



FEMSA Reports First Quarter Ended March 31, 2001; Consolidated Operating Income Increases by 19.9% for the First Quarter of 2001

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MONTERREY, Mexico--(BUSINESS WIRE)--April 25, 2001--Fomento Economico Mexicano, S.A. de C.V. and Subsidiaries ("FEMSA" or the "Company") (NYSE:FMX) (BMV:FEMSA UBD) (BMV:FEMSA UB), Latin America's largest beverage company, today reported consolidated net sales of Ps. 10.850 billion for the first quarter of 2001, an increase of 8.5% over the first quarter of 2000.

Consolidated revenue growth was driven by revenue growth in each of FEMSA's principal divisions -- FEMSA Cerveza and Coca-Cola FEMSA. Sales volume for the Company's beer products posted a healthy growth rate of 12.2% for the first quarter of 2001 as FEMSA Cerveza raised prices gradually and selectively in different regions of Mexico throughout the quarter as opposed to the one-time increase implemented in early January in previous years.

FEMSA's soft-drink volumes increased by approximately 3.8% in Mexico, led by growth in the Valley of Mexico franchises in the colas and water categories. Coca-Cola FEMSA improved its net average pricing in real terms during the first quarter of 2001 which contributed to strong top line growth. FEMSA's retail and packaging subsidiaries also posted revenue growth of 21.8% and 7.4%, respectively.

The Company recorded consolidated operating income of Ps. 1.427 billion for the first quarter of 2001, an increase of 19.9% over the comparable period last year. The Company registered an operating margin for the first quarter of 2001 of 13.1%, a 1.2 percentage point improvement over the 11.9% operating margin achieved in the first quarter of 2000.

Jose Antonio Fernandez, chairman and chief executive officer of the Company, stated, "Consumer demand for our beverage brands showed signs of strength amidst an economic environment of modest growth. Ultimately, our strategy of increasingly leveraging on consumer preferences should make our businesses more resilient to economic downturns. We are confident that our focus towards superior market execution and intelligent resource allocation will result in an increase in profitability in the medium term; our first step has been a solid one in the right direction."

He concluded, "FEMSA once again displays a balanced growth story, with a revolutionary approach to the marketplace in the beer division, an outstanding profitability achievement in our soft-drinks business, and an aggressive expansion effort in our retail operation."

Net majority income increased by 18.5% to Ps. 494 million for the first quarter of 2001, compared to the same period last year. Earnings per FEMSA Unit for the first quarter of 2001 amounted to Ps. 0.466 representing an increase of 19.4% relative to the first quarter of 2000.

To obtain the full text of this earnings release, please [Click Here](#)

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

FEMSA is Latin America's largest 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, 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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