



FEMSA Announces Restructuring of FEMSA Logistica

MONTERREY, Mexico--(BUSINESS WIRE)--Jan. 13, 2000--Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE:FMX), Mexico's largest beverage company, and the second largest in Latin America, announced today the restructuring of the operations of FEMSA Logistica, the subholding company which provides integrated logistics services to other FEMSA Subsidiaries and, recently, to third parties.

FEMSA Logistica began operations on April 1, 1998 with the principal objective of providing its clients with integrated logistics support and services to their entire chain of supply, from delivering raw materials to production centers, to distributing finished products to distribution centers, including the management of carriers and other supply chain services. FEMSA Logistica began operations by offering such services to other subsidiaries of FEMSA, allowing them to focus on their core operations while reducing their operating costs.

The restructuring of the operations of FEMSA Logistica, which was completed recently, resulted in the division of the assets of FEMSA Logistica in two subholding companies; Logistica CCM, S.A. de C.V. ("Logistica CCM") and FEMSA Logistica, S.A. de C.V. (the "New FEMSA Logistica").

Logistica CCM provides logistics services solely to FEMSA Cerveza and continues to be jointly owned by FEMSA (70%) and by Labatt Brewing Company, Limited (30%). The New FEMSA Logistica purchased certain assets from Logistica CCM and provides logistic services to other FEMSA subsidiaries and third party clients, and is 100% owned by FEMSA. This company will also lease excess maintenance center capacity from Logistica CCM and will also provide maintenance services for Logistica CCM's transportation fleet.

"We believe that we have transformed an operation which used to be a cost center at the brewery into a profit center for FEMSA, with tremendous potential for adding value to FEMSA's businesses by reducing their logistics and transportation costs" stated Eduardo Padilla, director of FEMSA's Strategic Business Division. "In addition, we believe that there is an unexploited opportunity for the provision of supply chain management and logistic services in Mexico, and we will be seeking to grow in the open market by offering good services at competitive prices to third party clients" added Padilla.

For purposes of reporting financial information going forward, FEMSA will aggregate financial information for Logistica CCM and the New FEMSA Logistica under FEMSA Logistics Operations. As of the first nine months of 1999, FEMSA Logistics Operations recorded Ps. 852 million of net revenues and Ps. 78 million of operating income.

IMPORTANT NOTICE:

We invite you to register your name in our new Investor Relations Site located in our Web Site (www.FEMSA.Com) to receive all of our press releases, earnings releases and financial information automatically through our e-mail alert service. In addition you will find audio archives for past conference calls, Quarterly Earnings Releases since 1997, Corporate Presentations given by Senior Management in Industry Conferences, an IR Events Calendar, Annual Reports to Shareholders and Annual Report Pursuant to Section 13 of the Securities Exchange Act of 1934, and historical and real time stock price information.

This report may contain certain forward-looking statements concerning FEMSA's future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

FEMSA is Mexico's largest strategically integrated 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, cardboard, 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, which operates

convenience stores adjacent to gasoline stations, Logistica CCM, which provides logistics management services to FEMSA Cerveza, and the New Femsu Logistica, which provides logistics management services to other FEMSA subsidiaries and third party clients.