

FEMSA Announces Fourth Quarter and Full Year 2017 Results

Monterrey, Mexico, February 27, 2018 — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the fourth quarter and full year of 2017.

FINANCIAL HIGHLIGHTS:

- 11.5% income from operations growth (6.5% on an organic¹ basis) at FEMSA Consolidated (FY, 10.7%; 2.4%)
- 10.1% revenue growth at FEMSA Comercio’s Retail Division (FY, 12.4%)
- 9.0% operative cash flow growth at FEMSA Comercio’s Health Division (FY, 6.4%)
- 16.7% same-station sales growth at FEMSA Comercio’s Fuel Division (FY, 19.8%)
- 11.6% revenue growth (-3.8% on an organic¹ basis) at Coca-Cola FEMSA (FY, 14.7%; -2.8%)

FINANCIAL SUMMARY FOR THE FOURTH QUARTER AND FULL YEAR 2017

Change vs. same period of last year

	Revenues		Gross Profit		Income from Operations		Same-Store Sales	
	4Q17	FY2017	4Q17	FY2017	4Q17	FY2017	4Q17	FY2017
FEMSA CONSOLIDATED	11.5%	15.3%	13.6%	14.9%	11.5%	10.7%		
FEMSA COMERCIO								
Retail Division	10.1%	12.4%	10.6%	14.2%	7.2%	8.3%	4.7%	6.4%
Health Division	2.3%	9.2%	6.9%	11.6%	4.0%	2.9%	1.6%	6.7%
Fuel Division	26.4%	34.1%	29.4%	23.1%	50.0%	6.7%	16.7%	19.8%
COCA-COLA FEMSA	11.6%	14.7%	12.0%	15.1%	5.8%	9.4%		

Eduardo Padilla, FEMSA’s CEO, commented:

“The trends in the fourth quarter were generally consistent with what we saw during the third quarter. FEMSA Comercio’s Retail Division continued to open new OXXO stores at a rapid pace, while same-store sales grew in the mid-single digits reflecting a resilient but gradually moderating consumer environment in Mexico. The Health Division grew its revenues at a low-single digit rate but managed to expand its margins, driven by our operations in South America, while the Fuel Division continued its gradual improvement in profitability. For its part, Coca-Cola FEMSA realized healthy pricing in Mexico and Argentina, as well as encouraging volume growth in Brazil, Central America and the Philippines.

As for the full year, 2017 turned out to be a complex one on a number of fronts, and we were not fully able to convert our robust top-line growth into higher operating margins. However, we made significant progress in the development of our various business platforms and we are well prepared to take on the challenges and opportunities of the new year, which we approach –as always–with enthusiasm and cautious optimism.”

¹ Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

To obtain the full text of this earnings release, please visit our Investor Relations website at www.femsa.com/investor under the Financial Reports section

FORWARD-LOOKING STATEMENTS

This report may contain certain forward-looking statements concerning our future performance that should be considered as good faith estimates made by us. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact our actual performance.

FEMSA is a leading company that participates in the beverage industry through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world by volume; and in the beer industry, through its ownership of the second largest equity stake in Heineken, one of the world's leading brewers with operations in over 70 countries. In the retail industry it participates through FEMSA Comercio, comprising a Retail Division operating various small-format store chains including OXXO, a Fuel Division, operating the OXXO GAS chain of retail service stations, and a Health Division, which includes drugstores and related operations. Additionally, through its Strategic Businesses unit, it provides logistics, point-of-sale refrigeration solutions and plastics solutions to FEMSA's business units and third-party clients.