FEMSA

FOR IMMEDIATE RELEASE

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FEMSA REPORTS FIRST QUARTER ENDED MARCH 31, 2000

CONSOLIDATED OPERATING INCOME INCREASED BY 23.3%
FOR THE FIRST QUARTER OF 2000

Monterrey, Mexico (April 24, 2000) — Fomento Económico Mexicano S.A. ("FEMSA" or the "Company") (NYSE: FMX; BMV: FEMSA UBD), Mexico's largest and one of Latin America's leading beverage companies, reported today consolidated net sales of Ps. 9.347 billion for the first quarter, an increase of 10.7% over the first quarter of 1999. Consolidated revenue growth was driven by revenue growth in three of FEMSA's principal divisions – FEMSA Cerveza, Coca-Cola FEMSA and FEMSA Comercio. In line with the trends experienced in the fourth quarter of 1999, revenue growth in the beverage businesses for the first quarter of 2000 reflects both volume growth and an improvement in the real prices of FEMSA Cerveza and Coca-Cola FEMSA's domestic beverage products. In the Company's retail business, revenue growth is attributable both to same store sales growth, reflecting steady growth in traffic and ticket per store, and an to increase in the number of stores.

The Company recorded consolidated operating income of Ps. 1.110 billion for the first quarter of 2000, an increase of 23.1% over the comparable period last year. The Company registered an operating margin for the first quarter of 2000 of 11.8%, a 1.1 percentage point improvement over the 10.7% operating margin achieved in the first quarter of 1999.

José Antonio Fernández, chief executive officer of the Company, stated, "the salient feature of the first quarter of 2000 is an acceleration in the growth rate of consolidated operating earnings for the Company. Underpinning this performance, we have witnessed a remarkable strengthening of the pricing leverage of our Mexican operations, which has translated into a healthy increase in profitability. Looking ahead, against the background of an upbeat macroeconomic outlook, this development augurs well for the prospects of the summer quarters, which traditionally have been the strongest in the year."

Net majority income decreased by 42.3% to Ps. 402 million for the first quarter of 2000, compared to the same period last year. Earnings per FEMSA Unit for the first quarter of 2000 amounted to Ps. 0.376. Earnings per ADR for the first quarter 2000 amounted to US$0.405.

UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER 2000 COMPARED TO THE FIRST QUARTER 1999

Set forth below is certain unaudited financial information for Fomento Económico Mexicano, S.A. de C.V. (“FEMSA” or the “Company”) (NYSE: FMX) for the first quarter 2000, compared to the first quarter 1999. FEMSA is a holding company whose principal activities are grouped under the following six sub-holding 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. (“Logistica 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 March 31, 2000 and were prepared in accordance with Mexican Generally Accepted Accounting Principles (“Mexican GAAP”); therefore, all the 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”).
- For the results of the Buenos Aires operations, using factors derived from the Argentine National Consumer Price Index and converting constant Argentine pesos into Pesos, based on the March 31, 2000 exchange rate of Ps. 9.292 per Argentine peso.

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.

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.

Unaudited Financial Results for the First Quarter ended March 31, 2000 compared to the First Quarter ended March 31, 1999

FEMSA Consolidated

Total Revenues/Net Sales

FEMSA's consolidated total revenues increased by 11.0% to Ps. 9.376 billion and consolidated net sales increased by 10.7% to Ps. 9.347 billion. FEMSA Cerveza and Coca-Cola FEMSA's Mexican operations recorded strong revenue growth during the first quarter as a result of strong volume growth in the case of Coca-Cola FEMSA´s and FEMSA Cerveza's Mexican operations, an increase in the domestic price of beer effective in January 1st, 2000, and an improvement in Coca-Cola FEMSA's price per unit case in Mexico. Strong revenue growth recorded by FEMSA's beverage and retail operations for the first quarter was slightly offset by the decline experienced by FEMSA Empaques' revenues, which decreased by 17.0% as a consequence of decreases in the sales volumes of its main product lines in addition to lower Peso revenues of the Dollar-denominated product lines. FEMSA's main subsidiaries, and specifically the retail operations, continue to benefit from increased consumer confidence as a result of employment and real disposable income growth, a trend that management expects will continue to propel the Company's revenue growth as the Mexican economy continues to expand.

NET SALES GROWTH	1 Qtr 00 vs 1 Qtr 99
FEMSA Consolidated	10.7%
FEMSA Cerveza	7.9%
Coca-Cola FEMSA	10.7%
FEMSA Empaques	(17.0)%
FEMSA Comercio	26.1%

Gross Profit

FEMSA's consolidated gross profit increased by 16.5% to Ps. 4.532 billion, representing a consolidated gross profit margin of 48.5%, an increase of 2.4 percentage points. FEMSA's principal Subholding Companies realized gross margin expansion during the quarter, reflecting the effect of (i) healthy volume growth and an improvement in the price of FEMSA's beverage products, which materialized into double digit consolidated revenue growth, (ii) operational efficiencies as a result of process reengineering in our manufacturing and distribution infrastructure, and (iii) the real appreciation of the Peso against the Dollar compared to the first quarter of 1999, which resulted in a decrease in variable costs for FEMSA Cerveza and Coca-Cola FEMSA, despite slight increases experienced in some Dollar-denominated raw materials.

Income from Operations

FEMSA's consolidated operating expenses (including goodwill amortization and management fees paid to Labatt Brewing Company Limited ("Labatt")) increased by 14.4% to Ps. 3.411 billion. As a percentage of total revenues, consolidated operating expenses increased by 1.1 percentage points to 36.4%, primarily reflecting (i) higher administrative expenses recorded by FEMSA Cerveza and Coca-Cola FEMSA and (ii) higher selling expenses recorded by FEMSA Cerveza as a result of management's decision to front-load some commercial and marketing expenditures ahead of the high consumption summer season. FEMSA's consolidated income from operations (after participation in the results of affiliated companies) increased by 23.1% to Ps. 1.110 billion. Coca-Cola FEMSA accounted for most of the increase in the consolidated operating income for the first quarter of 2000 (in absolute amount). FEMSA's consolidated operating margin increased by 1.1 percentage points to 11.8% of consolidated total revenues.

CHANGE IN INCOME FROM OPERATIONS Before management fees	1 Qtr 00 vs 1 Qtr 99
FEMSA Consolidated	23.1%
FEMSA Cerveza	2.8%
Coca-Cola FEMSA	50.4%
FEMSA Empaques	(20.6)%
FEMSA Comercio	50.4%

All comparisons for the first quarter ended March 31, 2000 in this report are made against the figures for the first quarter ended March 31, 1999

Net Income

FEMSA's consolidated net income decreased by 31.6% from Ps. 855 million recorded in the first quarter of 1999 to Ps. 585 million in the first quarter of 2000. The decrease in net income recorded in the quarter primarily reflects (i) the effect of an integral result of financing expense of Ps. 11 million compared to an integral result of financing income of Ps. 343 million recorded in the first quarter of 1999, and (ii) an increase of 24.1% in the income tax, tax on assets and employee profit sharing (including deferred taxes).

During the first quarter of 2000, consolidated net financial expense increased by 10.7% to Ps. 155 million compared to the first quarter of 1999. This increase reflects the net effect of (i) a 10.0% decline in interest expense reflecting a decline of approximately US$50 million in the consolidated average debt balance of the Company over the past twelve months, and (ii) a decrease of 32.1% in interest income resulting from lower interest rates earned on Peso investments relative to the first quarter of 1999. FEMSA recorded a consolidated foreign exchange gain of Ps. 9 million primarily reflecting the net effect of (i) a Ps. 130 million loss generated by Dollar-exchange forward contracts recorded for the first quarter of 2000, and (ii) approximately Ps. 139 million of foreign exchange gain as a result of the appreciation of the Peso against the Dollar of 2.1% in the first quarter, compared to a foreign exchange gain of Ps. 278 million recorded in the first quarter of 1999. As of March 31, 2000, the Company had US$362 million Dollar-exchange forward contract exposure at a weighted average exchange rate of 11.3 Pesos per Dollar. The gain on monetary position amounted to Ps. 135 million, a decline of 34.1%, which primarily reflects a lower inflation rate experienced during the first quarter of 2000 compared to the first quarter of 1999.

FEMSA and its subsidiaries recognized consolidated income tax, tax on assets and employee profit sharing ("taxes") of Ps. 495 million, an increase of 24.1%, primarily reflecting an increase in the tax provision of the Company, which was partially offset by the credit obtained from deferred taxes, calculated in accordance to Bulletin D-4, "Accounting for Income Taxes, Tax on Assets and Employee Profit Sharing."

The Company's tax provision for the first quarter of 2000 increased as a consequence of (i) an increase in earnings before taxes recorded by most subsidiaries, which have also amortized most of their net operating loss carryforwards and (ii) anticipated purchases realized and deducted (for tax purposes) last year. The credit recorded from deferred taxes, which amounted to Ps. 128 million, reflects (i) the effect of the real appreciation of the Peso on the value of the fixed assets of the Company for accounting purposes versus tax purposes, the latter of which only applies NCPI for the revaluation of fixed assets and (ii) the reversal of the deferred tax liability generated by the anticipated purchases effected and deduced last year.

The Company's average tax rate for the first quarter of 2000 was 45.8%, compared to an average tax rate of 31.8% for the same period in 1999. Management expects the Company's average tax rate (including deferred taxes and employee profit sharing) for 2000 to reach approximately 45%. Effective January 1, 2000, the Company recognized a deferred tax liability of Ps. 3.821 billion and a reduction in shareholders' equity of the same amount. The effect on the majority net income of the first quarter of 2000 was an increase of Ps. 103 million, as a result of the credit obtained from deferred taxes.

Consolidated net majority income amounted to Ps. 402 million for the first quarter of 2000 compared with Ps. 697 million recorded in the first quarter of 1999. Net majority income per FEMSA UBD unit[1] amounted to Ps. 0.376, a decline of 42.3% compared with Ps. 0.652 for the same period last year. Net majority income per FEMSA ADR[2] amounted to US$0.402 for the first quarter of 2000.

1 QTR	**Per FEMSA Unit**[1]	
Pesos	**2000**	**1999**
Net Majority Income	0.376	0.652
EBITDA[3]	1.830	1.542

[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 March 31, 2000 was 1,068,268,090, equivalent to the total number of shares of the Company outstanding as of March 31, 2000 divided by 5.

[2] Each ADR is comprised of 10 FEMSA UBD units. To calculate the net majority income and EBITDA on an equivalent per ADR basis, the number of ADRs used was 106,826,809, equivalent to the number of FEMSA Units outstanding as of March 31, 2000 divided by 10.

[3] 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

OPERATING HIGHLIGHTS	
% Change	1 Qtr 00 vs 1 Qtr 99
Domestic Volume	3.6%
Export Volume	14.4%
Total Volume	4.2%
Net Sales	7.9%
Income from Operations	2.8%

Net Sales

FEMSA Cerveza's net sales increased by 7.9% to Ps. 3.510 billion as a result of: (i) total shipment growth of 4.2%, and (ii) a weighted average nominal increase of approximately 16% in the domestic consumer price of beer effective January 1, 2000, which resulted in a domestic revenue per hectoliter of Ps. 711, a real increase of 4.4% as compared to the first quarter of 1999. Domestic shipments increased by 3.6% to 4.643 million hectoliters primarily reflecting continuous demand growth in the northern regions of Mexico and above industry growth rate in the central and southern regions of Mexico. Even though FEMSA Cerveza's domestic volume growth for the month of March was slightly lower than the growth rate recorded in January and February (since Holy Week in 1999 was the last week of March and this year it will fall in April) management believes that domestic shipment growth of 3.6% for the first quarter, despite the approximately 16% nominal price increase in the domestic market, bears witness to the strength of domestic demand reflecting improvement in the Mexican consumer's purchasing power. Management estimates that FEMSA Cerveza's domestic volume increased slightly behind the industry during the first quarter, as has seasonally been the case over the past years.

Export shipments increased by 14.4% to 318,000 hectoliters. FEMSA Cerveza's annual target export growth rate for 2000 is at least 20%. Export growth continues to be driven by growth in the North American market, which, as of March 31, 2000, represented 85.5% of total export shipments. Export revenues in Dollar terms amounted to US$22 million, 18.2% above the comparable period last year. Export revenues in Peso terms declined by 4.9% to Ps. 209 million as a consequence of the real appreciation of the Peso against the Dollar over the past twelve months.

Gross Profit

FEMSA Cerveza's cost of goods sold remained stable relative to the first quarter 1999 at Ps. 1.623 billion. Variable costs decreased by approximately 5%, reflecting a real decline in the Peso cost of grains, aluminum beverage cans and bottles as a consequence of favorable domestic barley, aluminum beverage cans and glass bottle prices. Freight costs continue to decline in real terms as compared to the first quarter of 1999, reflecting additional efficiencies achieved by Logistica CCM in its operation of FEMSA Cerveza's primary distribution fleet and logistics processes. As a result of revenue growth leveraged on a declining variable and fixed costs structure per hectoliter, gross profit increased by 15.6% to Ps. 1.908 and the gross margin improved by 3.7 percentage points to 54.4% of net sales.

MARGINS		
	1 Qtr 00	1 Qtr 99
Gross margin	54.4%	50.7%
Operating margin before management fees	10.1%	10.6%

Income from Operations

FEMSA Cerveza's operating expenses increased by 18.8% to Ps. 1,540 million. As a percentage of total revenues, operating expenses increased by 4.0 percentage points to 43.6%. It is important to highlight that a significant proportion of FEMSA Cerveza's selling and administrative expenses are fixed. Therefore, in the months of low absolute volume (as is the case for FEMSA Cerveza's first three months of the year), the system is less efficient in spreading out the fixed operating expenses, resulting in higher operating expenses per hectoliter and consequently, as a percentage of sales, relative to the remaining three quarters of the year (and not indicative of the expected levels of annual operating expenses as a percentage of sales). This phenomenon denotes the highly seasonal nature of FEMSA Cerveza's beer business.

Administrative expenses increased by 23.2%, primarily as a consequence of (i) higher central office overhead as well as a reflection of full staffing and growth in scope of the Commercial Development Area created in January 1999, and (ii) higher real wages. Selling expenses increased by 17.5% relative to the first quarter of 2000. Approximately one third of the increase is attributable to management's decision to front-load part of the commercial/advertising expenditure budget allocated to the second quarter, in anticipation of the high-consumption summer season. The remaining of the increase in selling expenses however, reflects a restructuring in FEMSA Cerveza's commercial infrastructure, which has materialized in additional routes, an increase in sales personnel, acquisition of certain third party territories or concessionaires and reinforcement of the distribution units mainly in the center regions of the country. This restructuring was initiated in the second quarter of 1999 and was therefore not reflected in the first quarter of 1999 results.

Management expects beer demand to strengthen in 2000 and believes that resources spent on pull-side initiatives such as sponsorships and advertising and the strengthening of the sales infrastructure, could yield better returns and greater effectiveness than in the previous years. Although the competition in the domestic market continues to explain sustained high-levels of commercial expenditures, FEMSA Cerveza intends to focus an increasing percentage of such expenditures on stimulating demand, as opposed to increasing supply. Operating margin before deduction of management fees paid to FEMSA and Labatt decreased by 0.5 percentage points as a percentage of total revenues to 10.1%.

Coca-Cola FEMSA

Net Sales

VOLUME GROWTH 1 Qtr 00 vs 1 Qtr 99	
	Total
Mexico	7.7%
Buenos Aires	6.1%
Total	7.4%

Coca-Cola FEMSA recorded net sales growth of 10.7% to Ps. 3.677 billion primarily reflecting net sales growth recorded by the Mexican Territories as a result of a 7.7% increase in volume and a 6.3% improvement in the average unit price per case. The cola segment in the Mexican Territories, which represented approximately 75% of the mix, increased by 6%. The flavor segment, which accounted for the remaining 25% of the mix including water, increased by approximately 12%. The packaging presentations that experienced the highest growth rates in Mexico were 2-liter returnable PET and personal size non-returnable PET. Management estimates that Coca-Cola FEMSA's volumes in the Mexican Territories increased in line with the volume growth experienced by the Coca-Cola system in Mexico and approximately 2-3 percentage points above the growth rate experienced by the soft-drink industry in Mexico.

Net sales for the Buenos Aires Territory increased by 1.1% as a consequence of volume growth of 6.1% but a decline in the average unit price per case relative to the first quarter of 1999. Notwithstanding the decrease experienced in the average unit price per case in the Buenos Aires Territory in the first quarter of 2000 relative to the first quarter of 1999, prices have been stable for three consecutive quarters. Volume growth for the Buenos Aires Territory was led by growth in the cola segment in returnable PET presentations and by Sprite light. Management estimates that Coca-Cola FEMSA's volumes in the Buenos Aires Territory increased approximately 5 percentage points above the comparable volume growth experienced by the Coca-Cola system and below the soft-drink industry in Argentina.

Gross Profit

MARGINS		
	1 Qtr 00	1 Qtr 99
Gross margin	49.5%	44.9%
Operating margin	15.9%	11.7%

Coca-Cola FEMSA's cost of goods sold increased only by 2.1% to Ps. 1.877 billion, despite consolidated volume growth of 7.4% and decreased as a percentage of sales by 4.4 percentage points to 51.0%. Coca-Cola FEMSA's gross profit growth is both a consequence of revenue growth and a continuous decline in average cost per unit case as a result of (i) scale and operational-driven efficiencies, (ii) the appreciation of the Peso against the Dollar and (iii) lower or stable raw material prices in real Peso terms. Although Dollar-denominated prices of PET pre-forms increased relative to the first quarter of 1999, Coca-Cola FEMSA's PET costs declined in Peso terms as a result of the real appreciation of the Peso against the Dollar. Gross profit increased by 21.9% and the gross margin improved by 4.6 percentage points to 49.5% of net sales.

Income from Operations

Operating expenses increased by 12.4% (excluding goodwill amortization) and increased slightly as a percentage of sales by 0.5 percentage points to 32.6%. Coca-Cola FEMSA's Mexican Operations are currently undergoing a reorganization whose primary objective is to streamline its operational and corporate structure to eliminate redundancies and increase efficiencies. The increase in operating expenses is mainly attributable to higher real wages and higher marketing expenses in the Buenos Aires operations, which nevertheless remain below the 6% annual average (as a percentage of sales). Income from operations increased by 50.4% to Ps. 588 million and Coca-Cola FEMSA's operating margin improved by 4.2 percentage points to 15.9%.

Recent Developments

During 1999, Coca-Cola FEMSA conducted an in-depth study on its organizational structure. During December 1999 and January 2000, the Company began to implement the reorganization of its management structure in order to streamline both corporate and operational structures in an effort to eliminate redundancies and increase efficiencies. Part of the restructuring included the consolidation of 15 Coca-Cola FEMSA's operating subsidiaries to 6 subsidiaries. The consolidation, which concluded in March 2000, does not represent any geographical change in the markets where the Company operates.

In March 2000, Coca-Cola FEMSA closed the Tlalnepantla production facility in the Valley of Mexico. Tlalnepantla housed three bottling lines producing returnable plastic ("Ref. PET") and non-returnable plastic presentations. As of such date, the plant had an annual installed capacity of approximately 13.1 million unit cases and was operating at approximately 80% capacity utilization.

FEMSA Empaques

Net Sales

VOLUME GROWTH 1 Qtr 00 vs 1 Qtr 99	
Beverage cans	(9.3)%
Crown caps	2.3%
Glass bottles	(16.2)%
Refrigerators	(25.7)%

FEMSA Empaques net sales decreased by 17.0% to Ps. 1.261 billion as a result of (i) the negative impact of the real appreciation of the Peso against the Dollar on the Peso revenues of Dollar-denominated packaging products such as beverage cans and crown caps and (ii) a decrease in the volume of FEMSA Empaques' main product lines such as beverage cans and glass bottles relative to the first quarter of 1999. The decrease in the volume of beverage cans is primarily a consequence of a reduction in the purchases of beverage cans of FEMSA Cerveza and of the Coca-Cola canning cooperative, Industria Enlatadora de Queretaro ("IEQSA"). Management believes that FEMSA Cerveza's demand for beverage cans decreased as a result of (i) advanced purchases during the fourth quarter of 1999 as part of the Year 2000 Contingency Plan ("Y2K Contingency Plan"), and (ii) slack demand for beer in can presentations during the first quarter of this year, mainly as a consequence of the price increase implemented in January 2000. The decline in beverage can sales to IEQSA is explained by a more intense domestic competitive environment. Management believes that the volume performance of the beverage can business in 2000 depends primarily on the demand for beverage cans from FEMSA Cerveza and Coca-Cola FEMSA. The profitability of this business, however, depends not only on volume growth, but also on the Peso-Dollar exchange rate and the general pricing conditions in the domestic market, which recently have experienced some pressure as a result of increased competition.

Glass bottles decreased by 16.2% during the first quarter primarily as a result of advanced purchases made by FEMSA Cerveza in the fourth quarter of 1999 in connection with the Y2K Contingency Plan. Purchases by Coca-Cola FEMSA continue to decline but they represent a very small percentage of FEMSA Empaques glass bottle sales. Third party sales, however, have increased relative to the first quarter of last year, although from a small base. Management expects the profitability of this business to recover as sales to the third party market continue to grow. Commercial refrigerator volumes decreased by 25.7% for the first quarter, as a result of a slow-down in the investment in cold drink/merchandising equipment of the soft-drink bottlers nation-wide.

Gross Profit

FEMSA Empaques' gross profit decreased by 15.6% to Ps. 306 million and the gross margin increased by 0.4 percentage points to 24.3% of net sales. The real appreciation of the Peso against the Dollar continues to pressure gross margins of the beverage can and crown cap business, as was the case throughout 1999. In addition, the intensification of competition in the domestic beverage can market has materialized in lower volumes and lower prices, despite an increase in the cost of aluminum for the production of beverage cans. The glass bottle business continues to suffer from lower fixed cost absorption as a consequence of continuous decline in volume. FEMSA Empaques' management will continue to focus its efforts on penetrating the third party market, particularly in glass bottles, beverage cans and crown caps, by offering the best prices and the highest quality and client service available in the market.

MARGINS	1 Qtr 00	1 Qtr 99
Gross margin	24.3%	23.9%
Operating margin before management fees	14.7%	15.4%

Income from Operations

Operating expenses decreased by 6.6% to Ps. 120 million and increased slightly as a percentage of sales. Income from operations before management fees decreased by 20.6% to Ps. 186 million, primarily reflecting the decline in gross profit. In addition, 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. FEMSA Empaques' operating margins before deduction of management fees declined by 0.7

percentage points to 14.7% of total revenues. Effective fourth quarter of 1999, the management fees paid to FEMSA increased from 1% of total revenues to 1.6% of total revenues. Because FEMSA Empaques is a 100%-owned subsidiary of FEMSA, the increase in management fee does not impact FEMSA's consolidated operating income.

Recent Developments

FEMSA Empaques recently announced the divestiture of Corrugados Tehuacan, S.A. de C.V. ("Cotesa"), its cardboard business, for US$71 million, and expects to complete the sale on or before June 15, 2000. Since January 1, 2000, FEMSA Empaques has not consolidated Cotesa. For comparison purposes, the cardboard business figures have been excluded from the FEMSA Empaques' and FEMSA's consolidated first quarter 1999 results presented in this press release. To receive a pro-forma operating income statement of FEMSA Empaques' full year 1999 operating results without Cotesa, please contact FEMSA's Investor Relations Department.

FEMSA Comercio

Net Sales

OPERATING HIGHLIGHTS	
% CHANGE	**1 Qtr 00 vs 1 Qtr 99**
New stores	26
Net sales	26.1%
Same store sales	7.8%
Income from operations	50.4%

FEMSA Comercio net sales increased by 26.1% to Ps. 1.575 billion. Sales growth was the result of (i) 26 net new stores during the first quarter and 197 net new stores for the past twelve months, effectively an increase of 19.2% in selling space year over year and (ii) average same store sales growth of 7.8% as compared to the first quarter of 1999, reflecting an increase in traffic and in ticket of 4.7% and 3.4%, respectively. The Oxxo chain continues to drive traffic to the sites through regional and national promotional campaigns. Management estimates that average same store sales growth for the organized retail industry increased by approximately 3.5% in the first quarter, which testifies to the favorable consumer environment and growth in purchasing power evident towards the end of the fourth quarter of 1999 and that has prevailed throughout the first quarter of the present year. Same store sales of the sites located in the south and central regions of the country increased at a rate above the average of the chain and approximately twice as fast as the growth experienced by the stores in the north. Management attributes this divergence to more favorable (easier) growth comparisons faced by the stores located in the southern and central regions, relative to the northern sites. The Oxxo chain has recently expanded to the cities of Monclova, Mochis, Nogales and Villahermosa and this year expects to open sites in central and southern regions of the country where there are currently no stores.

Gross Profit

FEMSA Comercio recorded gross profit of Ps. 395 million, an increase of 30.9% over the comparable period last year and the gross margin increased by 1.0 percentage points to 25.1% of sales. The increase in gross profit is primarily attributable to (i) advanced purchases of traffic generator products such as beer, soft-drinks and cigarettes and (ii) promotions and rebates granted by certain suppliers.

MARGINS		
	1 Qtr 00	1 Qtr 99
Gross margin	25.1%	24.1%
Operating margin before management fees	3.9%	3.3%

Income from Operations

Operating Expenses increased by 27.8% to Ps. 333 million and decreased as a percentage of sales to 21.1% from 20.9% over the same period last year. Operating income increased by 50.4% to Ps. 62 million primarily as a result of strong revenue growth. Notwithstanding the expansion experienced by the Oxxo chain last year, average expenditure per store (including all stores) for the first quarter increased approximately half as much as the growth in same store sales. As the average length of maturity of the new sites continues to contract as a consequence of improved store site selection and growth in traffic, this trend should prevail as the chain continues in its expansion phase. FEMSA Comercio recorded an operating margin before deduction of management fees of 3.9%, an increase of 0.6 percentage points over the first quarter of 1999.

FEMSA is Mexico's largest and one of Latin America's leading beverage companies 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 logistic management services to FEMSA Cerveza and FEMSA Logística, which provides logistics management services to Coca-Cola FEMSA, FEMSA Empaques, and recently third party clients.

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Three pages of tables to follow

FEMSA

OPERATING DATA
For the three months ended March 31, 2000 and 1999

FEMSA Cerveza

Shipments
(Thousand hectoliters)

		2000	1999	%Var
Domestic:				
Returnable		3,684	3,515	4.8
Non-returnable		151	145	4.1
Cans		808	823	(1.8)
Total Domestic		4,643	4,483	3.6
Exports		318	278	14.4
Total Volume		4,961	4,761	4.2
Exports revenues:	Millions Ps.	209.3	220.1	(4.9)
	US Millions	22.1	18.7	18.2

FEMSA Empaque

Total Sales Volume
(Millions of pieces)

		2000	1999	%Var
Cans		660	728	(9.3)
Crown caps		2,840	2,775	2.3
Glass Bottles		145	173	(16.2)
Refrigerators (Ths)		27	36	(25.7)
Labels		1,117	875	27.7
Export volumes:	Cans	68	59	15.5
	Crown caps	1,216	1,160	4.8
	Can lids	99	77	29.0
Exports revenues:	Millions Ps.	133.9	157.0	(14.7)
	US Millions	14.1	13.3	6.1

Coca-Cola FEMSA

Sales Volumes
(Millions of Unit Cases)

	2000	1999	%Var
Mexico	103.8	96.4	7.7
Buenos Aires	33.7	31.7	6.1
Total	137.5	128.1	7.4

Presentation Mix (%)

(Returnable/Non-Returnable)	2000	1999
Valley of Mexico	45/55	45/55
Buenos Aires	11/90	8/92
Total	36 /64	36 /64

Product Mix (%)

(Colas/Flavors/Water)	2000	1999
Valley of Mexico	75/22/03	76/22/02
Buenos Aires	75/24/01	73/26/01
Total	75/23/02	75/23/02

Percentage of sales revenue by client category:

	2000	1999	Var p.p.
Intercompany sales	47.7	51.5	(3.8)
FEMSA Cerveza	35.6	37.1	(1.5)
Coca-Cola FEMSA	12.1	14.4	(2.3)
Third-party sales	52.3	48.5	3.8
Domestic	43.1	40.4	2.7
Export	9.2	8.1	1.1
Total	100.0	100.0	

FEMSA Comercio

	2000	1999	%Var
Total stores	1,223	1,026	19.2
Comparative same stores:			
Average monthly sales (Ths. Ps.)	440.6	408.6	7.8

All comparisons for the twelve months ended December 31,1999 in this report are made against the figures for the twelve months ended December 31, 1998

FEMSA

CONSOLIDATED INCOME STATEMENT

For the three months ended March 31,:

CONSOLIDATED BALANCE SHEET

As of March 31, :

Expressed in Millions of Pesos as of March 31, 2000

	2000	1999	%Var
Net sales	9,347	8,443	10.7
Other operating revenues	29	7	314.3
Total revenues	9,376	8,450	11.0
Cost of sales	4,844	4,560	6.2
Gross profit	4,532	3,890	16.5
Administrative expenses	917	807	13.6
Selling expenses	2,494	2,175	14.7
Operating expenses	3,411	2,982	14.4
	1,121	908	23.5
Participation in affiliated companies	(11)	(6)	83.3
Income from operations	1,110	902	23.1
Interest expense	244	271	(10.0)
Interest income	(89)	(131)	(32.1)
Interest expense, net	155	140	10.7
Foreign exchange loss (gain)	(9)	(278)	(96.8)
Gain on monetary position	(135)	(205)	(34.1)
Integral result of financing	11	(343)	103.2
Other expenses	19	(9)	(311.1)
Income before taxes	1,080	1,254	(13.9)
Taxes	495	399	24.1
Net Income	585	855	(31.6)
Majority net income	402	697	(42.3)
Minority net income	183	158	15.8

	% Total Revenues		
	2000	1999	Var P.P.
Net sales	99.7	99.9	(0.2)
Other operating revenues	0.3	0.1	0.2
Total revenues	100.0	100.0	-
Cost of sales (1)	51.8	54.0	(2.2)
Gross profit (1)	48.5	46.1	2.4
Administrative expenses	9.8	9.6	0.2
Sales expenses	26.6	25.7	0.9
Operating expenses	36.4	35.3	1.1
	12.0	10.8	1.2
Participation in affiliated companies	(0.1)	(0.1)	(0.1)
Income from operations	11.8	10.7	1.2

(1) % to Net sales

ASSETS	2000	1999	% Var
Cash and cash equivalents	2,793	2,247	24.3
Accounts receivable	2,643	2,609	1.3
Inventories	3,642	3,513	3.7
Prepaid expenses	627	778	(19.4)
Total Current Assets	9,705	9,147	6.1
Property, plant and equipment, net	25,360	26,008	(2.5)
Deferred charges and other assets	5,994	5,782	3.7
TOTAL ASSETS	41,059	40,937	0.3
LIABILITIES & STOCKHOLDERS´ EQUITY			
Bank loans	1,112	2,418	(54.0)
Current maturities long term debt	1,149	885	29.8
Interest payable	202	200	1.0
Operating liabilities	5,691	4,779	19.1
Total Current Liabilities	8,154	8,282	(1.5)
Bank loans	6,659	7,241	(8.0)
Labor liabilities	511	917	(44.3)
Other liabilities (2)	3,950	144	2,643.1
Total Liabilities	19,274	16,584	16.2
Minority Interest	6,512	7,606	(14.4)
Majority Interest	15,273	16,747	(8.8)
Total Stockholders' equity (2)	21,785	24,353	(10.5)
LIABILITIES & STOCKHOLDERS' EQUITY	41,059	40,937	0.3

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

FINANCIAL RATIOS			
Liquidity	1.19	1.10	0.09
Debt service coverage (3)	12.61	11.77	0.84
Leverage	0.88	0.68	0.20
Capitalization	0.31	0.33	(0.02)

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

Income Statement

For the three months ended March 31, 2000 and 1999

Millons of year end pesos of March 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	3509.8	3253.6	3677.3	3320.9	1261.0	1518.7	1575.4	1249.7	365.6	316.3	275.1	268.0	9347	8443
Other revenues	21.3	20.1	18.6	10.1	1.5	0.3	0.2	0.0	0.0	0.0	0.0	0.0	29	7
Total revenues	3531.1	3273.7	3695.9	3331.0	1262.5	1519.0	1575.6	1249.7	365.6	316.3	275.1	268.0	9376	8450
Cost of good sold	1623.4	1623.9	1876.5	1838.4	956.3	1156.0	1180.9	948.1	313.4	288.7	230.1	221.0	4844	4560
Gross margin	1907.7	1649.8	1819.4	1492.6	306.2	363.0	394.7	301.6	52.2	27.6	45.0	47.0	4532	3890
Operating expenses	1539.7	1296.2	1203.6	1070.8	120.0	128.5	333.2	260.7	51.2	27.2	19.8	21.2	3357	2931
Management fee paid to Labatt													26	20
Goodwill amortization			28.3	31.2									28	31
Total operating expenses	1539.7	1296.2	1231.9	1102.0	120.0	128.5	333.2	260.7	51.2	27.2	19.8	21.2	3411	2982
Participation in affiliates	(11.0)	(6.3)											(11)	(6)
Comparable EBIT	357.0	347.3	587.5	390.6	186.2	234.5	61.5	40.9	1.0	0.4	25.2	25.8	1110	902
Management fee	(85.0)	(65.4)			(21.9)	(14.7)	(4.8)	(3.7)				(2.4)	0	0
Total EBIT	272.0	281.9	587.5	390.6	164.3	219.8	56.7	37.2	1.0	0.4	25.2	23.4	1110	902
Depreciation	204.8	197.9	145.4	144.3	53.3	57.7	16.8	12.9	1.8	1.9	11.4	11.5	438	429
Other non-cash charges	253.1	163.0	129.1	134.0	4.5	5.6	11.7	9.1	2.9	3.0	0.6	0.4	407	317
EBITDA	729.9	642.8	862.0	668.9	222.1	283.1	85.2	59.2	5.7	5.3	37.2	35.3	1955	1647
Comparable														
EBIT/Revenues	10.1	10.6	15.9	11.7	14.7	15.4	3.9	3.3	0.3	0.1	9.2	9.6	11.8	10.7
EBITDA/Revenues	18.3	17.6	23.3	20.1	15.9	17.7	5.1	4.4	1.6	1.7	13.5	12.3	20.8	19.5
Total														
EBIT/Revenues	7.7	8.6	15.9	11.7	13.0	14.5	3.6	3.0	0.3	0.1	9.2	8.7	11.8	10.7
EBITDA/Revenues	20.7	19.6	23.3	20.1	17.6	18.6	5.4	4.7	1.6	1.7	13.5	13.2	20.8	19.5
Capital Expenditures (1)	571	537	265	185	87	92	46	36	10	7	12	19	985	885

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

All comparisons for the twelve months ended December 31,1999 in this report are made against the figures for the twelve months ended December 31, 1998