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Panamco Series A Shareholders to Receive \$22 per Share
Transaction Creates Leading Bottler of Coca-Cola Products
outside of the United States

Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE:FMX) (BMV:FEMSA UBD; FEMSA UB), Coca-Cola FEMSA, S.A. de C.V. ("Coca-Cola FEMSA") (NYSE:KOF) (BMV:KOF L) and Panamerican Beverages Inc. ("Panamco") (NYSE:PB) today announced that Coca-Cola FEMSA has reached a definitive agreement to acquire Panamco in a transaction valued at \$3.6 billion, including the assumption of \$880 million in estimated net debt as of Dec. 31, 2002.

Under the terms of the transaction, holders of Panamco Class A Common Stock, excluding The Coca-Cola Company (NYSE:KO), will receive a total of \$1.82 billion in cash, or \$22.00 per share, and holders of Panamco Class B Common Stock, excluding The Coca-Cola Company, will receive a total of \$247 million in cash, or \$38.00 per share. The weighted average price is \$22.87 per Panamco share. Panamco Class A shares trade on the New York Stock Exchange and have no voting rights. Panamco Class B shares do not trade on any exchange and have full voting rights. The Coca-Cola Company will receive approximately 304 million unlisted KOF Series D Shares in exchange for its Panamco Class A, Class B and Series C shares. Based on the average closing price of the KOF ADS during the prior 20 trading days, this represents an aggregate amount of approximately \$674 million or \$22.00 per Panamco share.

The combined company, which will continue to operate under the Coca-Cola FEMSA name, will be the leading bottler of Coca-Cola products in Latin America, and the world's second-largest Coca-Cola bottler with estimated pro-forma revenues of \$4.6 billion and estimated total volume of 1.9 billion unit cases. In Mexico, which accounted for approximately 70% of the combined company's pro forma EBITDA in 2001, Coca-Cola FEMSA will have a leading position in the country's soft drink market, with contiguous territories and increased scale as a result of this acquisition. Coca-Cola FEMSA will also hold leadership positions in many national and regional markets in Guatemala, Nicaragua, Costa Rica, Panama, Colombia, Venezuela, Brazil and Argentina.

Commenting on the transaction, Jose Antonio Fernandez, Chairman of the Board of FEMSA and Coca-Cola FEMSA, said, "This transaction represents a major step in the development of our strategy. For many years, we have focused on building Coca-Cola FEMSA's capabilities to create a platform for the strategic expansion of our business. Having successfully optimized our business system, developed a deep and experienced team, and strengthened the financial underpinnings of the company, we are now well prepared to take a decisive and significant next step with this transaction.

"The combination of Panamco's bottling assets with Coca-Cola FEMSA's proven operational expertise and record of generating returns that are among the highest in the industry offers important synergies and creates great potential for major productivity gains and growth opportunities that will benefit all of our shareholders, consumers, customers and outstanding employees. Moreover, through the extension of our systems and best practices to Panamco's markets, we will enhance our ability to serve retailers and consumers more effectively, allowing us to quickly capitalize on our expanded market reach," continued Mr. Fernandez.

"I would also like to highlight the continued trust and support shared between FEMSA and The Coca-Cola Company. We expect the close cooperation and excellent dialogue that we enjoy with The Coca-Cola Company to be of great benefit as Coca-Cola FEMSA moves forward with this transaction," Mr. Fernandez added.

Coca-Cola FEMSA noted that Standard & Poor's and Moody's Investors Service have carefully reviewed the transaction. Standard & Poor's has confirmed, and Coca-Cola FEMSA expects Moody's to confirm, their post-acquisition investment grade credit ratings for the company as BBB and Baa2 respectively, with a stable outlook, affirming the strength of the combined entity.

Carlos Salazar, Chief Executive Officer of Coca-Cola FEMSA commented, "There are many talented Panamco employees whose knowledge of local markets in Mexico and elsewhere will enable them to make valued contributions to the combined company. In addition, both Coca-Cola FEMSA and Panamco have a long and proud tradition of helping and supporting the communities of which we are an integral part, and together with our employees, we look forward to continuing these efforts."

Craig Jung, Chief Executive Officer of Panamco, said, "We are very pleased with this transaction. The attractive premium offered on our share price reflects the significant value that Panamco and its outstanding team can bring to the combined company, and highlights our strong commitment to maximizing value for our shareholders. We look forward to working with Coca-Cola FEMSA towards a successful completion of this transaction as quickly as possible, and we have full confidence that the combined company will be well positioned for continuing industry leadership, both within core Latin American markets, and globally."

Mr. Fernandez concluded, "We look forward to building upon the great success that we as a company have achieved up to now. Ultimately, the strength and flexibility of our combined company will enable Coca-Cola FEMSA to achieve even greater success in the key Mexican market, developing significant opportunities elsewhere in the region, and continuing to effectively enhance shareholder value."

The transaction has been approved by the Boards of Directors of both companies. However, there can be no assurances that this transaction will be completed, and consummation of this business combination is subject to several significant conditions. These conditions include the approval by the holders of a majority of Panamco's Class B shares, the approval of a majority of the holders of Panamco's Class A shares that do not own Class B shares, customary regulatory approvals, the securing of financing for the transaction, the maintenance of specified credit ratings by Coca-Cola FEMSA, and other customary closing conditions. The transaction will be financed with \$2.05 billion of new indebtedness for which Coca-Cola FEMSA has obtained formal commitments from JPMorgan Chase and Morgan Stanley, an equity contribution from FEMSA of \$260 million, and cash on hand. These funds will also be used to refinance approximately \$464 million of Panamco's existing indebtedness. In addition, Coca-Cola FEMSA will conduct a rights offering of its Series L shares after the acquisition closes and subject to regulatory approvals in order to give the opportunity to KOF Series L shareholders to maintain their current percentage ownership.

The Coca-Cola Company and FEMSA will subscribe for their new shares at an equivalent ADS price of \$22.16, which represents the average of the closing price during the prior 20 trading days. The Shareholders Rights Offer for KOF's Series L shareholders will occur at this same price.

About FEMSA

FEMSA is Latin America's largest beverage company in terms of sales. Founded in 1890 and headquartered in Monterrey, Mexico, FEMSA is strategically comprised of and operates by means of the following subsidiaries: FEMSA Cerveza, which produces, distributes and exports various brands of beer such as Tecate, Carta Blanca, Superior, Sol, XX Lager, Dos Equis, and Bohemia; Coca-Cola FEMSA, the largest bottler for The Coca-Cola Co. in Mexico, which produces and distributes carbonated beverages such as Coca-Cola, Coca-Cola Light, Fanta, Sprite, and Quatro; and the Strategic Businesses Division, which groups the packaging (FEMSA Empaques), retail (FEMSA Comercio) and logistics (FEMSA Logistica) operations, whose main objective is to offer strategic competitive advantages to the beverage subsidiaries.

About Coca-Cola FEMSA

Coca-Cola FEMSA, S.A. de C.V. produces Coca-Cola, Sprite, Fanta, Lift and other trademark beverages of The Coca-Cola Company in the Valley of Mexico and the Southeast Territories in Mexico and in the Buenos Aires Territory in Argentina. The Company has eight bottling facilities in Mexico and one in Buenos Aires and serves more than 297,500 retailers in Mexico and 72,000 retailers in the greater Buenos Aires area. Coca-Cola FEMSA currently accounts for approximately 3.4% of Coca-Cola global sales, 25.0% of all Coca-Cola sales in Mexico and approximately 36.5% of all Coca-Cola sales in Argentina. The Coca-Cola Company owns a 30% equity interest in Coca-Cola FEMSA.

About Panamco

Panamco is the largest soft drink bottler in Latin America and one of the three largest bottlers of Coca-Cola products in the world. The Company produces and distributes substantially all Coca-Cola soft drink products in its franchise territories in Mexico, Brazil, Colombia, Venezuela, Costa Rica, Nicaragua, Guatemala and Panama, along with bottled water, beer and other beverages in some of these territories. Panamco is an anchor bottler of The Coca-Cola Company.

Conference Call

FEMSA, Coca-Cola FEMSA and Panamco will hold a conference call for the financial community at 10:30 am ET on Dec. 23, 2002. The call can be accessed by dialing 800/915-4836 (U.S.) or 973/317-5319 (International). The slideshow that will be discussed during the call can be accessed over the Internet at www.femsa.com, www.cocacola-femsa.com.mx, and www.panamco.com. A replay of the conference call will be available immediately

after the conference call and until Jan. 10, 2003 by dialing 800/428-6051 (U.S.) and 973/709-2089 (International), access code 272971.

Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended. These forward-looking statements relate to FEMSA, Coca-Cola FEMSA, Panamco, their respective businesses, the proposed combined company and the merger and are based on Coca-Cola FEMSA's and Panamco's managements current expectations. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside FEMSA's, Coca-Cola FEMSA's and Panamco's control, that could cause actual results of FEMSA, Coca-Cola FEMSA, Panamco or the combined company to differ materially from such statements. Factors that may cause or contribute to such differences include adverse changes in the prices of materials used in soft drinks and their bottling, adverse regulatory developments, deterioration in relationships with The Coca-Cola Company, the imposition of voluntary price restraints or statutory price controls by any government, increased competition in the markets for soft drinks or their bottling, more stringent environmental regulations, exchange rate fluctuations, high levels of inflation and other risks described in FEMSA's, Coca-Cola FEMSA's or Panamco's filings with and submissions to the Securities and Exchange Commission (Commission). The proposed merger, the financial condition and results of the combined company will be subject to numerous risks and contingencies, including the receipt of financing and regulatory approvals, the ability to realize synergies and successfully integrate operations. None of FEMSA, Coca-Cola FEMSA and Panamco is under any obligation, and FEMSA, Coca-Cola FEMSA and Panamco expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This press release includes unaudited pro forma financial information giving effect to the merger. However, this information is preliminary, not in accordance with generally accepted accounting principles and not necessarily indicative of historical financial position or results if the merger had occurred or of any future financial data.

This document does not constitute an offer of any securities for sale.

Additional Information and Where to Find It

Investors and security holders are urged to read the proxy statement regarding the business combination transaction that is the subject of this press release carefully and in its entirety when it is filed with the commission by Panamco because it will contain important information. Investors and security holders may obtain a free copy of the proxy statement, when it is available, at the Internet worldwide Web site maintained by the Commission at <http://www.sec.gov>. In addition, documents filed by FEMSA, Coca-Cola FEMSA and Panamco are available at the Commission's public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20594. Investors and security holders may call the Commission at 1-800-SEC-0330 for further information on the public reference room. Free copies of all of FEMSA's, Coca-Cola FEMSA's and Panamco's filings with the Commission may also be obtained by directing a request to:

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Certain Information Concerning Participants

Investors may obtain a detailed list of names, affiliations and interests of Panamco's participants in the solicitation of proxies of shareholders to approve the proposed business combination from an SEC filing under Schedule 14A to be made by Panamco prior to, or concurrently with, the filing of the preliminary proxy statement with the SEC.

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