal lines of products, namely beverage cans and glass bottles, which declined by 10.6% and 11.7% respectively against the fourth quarter of 2000. This two product categories collectively accounted for 56.7% of FEMSA Empaques total revenues in the fourth quarter. Management attributes the decline in beverage can sales to (i) a decline in demand for beverages in canned presentations experienced by both the beer and soft-drink industry, (ii) a decline in sales to Industria Enlatadora de Queretaro ("IEQSA") reflecting a more competitive domestic environment throughout 2000, and (iii) a significant decline in glass bottle sales to FEMSA Cerveza as a result of a drop in domestic beer demand and of the absence of inventory loading by FEMSA Cerveza's customers at the end of the year.

VOLUME GROWTH	4 Qtr 00 vs 4 Qtr 99
Beverage cans	(10.6)%
Crown caps	6.6%
Glass bottles	(11.7)%
Refrigerators	17.8%

Glass bottle volumes decreased by 11.7% in the fourth quarter reflecting a deceleration in the manufacturing of glass bottles as a result of lower sales to FEMSA Cerveza and to third party clients. Commercial refrigerator volume sales continued to increase reflecting (i) purchases from Coca-Cola FEMSA in connection with their cold drink placement program and (ii) growth in FEMSA Cerveza's purchases of refrigerators specially design for cooling beer. In addition to an unfavorable environment in the fourth quarter of 2000 as a result of the significant decline in beer sales volume which affected FEMSA Cerveza's demand for packaging products, it is important to highlight that FEMSA Empaques was cycling very tough comparison against the fourth quarter of 1999, as its principal clients loaded on inventories of packaging products to comply with their Y2K contingency programs.

Export revenues increased by 5.3% to Ps. 182.3 million primarily as a result of growth in beverage can and crown cap volumes, and represented 11.1% of net sales. In U.S. Dollar terms, export revenues increased by 14.8% to U.S.$ 18.9 million.

Gross Profit

FEMSA Empaques' gross profit decreased by 15.5% to Ps. 412.3 million, and its gross margin declined by 1.7 percentage points to 25.0% of net sales. Higher energy and aluminum costs, lower volumes and lower prices pressured FEMSA Empaques gross margins, throughout 2000. Furthermore, this particular quarter, FEMSA Empaques was cycling very tough comparisons against the fourth quarter of 1999, when FEMSA Empaques profitability strengthened considerably as a result of increased demand (higher capacity utilization) driven by client inventory loading in connection with Y2K contingency plans. In addition, the profitability of the glass bottle business was affected by (i) the decline in demand of beverage bottles from FEMSA Cerveza, which aggravated the condition of low capacity utilization in the glass furnaces, and (ii) higher natural gas costs as a result of higher fuel prices.

MARGINS	4 Qtr 00	4 Qtr 99
Gross margin	25.0%	26.7%
Operating margin before management fees	16.6%	18.2%

Income from Operations

Operating expenses decreased by 11.2% to Ps. 137.3 million reaching 8.3% as a percentage of total revenues for the fourth quarter of 2000, relatively constant compared to the fourth quarter of 1999. The continued decline in selling expenses owes much to lower freight costs from contracting freight with FEMSA Logística and of more favorable negotiations with third party clients. Income from operations before management fees paid to FEMSA decreased by 17.4% to Ps. 275 million, and the operating margin declined by 1.6 percentage points to 16.6% of total revenues for the fourth quarter of 2000.

FEMSA Comercio

Net Sales

OPERATING HIGHLIGHTS	
% CHANGE	4 Qtr 00 vs 4 Qtr 99
New stores	115
Net sales	25.7%
Same store sales	5.3%
Income from operations Before management fees	0.8%

FEMSA Comercio inaugurated a total of 115 new stores during the fourth quarter, slightly below management expectations, as a result of a deceleration in the construction of new sites in the northern regions of the country, given unfavorable weather conditions. Net sales increased by 25.7% for the fourth quarter as a result of an expansion of 47.4% in selling space relative to the fourth quarter of 1999 and an increase of 5.3% in average same store sales during the quarter. Same store sales growth resulted from a 5.3% growth in average ticket per customer and sustained average traffic per store. Management believes that the deceleration in revenue growth relative to the previous quarters of this year is a consequence of very bad weather conditions in the north of Mexico, were FEMSA Comercio operates approximately 52% of the chain. Unusually cold and wet weather affected FEMSA Comercio's fourth quarter performance reflecting the fact that the majority of Oxxo's customers arrive to the stores walking and reflecting the drastic decline in beverage consumption as a result of bad weather.

Gross Profit

FEMSA Comercio recorded gross profit of Ps. 525.3 million in the fourth quarter of 2000, an increase of 26.2% over the comparable period last year, and gross profit margin remained relatively stable at 25.2% relative to fourth quarter of 1999.

MARGINS		
	4 Qtr 00	4 Qtr 99
Gross margin	25.2%	25.1%
Operating margin before management fees	4.6%	5.7%

Income from Operations

Operating expenses increased by 33.7% to Ps. 430 million reflecting (i) an increase in the wages and commissions paid to the store operators effective in the second half of 2000 to increase loyalty and avoid turnover of on-site personnel (ii) an increase in central office expenses related to the expansion of the chain into new locations and (iii) expenses in connection with the initiation of e-business platforms. Operating income increased by 0.8% to Ps. 95.3 million but operating margin before deduction of management fees decreased by 1.1 percentage points to 4.6% from 5.7% recorded in the fourth quarter of 1999. It is important to highlight that the acceleration in the pace of growth in operating expense as of the second half of 2000, impacted the operating margin of FEMSA Comercio in the fourth quarter because revenue growth in the fourth quarter was inferior to operating expense growth, and not because operating expenses (in absolute Pesos) were higher than those recorded in the third quarter of 2000.

Audited Financial Results for the Twelve Months Ended December 31, 2000 Compared to the Twelve Months Ended December 31, 1999

FEMSA Consolidated

Total Revenues/Net Sales

FEMSA's consolidated total revenues increased by 9.6% to Ps. 45.454 billion and consolidated net sales increased by 9.6% to Ps. 45.343 billion. Net sales growth in 2000 was driven primarily by sales growth experienced by Coca-Cola FEMSA, FEMSA Cerveza and FEMSA Comercio. Coca-Cola FEMSA's net sales increased by 9.3% in 2000 primarily as a result of exceptional volume growth and a healthy improvement in revenue per case recorded by the Mexican operations, which more than compensated lackluster performance of the Buenos Aires operations. FEMSA Cerveza recorded net sales growth of 6.2% reflecting significant improvement in domestic revenue per hectoliter, although total sales volume declined slightly relative to 1999. Management believes that while higher prices for its soft-drink products have had little or no effect on demand for the Company's soft-drink products, in the case of FEMSA Cerveza, higher real prices have had a dampening effect on demand for the Company's beer products. Furthermore, unusually cold weather conditions and the absence inventory loading by FEMSA Cerveza's clients during the last months of the year, resulted in lackluster volume performance for 2000. FEMSA Comercio net sales increased by 28.9% reflecting the addition of 254 new stores (an increase of 21.2% of sales space) and same store sales growth of 8.3%. FEMSA Empaques, on the other hand, has experienced both lower prices and lower volumes for some of its main products, resulting in lower net sales recorded by such subsidiary.

NET SALES GROWTH Twelve months ended December 31, 2000 vs. 1999	
FEMSA Consolidated	9.6%
FEMSA Cerveza	6.2%
Coca-Cola FEMSA	9.3%
FEMSA Empaques	(7.4)%
FEMSA Comercio	28.9%

Gross Profit

FEMSA's consolidated gross profit increased by 12.5% to Ps. 22.741 billion, representing a consolidated gross profit margin of 50.2%, an increase of 1.3 percentage points relative to 1999. The expansion in the consolidated gross profit margin reflects (i) strong volume growth recorded by Coca-Cola FEMSA's Mexican operations along with an improvement in the price of FEMSA's beverage products (ii) operational efficiencies as a result of process reengineering in the Company's manufacturing and distribution facilities, and (iii) the real appreciation of the Peso against the U.S. Dollar over the last twelve months, which has resulted in a decline in most of the variable costs of production for FEMSA Cerveza and Coca-Cola FEMSA along with lower Peso-denominated raw material prices. The nominal depreciation of the Peso against the U.S. Dollar for the last twelve months was 1.2%, compared to an inflation rate of 8.91% for the same period.

CHANGE IN INCOME FROM OPERATIONS Before management fees Twelve months ended December 31, 2000 vs. 1999	
FEMSA Consolidated	9.9%
FEMSA Cerveza	0.6%
Coca-Cola FEMSA	32.9%
FEMSA Empaques	(10.3)%
FEMSA Comercio	22.7%

Income from Operations

FEMSA's consolidated operating expenses (including goodwill amortization and management fees paid to Labatt) increased by 13.5% to Ps. 15.681 billion. All of the Company's subsidiaries implemented real increases in wages and salaries in the year 2000. As a percentage of total revenues, consolidated operating expenses increased by 1.2 percentage points to 34.5%. The management fee paid by FEMSA Cerveza to Labatt amounted to Ps. 106 million for the full year 2000. FEMSA's consolidated income from operations (after participation in the results of affiliated companies) increased by 9.9% to Ps. 7.093 billion. FEMSA's

All comparisons for the twelve months ended December 31, 2000 in this report are made against the figures for the twelve months ended December 31, 1999 consolidated operating margin remained relatively stable at 15.6% of consolidated total revenues, reflecting the fact that Coca-Cola FEMSA's operating margin improvement compensated the decline in FEMSA Cerveza and FEMSA Empaques' operating margin.

Net Income

FEMSA's consolidated net income decreased by 16.1% from Ps. 4.237 billion recorded in the full year 1999 to Ps. 3.555 billion for the full year 2000. The decrease in net income recorded for the full year 2000 resulted from the net effect of (i) a 9.9% increase in consolidated income from operations and (ii) a significant increase in the consolidated integral result of financing.

In the full year 2000, FEMSA recorded a consolidated integral result of financing expense of Ps. 1.391 billion, compared to a consolidated integral result of financing expense of Ps. 90 million for 1999. During the full year 2000, consolidated net financial expense decreased by 5.2% to Ps. 619 million compared to the full year 1999. This decrease was attributable to a 5.8% decline in interest income as a consequence of the lower interest rates earned on Peso investments relative to the full year 1999. Interest expense amounted to Ps. 1.028 billion, 5.4% lower than the full year 1999, reflecting a decrease of U.S.$ 44 million in the consolidated average debt balance of the Company during 2000 relative to 1999. As of the December 31, 2000, the Company's weighted average cost of debt was 8.6%, approximately 0.4 percentage points higher than the weighted average cost of debt as of December 31, 1999.

FEMSA recorded a consolidated foreign exchange loss of Ps. 1.016 billion, compared to a foreign exchange gain of Ps. 118 million for the full year 1999, primarily reflecting (i) a Ps. 907 million loss generated by U.S. Dollar-exchange forward contracts recorded for the full year 2000, and (ii) approximately Ps. 109 million of foreign exchange loss in connection with the nominal depreciation of the Peso against the Dollar in 2000.

The gain on monetary position amounted to Ps. 244 million, a decrease of 45.2% as compared to the full year 1999 as a result of a decline in the accumulated rate of inflation in 2000 relative to 1999.

FEMSA and its subsidiaries recognized a decline in taxable income of 6.0%, mainly as a result of a significant increase in the consolidated result of financing expense. The Company's income tax, tax on assets and employee profit sharing amounted to Ps. 2.314 billion for the full year 2000, 15.4% higher as compared to the full year 1999. Of this amount, Ps. 1.946 billion is income tax expenditure and Ps. 145 million is deferred income tax. Employee profit sharing amounted to Ps. 223 million. Total cash expenditure for tax items was Ps. 1.948 billion. The Company's average tax rate for the full year 2000 was 39.4%, higher than the 32.1% average tax rate in the full year 1999. In accordance with Bulletin D-4, "Accounting for Income Taxes, Tax on Assets and Employee Profit Sharing" issued by the Mexican Institute of Public Accountants, effective January 1, 2000, the Company recognized a deferred tax liability of Ps. 3.996 billion and a reduction in shareholders' equity of the same amount.

Consolidated net majority income for 2000 amounted to Ps. 2.535 billion compared with Ps. 3.181 billion recorded in 1999. Net majority income per FEMSA Unit[1] amounted to Ps. 2.388, compared with Ps. 2.978 for last year.

12 MONTHS	**Per FEMSA Unit**[1]	
Pesos	**2000**	**1999**
Net Majority Income	2.388	2.978
EBITDA[2]	10.122	9.039

[1]FEMSA Units consists of FEMSA UBD units and FEMSA UB units. Each FEMSA UBD unit is comprised of one Series B share, two Series D-B shares and two Series D-L shares. Each FEMSA UB unit is comprised of five series B shares. The number of FEMSA Units outstanding as of December 31, 2000 was 1,061,518,090, equivalent to the total number of shares of the Company outstanding as of December 31, 2000 divided by 5.

[2] EBITDA is calculated as income from operations plus depreciation and amortization plus non-cash charges. Please note that the U.S. Securities and Exchange Commission does not endorse the use of EBITDA. However, FEMSA's management has chosen to present EBITDA because it believes it is a useful measure.

FEMSA Cerveza

Net Sales

FEMSA Cerveza's net sales increased by 6.2% to Ps. 18.437 billion reflecting (i) a 0.5% decline in sales volume and (ii) a 16% nominal increase in the domestic price of beer implemented on January 1, 2000, which resulted in a 6.7% improvement in real domestic revenue per hectoliter sold recorded for the full year 2000. FEMSA Cerveza's domestic sales volume decreased by 1.5% to 21.868 million hectoliters as a result of several factors: (i) slower growth in beer demand in the north relative to the center and the south of the country; (ii) the institutionalization of new trade practices effective the second half of 2000 which affected the demand of FEMSA Cerveza's products; (iii) absence of inventory loading by FEMSA Cerveza's clients at year end (phenomenon which did occur in the fourth quarter of 1999); and (iv) collapse of beer consumption in some of FEMSA Cerveza's stronghold regions due to unusually cold and wet weather during the fourth quarter of 2000.

OPERATING HIGHLIGHTS % Change Twelve months ended December 31, 2000 vs. 1999	
Domestic Volume	(1.5)%
Export Volume	14.4%
Total Volume	(0.5)%
Net Sales	6.2%
Income from Operations	0.6%

FEMSA Cerveza's northern stronghold regions, which comprised 60% of total domestic sales volume, experienced a decline of approximately 2% for the full year 2000, partially attributable to poor weather conditions throughout the second half of 2000 which affected beer demand in the northern regions of the country. Furthermore, beer prices in the northern regions of the country are higher than in the center and in the southern regions of the country, which contributed to a decline in the consumption of beer in such regions. FEMSA Cerveza's sales volume in the center and south also increased below the industry as a result of the standardization of commercial and trade practices in such regions effective the second half of 2000, which repressed retailer demand for FEMSA Cerveza's products. Finally, the absence of inventory loading by FEMSA Cerveza's clients during the last weeks of December (given that FEMSA Cerveza did not raise prices in January 2001), affected annual volume comparisons since such phenomenon represented approximately 1.6% of annual domestic sales volume in 1999.

As a result of all of the above-mentioned factors, management estimates that FEMSA Cerveza lost more than 120 basis points in domestic market share to the competitor in 2000, of which approximately 20% resulted from absence of inventory loading during the last weeks of December. Approximately 25% of the market share loss is explained by the differences in economic growth experienced by the regional markets in Mexico. The remaining 55% loss is attributable to streamlined commercial practices and other competitive effects.

Export volume grew by 14.4% to 1.728 million hectoliters for the full year 2000. Volume sold to North America, FEMSA Cerveza's main export market, increased by 15.8% and accounted for 90% of FEMSA Cerveza's export volume. Export revenues increased by 3.9% to Ps. 1.136 billion, and in U.S. Dollar terms, export revenues increased by 13.8% to U.S.$ 114.5 million.

MARGINS		
Twelve months ended December 31	2000	1999
Gross margin	57.2%	54.6%
Operating margin before management fees	17.3%	18.2%

Gross Profit

FEMSA Cerveza's cost of goods sold increased by 0.2% to Ps. 8.003 billion and gross profit increased 11.4% to Ps. 10.554 billion. FEMSA Cerveza's gross margin increased by 2.6 percentage points to 57.2% of net sales reflecting (i) a significant improvement in the domestic revenue per hectoliter, (ii) a decline in the variable cost reflecting lower packaging and raw materials prices along with the effect of the real appreciation of the Peso against the U.S. Dollar on dollar-denominated packaging and raw materials, (iii) lower freight costs as a result of efficiencies generated by outsourcing freight services to FEMSA Logística, (iv) higher production efficiencies.

Income from Operations

FEMSA Cerveza's operating expenses increased by 16.4% to Ps. 7.382 billion, representing 39.8% of total revenue, compared to 36.3% of total revenue in 1999. The increase in administrative expenses reflects additional staffing of the distribution units and of the commercial development and marketing areas in central office. Selling expenses increased as a result of higher commercial expenses (channel and demand related) and charges in connection with the implementation of new commercial practices with FEMSA Cerveza's clients. Marketing spending (communications, media advertising and sponsorships) accelerated during the second half of 2000 as a result of (i) the implementation of previously scheduled projects to be launched in the second quarter of this year which were postponed until the second half of 2000 and (ii) the launching of new projects such as the integral marketing campaign "Va por México" in the month of September and holiday campaigns. Nevertheless, marketing expense for 2000 remained within the budgeted range for the year. Finally, FEMSA Cerveza's higher selling and administrative expense structure also reflects the acquisition of certain third party distributors..

FEMSA Cerveza's income from operations, after participation in the results of Labatt USA and before deduction of management fees paid to FEMSA and to Labatt, increased by 0.6% to Ps. 3.205 billion. FEMSA Cerveza's operating margin before deduction of management fees decreased 0.9 percentage points to 17.3% of total revenues compared with the full year 1999.

Coca-Cola FEMSA

Net Sales

Coca-Cola FEMSA recorded net sales growth of 9.3% to Ps. 16.502 billion. Net sales growth is primarily attributable to outstanding volume growth and a significant improvement in the average price per unit case in the Mexican territories, which was partially offset by lackluster volume and pricing performance recorded by the Buenos Aires territories this year. Management believes that the principal volume drivers in the Mexican territories in 2000 were: (i) increased and improved coverage of the cold-drink market, (ii) a surge in economic activity particularly in the Southeast territory that has fueled consumption, (iii) continued emphasis on consumer activation via promotions, events and sponsorships, and (iv) reinforcement of returnable products in certain channels. Furthermore, Coca-Cola FEMSA advanced importantly in the execution of revenue management strategies which consist in selling the optimal combination of brand/packaging/price on each channel, and whose main objective is to extract higher revenue per case sold. For example, this year, Coca-Cola FEMSA supported the growth of the multi-serving returnable PET presentations by reducing their relative price versus the personal size non-returnable presentations and tested successfully the willingness of consumers to pay a premium for Coca-Cola Light and for the 600 ml. non-returnable presentation. Revenue management strategies, along with the successful implementation of price increases in February, May, November and December in the Mexican territories, have yielded an improvement of 4.3% in the average revenue per case in Mexico. The relative price of the 600 ml. non-returnable cola presentation increased by approximately 25% in nominal terms relative to last year while the 2 liter returnable PET packages increased by approximately 10% in nominal terms. . The improvement in revenue per case together with outstanding growth in volumes, resulted in net sales growth of 15.0% in the combined Mexican territories for the full year 2000.

VOLUME GROWTH

Twelve months ended December 31, 2000 vs. 1999

	Total
México	10.3%
Buenos Aires	(3.6)%
Total	7.1%

In the Buenos Aires territory, volume decreased by 3.6% and average revenue per case decreased by 4.9% for the full year 2000 as a result of intensified competitive activity and the difficult economic environment which depressed consumption in the Buenos Aires market. As a result, net sales recorded by the Buenos Aires territory decreased by 8.0%. Coca-Cola FEMSA Buenos Aires launched several flavor products in the second half of 2000 in non-returnable packages, targeted to different consumer segments. Tai orange and lemon-lime flavors, launched in a 2.25-liter presentation, are targeted to the economically depressed segments of the population. On the other hand, the Schweppes Tonic and Citrus and the Hi-C products were launched to appeal to niche consumer segments that can afford to pay a premium. The objective is to develop an optimal portfolio of premium and value protection products that enable the company to offer attractive value propositions to all consumer segments.

Gross Profit

Coca-Cola FEMSA's cost of goods sold increased by 3.0% to Ps. 8.226 billion, significantly below net sales growth. Coca-Cola FEMSA recorded a gross margin expansion of 3.2 percentage points to 50.7% of net sales. Coca-Cola FEMSA's Mexican operations experienced a gross margin expansion of 3.8 percentage points for the full year 2000, mainly reflecting strong volume growth and improvement in the revenue per case leveraged on an increasingly more efficient cost structure reflecting (i) reduction in the cost of certain packaging and raw materials such as sugar, beverage cans, glass bottles and labels, which have more than compensated for the increase in the cost of PET preforms and (ii) operating efficiencies, a leaner manufacturing structure and greater fixed cost absorption as a result of growth in volumes. Gross margins recorded by the Buenos Aires operation remained relatively flat for the full year 2000, primarily as a consequence of a reduction in variable costs, namely sweeteners and certain packaging costs, and of strategies to continue reducing fixed costs in such territory.

MARGINS		
Twelve months ended December 31	2000	1999
Gross margin	50.7%	47.5%
Operating margin	17.7%	14.6%

Income from Operations

Operating expenses increased by 9.8% to Ps. 5.301 billion. As a percentage of total revenues, operating expenses remained relatively constant as a percentage of total revenues at 32.0%. During the first quarter of 2000, Coca-Cola FEMSA's Mexican operations underwent a reorganization whose primary objective was to streamline the operational and corporate structure to eliminate redundancies and increase efficiencies. Marketing expenses for both territories remained within their annual budgets of approximately 4%-5% of total revenues in Mexico and approximately 5%-6% of sales in Buenos Aires. Operating expenses as a percentage of total revenues remained relatively constant in the Mexican operations and increased by 0.6 percentage points in the Buenos Aires Territories, the latter reflecting the decline in total revenues for the full year 2000 and thus lower absorption of fixed operating expenses Coca-Cola FEMSA's income from operations after goodwill amortization increased by 32.9% to Ps. 2.940 billion, reflecting the net effect of (i) an increase of 38.8% in the income from operations of Coca-Cola FEMSA's Mexican territories and (ii) a decline of 17.9% in the income from operations of Coca-Cola FEMSA's Argentine territory. Coca-Cola FEMSA's operating margin increased by 3.1 percentage points to 17.7% of total revenues.

FEMSA Empaques

Net Sales

FEMSA Empaques experienced a 7.4% decline in net sales to Ps. 6.270 billion in 2000, mainly attributable to (i) a decrease in the volumes of FEMSA Empaques' main product lines including beverage cans and glass bottles, which together represented 56% of FEMSA Empaques' net sales and (ii) the negative effect of the real appreciation of the Peso against the U.S. Dollar on the Peso revenues of U.S. Dollar-denominated packaging products, namely beverage cans and crown caps. Lower beverage cans sales experienced by FEMSA Empaques for the full year 2000 is mainly attributable to (i) lower sales prices, (ii) a decline in purchases of (empty) beverage cans from IEQSA as a result of an increased competitive environment, exacerbated by slack demand of (full) soft-drink cans from Coca-Cola bottlers experienced by IEQSA and (iii) a decline in FEMSA Cerveza's demand for beverage cans as a result of weak demand experienced by FEMSA Cerveza for beer in can presentations for the full year 2000. Furthermore, since FEMSA Cerveza did not raise beer prices in January of 2001, retailers did not load inventories in December of 2000, affecting significantly FEMSA Cerveza's purchases of empty beverage cans from FEMSA Empaques at the end of the year.

VOLUME GROWTH Twelve months ended December 31, 2000 vs. 1999	
Beverage cans	(6.7)%
Crown caps	5.0%
Glass bottles	(7.7)%
Refrigerators	(2.9)%

FEMSA Empaques recorded a decline of 7.7% in glass bottle volume sales for the full year 2000 explained by (i) a decline in purchases by FEMSA Cerveza and (ii) a reduction in sales to third-party clients as compared to the full year 1999. Sales volumes for crown caps continue to increase, despite the decline in demand for crown caps in the domestic market, reflecting FEMSA Empaques success in the export markets, particularly in the North American market, where FEMSA Empaques is one of the major crown cap suppliers for Labatt Brewing Company, Miller Brewing Company and, recently, Adolph Coors. Volumes of commercial refrigerators still decreased by 2.9% in 2000, although showing encouraging growth trends in the second half of 2000 reflecting accelerated purchases from Coca-Cola FEMSA and increased demand from FEMSA Cerveza for specialized coolers in the fourth quarter in preparation for the roll-out of the cold drink program to be launched early in 2001. Since the type of commercial refrigerators sold to Coca-Cola FEMSA and FEMSA Cerveza are more sophisticated, FEMSA Empaques sold them at a premium compared to their standard refrigeration products.

Export revenues increased by 11.3% to Ps. 658.8 million and represented 10.5% of net sales. In U.S. Dollar terms, export revenues increased by 22.7% to U.S.$ 66.6 million.

Gross Profit

FEMSA Empaques' cost of goods sold decreased by 6.9% to Ps. 4.731 billion and its gross profit margin decreased by only 0.3 percentage points to 24.7% of net sales, notwithstanding lower prices and lower volumes of beverage cans and glass bottles and higher aluminum and energy costs experienced relative to 1999. The profitability of the beverage can business was affected by the real appreciation of the Peso against the Dollar and by depressed pricing environment in the domestic market (as a result of increased competition). The profitability of the glass bottle business suffered from lower fixed cost absorption as a consequence of continued decline in volume and higher natural gas costs. FEMSA Empaques' management will continue to focus its efforts on

MARGINS		
Twelve months ended December 31	2000	1999
Gross margin	24.7%	25.0%
Operating margin before management fees	16.0%	16.6%

penetrating the third party market, particularly in glass bottles, beverage cans and crown caps, by attempting to offer the best prices and the highest quality and client service available in the market, and expects such efforts to result in improved asset utilization and improved profitability levels in the future.

Income from Operations

Operating expenses decreased by 5.6% to Ps. 539.9 million and represented 8.6% of total revenues for the full year 2000. Higher administrative expenses recorded by FEMSA Empaques for the full year 2000 have been compensated by a decline in selling expenses recorded for the full year 2000. The decline in selling expenses is attributable to a reduction in freight costs incurred by FEMSA Empaques in the delivery of the products to its clients reflecting (i) efficiencies achieved as a result of contracting freight with FEMSA Logística and (ii) more favorable freight cost negotiations with third party clients. The increase in administrative expenses is attributable to the decentralization of certain management functions resulting in the transfer of personnel from FEMSA corporate to FEMSA Empaques. It is important to highlight that FEMSA Empaques' operating structure (wages and salaries, distribution and selling expenses and administrative overhead) is denominated in Pesos, and a business which sells Dollar-denominated products typically experiences a contraction of operating margins under a strong Peso environment. Income from operations before deduction of management fees paid to FEMSA decreased by 10.3% to Ps. 1.008 billion, and the operating margin before management fees declined by 0.6 percentage points to 16.0% of total revenues.

FEMSA Comercio

Net Sales

FEMSA Comercio's net sales increased by 28.9% to Ps. 7.853 billion. Sales growth was primarily attributable to (i) a 21.2% increase in the total number of stores, which increased from 1,197 as of December 31, 1999 to 1,451 as of December 31, 2000, and (ii) average same store sales growth of 8.3%. During 2000, FEMSA Comercio inaugurated four new cities, Nogales, Zacatecas, Moclova and Coatzacoalcos. Net sales grew at a lower pace in the fourth quarter relative to the first nine months of 2000, contrary to prior years where the fourth quarter was typically a stronger quarter for FEMSA Comercio, reflecting the effect of bad weather on convenience store sales and particularly of beer sales. Furthermore, the bad weather decelerated the construction of new sites in the north of Mexico.

OPERATING HIGHLIGHTS % Change Twelve months ended December 31, 2000 vs. 1999	
Total stores	1,451
Net sales	28.9%
Same store sales	8.3%
Income from operations	22.7%

According to ANTAD, estimated retail industry same store sales increased by 1.1% in 2000, reflecting an improved consumer environment driven by growth in employment and in real wages. Faster growth of FEMSA Comercio's average monthly same store sales relative to the industry is a result of (i) higher growth in traffic and in ticket per store and (ii) healthy pricing environment for FEMSA Comercio's main product categories. Average monthly traffic per store increased by 3.7% and the average sale per customer increased by 4.5% during the full year 2000. Management believes that the increase in traffic per store is mainly attributable to (i) FEMSA Comercio's strategy of competitive pricing of traffic-generator products, (ii) the successful implementation of regional and national promotional campaigns designed to attract traffic to the sites and (iii) growth in employment and in consumer purchasing power as a result of the improvement in real wages in 2000. Management believes that the success of FEMSA Comercio has hinged upon consistent implementation of its business model—rapid expansion of the chain, improved site selection and traffic generating promotional strategies—against a backdrop of sustained macroeconomic expansion.

Gross Profit

FEMSA Comercio's cost of goods sold increased by 29.0%, in line with the increase in net sales, to Ps. 5.906 billion and recorded gross profit of Ps. 1.948 billion, a 28.4% gain over the full year 1999.

MARGINS		
Twelve months ended December 31	2000	1999
Gross margin	24.8%	24.9%
Operating margin before management fees	4.3%	4.5%

Income from Operations

Operating expenses increased by 29.7% to Ps. 1.609 billion and remained relatively stable as a percentage of total revenues to 20.5% for 2000. The increase in operating expenses is primarily attributable to (i) an increase in the number of stores (ii) more central office infrastructure and personnel necessary to support the rapid expansion of the Oxxo chain and (iii) a material increase in the commissions and salaries paid to the store operators to induce lower turnover in store personnel, given the tight labor market conditions in northern Mexico throughout 2000. Finally, it is important to highlight that as FEMSA Comercio inaugurates a new plaza, it invests in an administrative structure to support the new plaza. This additional structure also explains the growth in operating expenses under a period of expansion. Notwithstanding the increase in operating expenses for the full year 2000, same-store operating expenses continue to increase by approximately half the rate of same-store sales growth, reflecting the improvement in productivity and fixed cost absorption per site, and which compensates for the additional growth in infrastructure resulting from expansion into new plazas. FEMSA Comercio recorded income from operations before deduction of management fees of Ps. 338.4 million in 2000, an increase of 22.7% relative to 1999. FEMSA Comercio's operating margin before management fees declined slightly to 4.3% of total revenues for the full year 2000.

FEMSA is Latin America's largest beverage company with exports to the United States, Canada and numerous countries in Latin America, Europe and the Far East. Founded in 1890 and with headquarters in Monterrey, Mexico, FEMSA operates through the following subsidiaries: FEMSA Cerveza, which produces and distributes name brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis and Bohemia; Coca-Cola FEMSA, one of two "Anchor Bottlers" for The Coca-Cola Company in Latin America, which produces and distributes soft drinks including Coca-Cola, Coca-Cola Light, Sprite, Fanta and Quatro; FEMSA Empaques, which supports the beverage operations by producing beverage cans, glass bottles, crown caps, labels, commercial refrigerators, and serves third party clients throughout the Americas; FEMSA Comercio, which operates OXXO, Mexico's most extensive chain of convenience stores; Desarrollo Comercial FEMSA, which operates OXXO Express, a chain of convenience stores adjacent to gasoline stations; Logística CCM, which provides logistic management services to FEMSA Cerveza; and FEMSA Logística, which provides logistics management services to Coca-Cola FEMSA, FEMSA Empaques, and, recently, to third party clients.

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Four pages of tables to follow

FEMSA

OPERATING DATA

For the three months and twelve months ended December 31, 2000 and 1999

FEMSA Cerveza

Sales Volume
(Thousand hectoliters)

		For the IV quarter of:			For the twelve months of:		
		2000	**1999**	**% Var**	**2000**	**1999**	**% Var**
Domestic:							
Returnable		4,307	4,777	(9.8)	17,227	17,316	(0.5)
Non-returnable		223	233	(4.3)	745	691	7.8
Cans		1,050	1,321	(20.5)	3,896	4,190	(7.0)
Total Domestic		5,580	6,331	(11.9)	21,868	22,197	(1.5)
Exports		361	319	13.2	1,728	1,511	14.4
Total Volume		5,941	6,650	(10.7)	23,596	23,708	(0.5)
Exports revenues:	Millions Ps.	223.6	222.4	0.5	1,136.2	1,093.9	3.9
	US Millions	23.1	21.2	9.2	114.5	100.6	13.8

Domestic Sales Volume By Quarter: **(Thousand hectoliters)**	**2000**	**1999**	**% Var**
First quarter	4,472	4,328	3.3
Second quarter	6,023	5,858	2.8
Third quarter	5,793	5,680	2.0
Four quarter	5,580	6,331	(11.9)
Domestic Sales Volume for the year	**21,868**	**22,197**	**(1.5)**

Domestic Beer Shipments for 2000	**21,895**

FEMSA Comercio

	For the IV quarter of:			For the twelve months of:		
	2000	**1999**	**% Var**	**2000**	**1999**	**% Var**
Total stores				1,451	1,197	21.2
New stores	115	78	47.4	254	197	28.9
Comparative same stores:						
Average monthly sales (Ths. Ps.)	508.3	482.9	5.3	512.7	473.4	8.3

FEMSA Empaque

Total Sales Volume
(Millions of pieces)

		For the IV quarter of:			For the t
		2000	**1999**	**% Var**	**2000**
Cans		780	873	(10.6)	3,001
Crown caps		3,294	3,089	6.6	13,404
Glass Bottles		210	238	(11.7)	790
Refrigerators (Ths)		18	16	17.8	94
Labels		1,176	1,132	3.9	4,786
Export volumes:	Cans	92	68	35.0	263
	Crown caps	1,551	1,285	20.7	6,189
	Can lids	109	203	(46.2)	429
Exports revenues:	Millions Ps.	182.3	173.1	5.3	658.8
	US Millions	18.9	16.4	14.8	66.6

Percentage of sales revenue by client category:

	For the IV quarter of:			For the t
	2000	**1999**	**Var p.p.**	**2000**
Intercompany sales	52.9	57.3	(4.4)	53.4
FEMSA Cerveza	36.9	46.9	(10.0)	38.8
Coca-Cola FEMSA	16.0	10.4	5.6	14.6
Third-party sales	47.1	42.7	4.4	46.6
Domestic	36.9	33.7	3.2	37.1
Export	10.3	9.0	1.3	9.5
Total	100.0	100.0	-	100.0

Coca-Cola FEMSA

Sales Volumes
(Millions of Unit Cases)

	For the IV quarter of:			For the t
	2000	**1999**	**% Var**	**2000**
Valley of México	89.9	79.9	12.4	343.5
Southeast	30.5	26.0	17.4	117.6
Mexico	120.4	105.9	13.7	461.1
Buenos Aires	35.8	38.3	(6.4)	121.5
Total	156.2	144.2	8.3	582.6

Presentation Mix (%)

(Returnable/Non-Returnable)	**2000**	**1999**	**2000**
Valley of Mexico	42/58	41/59	42/58
Southeast	48/52	54/46	50/50
Valley of Mexico	44/56	44/56	44/56
Buenos Aires	9/91	10/90	10/90
Total	36 /64	35/65	37/63

FEMSA

Income Statement

For the three months ended December 31, 2000 and 1999

Millons of year end pesos of December 31, 2000

	FEMSA Cerveza		**Coca-Cola FEMSA**		**FEMSA Empaques**		**FEMSA Comercio**		**Amoxxo**		**FEMSA Logística**		**FEMSA Consolidado**	
	2000	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Net sales	4,599.1	4,809.1	4,435.3	4,084.8	1,648.4	1,827.1	2,081.6	1,655.5	451.0	392.2	370.8	349.5	11,800.0	11,209.0
Other revenues	36.1	19.5	29.2	22.2	4.3	3.1	0.2	-	-	-	-	-	35.0	8.0
Total revenues	4,635.2	4,828.6	4,464.5	4,107.0	1,652.7	1,830.2	2,081.8	1,655.5	451.0	392.2	370.8	349.5	11,835.0	11,217.0
Cost of good sold	1,979.8	2,135.7	2,152.4	2,074.8	1,240.4	1,342.5	1,556.5	1,239.4	411.1	357.2	320.9	309.8	5,836.0	5,510.0
Gross margin	2,655.4	2,692.9	2,312.1	2,032.2	412.3	487.7	525.3	416.1	39.9	35.0	49.9	39.7	5,999.0	5,707.0
Operating expenses	2,016.2	1,855.6	1,405.0	1,260.0	137.3	154.6	430.0	321.6	49.4	49.2	22.2	17.6	4,182.6	3,746.6
Management fee paid to Labatt	-	-	-	-	-	-	-	-	-	-	-	-	25.6	23.1
Goodwill amortization	-	-	28.8	30.3	-	-	-	-	-	-	-	-	28.8	30.3
Total operating expenses	2,016.2	1,855.6	1,433.8	1,290.3	137.3	154.6	430.0	321.6	49.4	49.2	22.2	17.6	4,237.0	3,800.0
Participation in affiliates	11.0	22.4	-	-	-	-	-	-	-	-	-	-	11.0	22.0
Comparable EBIT	650.2	859.7	878.3	741.9	275.0	333.1	95.3	94.5	(9.5)	(14.2)	27.7	22.1	1,773.0	1,929.0
Management fee	85.2	76.9	-	-	23.6	51.2	43.1	10.0	-	-	-	-	-	-
Total EBIT	565.0	782.8	878.3	741.9	251.4	281.9	52.2	84.5	(9.5)	(14.2)	27.7	22.1	1,773.0	1,929.0
Depreciation	213.9	201.8	218.0	143.4	47.0	59.3	16.9	11.1	1.7	1.7	7.4	12.9	510.3	433.8
Other non-cash charges	293.3	238.2	143.7	139.7	10.6	17.2	14.8	12.4	3.0	3.2	0.9	0.8	472.6	419.4
EBITDA	1,072.2	1,222.8	1,240.0	1,025.0	309.0	358.4	83.9	108.0	(4.8)	(9.3)	36.0	35.8	2,755.9	2,782.2
Comparable														
EBIT/Revenues	14.0	17.8	19.7	18.1	16.6	18.2	4.6	5.7	(2.1)	(3.6)	7.5	6.3	15.0	17.2
EBITDA/Revenues	25.0	26.9	27.8	25.0	20.1	22.4	6.1	7.1	(1.1)	(2.4)	9.7	10.2	23.3	24.8
Total														
EBIT/Revenues	12.2	16.2	19.7	18.1	15.2	15.4	2.5	5.1	(2.1)	(3.6)	7.5	6.3	15.0	17.2
EBITDA/Revenues	23.1	25.3	27.8	25.0	18.7	19.6	4.0	6.5	(1.1)	(2.4)	9.7	10.2	23.3	24.8
Capital Expenditures (1)	808.0	717.0	281.0	311.0	42.0	52.0	195.0	134.0	(9.0)	(40.0)	(103.0)	14.0	1,215.0	1,211.0

(1) Include property, plant and equipment + deferred charges

FEMSA

Income Statement

For the twelve months ended December 31, 2000 and 1999

Millons of year end pesos of December 31, 2000

	FEMSA Cerveza		**Coca-Cola FEMSA**		**FEMSA Empaques**		**FEMSA Comercio**		**Amoxxo**		**FEMSA Logística**		**FEMSA Consolidado**	
	2000	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Net sales	18,437.2	17,355.4	16,501.8	15,100.4	6,269.7	6,772.9	7,853.1	6,093.6	1,655.1	1,461.2	1,403.4	1,310.6	45,343.0	41,387.0
Other revenues	119.7	108.6	83.0	54.8	9.2	2.5	0.9	-	-	-	-	-	111.0	71.0
Total revenues	18,556.9	17,464.0	16,584.8	15,155.2	6,278.9	6,775.4	7,854.0	6,093.6	1,655.1	1,461.2	1,403.4	1,310.6	45,454.0	41,458.0
Cost of good sold	8,002.9	7,987.7	8,225.7	7,989.5	4,731.4	5,079.8	5,906.4	4,577.2	1,508.8	1,331.6	1,211.9	1,122.0	22,713.0	21,238.0
Gross margin	10,554.0	9,476.3	8,359.1	7,165.7	1,547.5	1,695.6	1,947.6	1,516.4	146.3	129.6	191.5	188.6	22,741.0	20,220.0
Operating expenses	7,382.3	6,344.5	5,301.4	4,827.3	539.9	572.2	1,609.2	1,240.5	148.9	143.4	88.1	78.6	15,457.8	13,597.5
Management fee paid to Labatt													105.9	96.0
Goodwill amortization			117.3	125.5									117.3	125.5
Total operating expenses	7,382.3	6,344.5	5,418.7	4,952.8	539.9	572.2	1,609.2	1,240.5	148.9	143.4	88.1	78.6	15,681.0	13,819.0
Participation in affiliates	33.3	53.0											33.0	53.0
Comparable EBIT	3,205.0	3,184.8	2,940.4	2,212.9	1,007.6	1,123.4	338.4	275.9	(2.6)	(13.8)	103.4	110.0	7,093.0	6,454.0
Management fee	353.1	319.9	-	-	93.4	104.5	60.0	23.3						
Total EBIT	2,851.9	2,864.9	2,940.4	2,212.9	914.2	1,018.9	278.4	252.6	(2.6)	(13.8)	103.4	110.0	7,093.0	6,454.0
Depreciation	863.9	833.8	705.2	604.2	227.8	241.7	69.2	50.2	7.4	7.1	43.8	50.9	1,932.0	1,797.0
Other non-cash charges	1,035.7	738.9	566.2	548.7	29.3	39.0	53.2	41.6	12.2	12.8	2.4	3.4	1,720.0	1,405.0
EBITDA	4,751.5	4,437.6	4,211.8	3,365.8	1,171.3	1,299.6	400.8	344.4	17.0	6.1	149.6	164.3	10,745.0	9,656.0
Comparable														
EBIT/Revenues	17.3	18.2	17.7	14.6	16.0	16.6	4.3	4.5	(0.2)	(0.9)	7.4	8.4	15.6	15.6
EBITDA/Revenues	27.5	27.2	25.4	22.2	20.1	20.7	5.9	6.0	1.0	0.4	10.7	12.5	23.6	23.3
Total														
EBIT/Revenues	15.4	16.4	17.7	14.6	14.6	15.0	3.5	4.1	(0.2)	(0.9)	7.4	8.4	15.6	15.6
EBITDA/Revenues	25.6	25.4	25.4	22.2	18.7	19.2	5.1	5.7	1.0	0.4	10.7	12.5	23.6	23.3
Capital Expenditures (1)	2,740.0	2,476.0	895.0	944.0	146.0	199.0	469.0	350.0	22.0	3.0	(80.0)	74.0	4,202.0	4,010.0

(1) Include property, plant and equipment + deferred charges

FEMSA

CONSOLIDATED INCOME STATEMENT

For the three months and twelve months ended December 31,:

CONSOLIDATED BALANCE SHEET

As of December 31, :

(Expressed in Millions of Pesos as of December 31, 2000)

	For the IV quarter of:			For the twelve months of:		
	2000	1999	% Var	2000	1999	% Var
Net sales	11,800	11,209	5.3	45,343	41,387	9.6
Other operating revenues	35	8	337.5	111	71	56.3
Total revenues	11,835	11,217	5.5	45,454	41,458	9.6
Cost of sales	5,836	5,510	5.9	22,713	21,238	6.9
Gross profit	5,999	5,707	5.1	22,741	20,220	12.5
Administrative expenses	1,166	954	22.2	4,138	3,510	17.9
Selling expenses	3,071	2,846	7.9	11,543	10,309	12.0
Operating expenses	4,237	3,800	11.5	15,681	13,819	13.5
	1,762	1,907	(7.6)	7,060	6,401	10.3
Participation in affiliated companies	11	22	(50.0)	33	53	(37.7)
Income from operations	1,773	1,929	(8.1)	7,093	6,454	9.9
Interest expense	251	308	(18.5)	1,028	1,087	(5.4)
Interest income	112	89	25.8	409	434	(5.8)
Interest expense, net	139	219	(36.5)	619	653	(5.2)
Foreign exchange loss (gain)	362	191	89.5	1,016	(118)	(961.0)
Gain on monetary position	80	126	(36.5)	244	445	(45.2)
Integral result of financing	421	284	(48.2)	1,391	90	(1,445.6)
Other expenses	(235)	100	(335.0)	(167)	121	(238.0)
Income before taxes	1,587	1,545	2.7	5,869	6,243	(6.0)
Taxes	384	452	(15.0)	2,314	2,006	15.4
Net Income	1,203	1,093	10.1	3,555	4,237	(16.1)
Majority net income	929	794	17.0	2,535	3,181	(20.3)
Minority net income	274	299	(8.4)	1,020	1,056	(3.4)

	% Total Revenues					
	2000	1999	Var P.P.	2000	1999	Var P.P.
Net sales	99.7	99.9	(0.2)	99.8	99.8	-
Other operating revenues	0.3	0.1	0.2	0.2	0.2	-
Total revenues	100.0	100.0	-	100.0	100.0	-
Cost of sales (1)	49.5	49.2	0.3	50.1	51.3	(1.2)
Gross profit (1)	50.8	50.9	(0.1)	50.2	48.9	1.3
Administrative expenses	9.9	8.5	1.4	9.1	8.5	0.6
Sales expenses	25.9	25.4	0.5	25.4	24.9	0.5
Operating expenses	35.8	33.9	1.9	34.5	33.3	1.2
	14.9	17.0	(2.1)	15.5	15.4	0.1
Participation in affiliated companies	0.1	0.2	(0.1)	0.1	0.1	-
Income from operations	15.0	17.2	(2.2)	15.6	15.6	-

(1) % to Net sales

ASSETS	2000	1999	% Var
Cash and cash equivalents	4,242	2,808	51.1
Accounts receivable	3,009	3,043	(1.1)
Inventories	4,216	4,063	3.8
Prepaid expenses	1,135	463	145.1
Total Current Assets	12,602	10,377	21.4
Property, plant and equipment, net	26,568	27,055	(1.8)
Deferred charges and other assets	6,007	6,351	(5.4)
TOTAL ASSETS	45,177	43,783	3.2
LIABILITIES & STOCKHOLDERS´ EQUITY			
Bank loans	1,325	895	48.0
Current maturities long term debt	311	1,584	(80.4)
Interest payable	190	149	27.5
Operating liabilities	6,162	5,386	14.4
Total Current Liabilities	7,988	8,014	(0.3)
Bank loans	6,998	7,307	(4.2)
Labor liabilities	688	525	31.0
Other liabilities (2)	4,322	320	-
Total Liabilities	19,996	16,166	23.7
Total Stockholders' equity (2)	25,181	27,617	(8.8)
LIABILITIES & STOCKHOLDERS' EQUITY	45,177	43,783	3.2

(2) Include the recognition of deferred taxes liability beginning January 1, 2000

FINANCIAL RATIOS			
Liquidity	1.58	1.29	0.28
Debt service coverage (3)	17.36	14.79	2.57
Leverage	0.79	0.59	0.21
Capitalization	0.27	0.28	(0.01)

(3) Income from operations + depreciation + other non-cash charges / interest expense, net