



FEMSA Announces Organizational Changes

MONTERREY, Mexico--(BUSINESS WIRE)--Nov. 3, 1999--Fomento Economico Mexicano, S.A. de C.V. (NYSE:FMX) ("FEMSA") announced today important organizational changes in its subsidiaries, FEMSA Cerveza, S.A. de C.V. ("FEMSA Cerveza") and Coca-Cola FEMSA, S.A. de C.V. (Coca-Cola FEMSA").

In addition, the Company announced the reorganization of its remaining business divisions under a new "Strategic Businesses Division," as well as the reassignment of corporate staff responsibilities.

Jose Antonio Fernandez, chief executive officer of FEMSA declared that, "All these changes endorse our strategic vision and our focus on beverages and support the construction of a company better positioned to learn rapidly.

"Our principal objective is the transfer of knowledge and business practices as well as the creation of high-level synergies between all our business divisions. This will allow us to comply with our mission, to achieve our vision and continue generating value for our shareholders. With this new organization, FEMSA is preparing to compete successfully in the twenty first century."

Carlos Salazar, chief executive officer of FEMSA Cerveza (whose principal operating subsidiary is Cerveceria Cuauhtemoc Moctezuma) since 1991, has been designated chief executive officer of Coca-Cola FEMSA, an Anchor Bottler of The Coca-Cola Company. Salazar will be succeeding Alfredo Martinez Urdal, who has been named chief executive officer of FEMSA Cerveza.

Salazar has had an outstanding career at different subsidiaries of FEMSA for 26 years. During the last four years, he has more than doubled the profitability of FEMSA Cerveza and has led that company towards excellence in its manufacturing processes, product quality, productivity and asset utilization.

Martinez Urdal has been widely recognized in business and financial circles for his distinguished performance in the management of various companies. During his tenure at Coca-Cola FEMSA, Martinez Urdal has obtained excellent results in the implementation of strategies such as revenue management, channel marketing and building brand equity of Coca-Cola Trademark Beverages in the franchise territories for which he has been responsible.

"The changes in these two important executive positions relates to our principal business strategies that consist of furthering the development of synergies and the transfer of key competencies between our beverage subsidiaries, which will benefit our businesses with the experience and know-how that these officers will contribute in their new roles," said Fernandez. "We are very pleased that our partners Labatt/Interbrew and The Coca-Cola Company agree with us in that these changes will be very beneficial for both organizations," concluded Fernandez.

In addition, FEMSA Empaques, S.A. de C.V., FEMSA Comercio, S.A. de C.V. (whose principal subsidiary is Cadena Comercial OXXO, S.A. de C.V.) and FEMSA Logistica, S.A. de C.V. will be grouped under the new "Strategic Businesses Division," which will be led by Eduardo Padilla, the current strategic planning director of FEMSA. This division will continue focusing its efforts on enhancing the strategic role of these businesses designed to provide competitive advantages to FEMSA's beverage subsidiaries. The strategic planning office previously led by Padilla will report to FEMSA's chief financial officer.

The previously mentioned changes will take effect as of Jan. 1, 2000. With the objective of guaranteeing a smooth process, a transition period is starting as of today. Salazar and Martinez Urdal will continue to serve as members of the board of directors of FEMSA Cerveza and Coca-Cola FEMSA, respectively.

Fernandez concluded, "We are making these changes to improve in each of our businesses within a winning strategy, which will allow us to further the potential of each of these business and, as a natural consequence, strengthen FEMSA's overall position."

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 and FEMSA Logistica, which provides logistics management services to FEMSA Cerveza, Coca-Cola FEMSA and FEMSA Empaques.