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## **FEMSA Announces Successful Bond Issuance in Mexican Market**

MONTERREY, Mexico--(BUSINESS WIRE)--July 7, 2004--Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE:FMX) (BMV:FEMSA UBD) (BMV:FEMSA UB), the Leader in Latin Beverages, announced the successful issuance of Ps. 2.500 billion in bonds (Certificados Bursatiles) in the Mexican market.

The issuance was completed in two tranches. One tranche was for a 5-year, Ps. 1.250 billion note bearing an interest rate of 89 basis points over the 91-day Treasury notes, known as CETES. Another tranche was for a 4-year, Ps. 1.250 billion note with a yield to maturity of 45 basis points over the 28-day interbank lending rate, known as TIIE.

Coming out of a period of high volatility in the fixed income market, both tranches set aggressive benchmarks and signaled the effective reopening of the Mexican bond market. These issues were granted the maximum credit rating by all three major credit rating agencies, and achieved very aggressive pricing by an eager investor pool.

FEMSA is taking advantage of high liquidity in Mexican debt capital markets. The proceeds from this issuance will be complemented with bank financing at highly competitive rates, and will be used to buy back a 30% stake in FEMSA's beer division for \$ 1.245 billion from Interbrew.

FEMSA is the leading beverage company in Latin America. It controls an integrated beverage platform that comprises the largest Coca-Cola bottler in the region, Coca-Cola FEMSA; the second-largest brewer in Mexico and important beer exporter to the United States, FEMSA Cerveza; and Oxxo, the largest and fastest-growing convenience store chain in Mexico with over 2,800 stores.

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