



FEMSA Expects Lower Than Anticipated Operating Income for 2000

MONTERREY, Mexico--(BUSINESS WIRE)--Dec. 14, 2000--Fomento Economico Mexicano, S.A. de C.V. ("FEMSA" or the "Company") (NYSE:FMX) (BMV:FEMSA UBD) (BMV:FEMSA UB) announced today that it expects consolidated operating income growth of approximately 9%-11% for the 12 months ended Dec. 31, 2000, lower than previously expected, as a result of lower than expected fourth quarter 2000 operating income for its subsidiary FEMSA Cerveza.

FEMSA Cerveza expects its operating income for the fourth quarter of 2000 to decline by approximately 17%-19% relative to the fourth quarter of last year, due primarily to an anticipated 5%-7% decline in domestic beer shipments in the fourth quarter of 2000 as compared to the fourth quarter of 1999.

Management believes that this relative decrease in beer shipments has resulted from:

- The continuing effect of FEMSA Cerveza's streamlined commercial practices vis-a-vis retailers and third party distributors, which include stricter payment terms that, although more favorable to FEMSA Cerveza, have resulted in leaner inventory levels at the point of sale;
- Unusually cold and wet weather during October and November in northern Mexico (where FEMSA Cerveza sells over 60% of its domestic volume), which negatively affected consumer demand for beer; and
- The non-recurring, extraordinarily high demand for beer witnessed in December 1999, which reflected the anticipation of the beer price increase implemented in January 2000.

For the fourth quarter 2000, FEMSA expects consolidated total revenue to increase by approximately 7%-9% and consolidated operating income to decrease by approximately 8%-10%, in both cases relative to the fourth quarter of 1999.

The percentage increases or decreases discussed in this press release are expressed in real terms. Certain statements contained herein relate to future events and expectations and as such constitute forward-looking statements involving known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of FEMSA to be different from those expressed or implied in the forward-looking statements.

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, 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, a chain of convenience stores adjacent to gasoline stations; Logistica CCM, which provides logistic management services to FEMSA Cerveza; and FEMSA Logistica, which provides logistics management services to Coca-Cola FEMSA, FEMSA Empaques, and, recently, to third party clients.

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