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## **FEMSA Reports Fourth Quarter 1999 and Twelve Months Ended Dec. 31, 1999 Results**

### **Consolidated Operating Margin for the Fourth Quarter of 1999 Improves by 3.7 Percentage Points to Reach 17.3%**

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MONTERREY, Mexico--(BUSINESS WIRE)--Feb. 3, 2000-- Fomento Economico Mexicano S.A. (NYSE:FMX) ("FEMSA" or the "Company"), Mexico's largest and one of Latin America's leading beverage companies, reported today consolidated net sales of Ps. 10.437 billion for the fourth quarter and Ps. 38.526 billion for the twelve months ended Dec. 31, 1999, an increase of 5.0% and 4.8%, respectively, over the comparable periods last year.

Consolidated revenue growth was driven by revenue growth in three of FEMSA's principal divisions -- FEMSA Cerveza, Coca-Cola FEMSA and FEMSA Comercio. Revenue growth in the beverage divisions is primarily a consequence of volume growth and real price increase experienced by FEMSA Cerveza and Coca-Cola FEMSA's Mexican operations. In the retail division, revenue growth is attributable to same store sales growth and an increase in the number of stores.

The Company recorded consolidated operating income of Ps. 1.814 billion for the fourth quarter of 1999 and Ps. 6.045 billion for the twelve months ended Dec. 31, 1999, an increase of 34.0% and 14.9%, respectively, each over the comparable periods last year. The Company registered an operating margin for the fourth quarter of 1999 of 17.3%, a 3.7 percentage point improvement over the 13.6% operating margin achieved in the fourth quarter of 1998. The Company's operating margin in 1999 reached 15.6%, 1.3 percentage points above 1998.

Jose Antonio Fernandez, chief executive officer of the Company, stated, "We believe that the strong results obtained in 1999 not only reflect a better than expected performance of the macro-economy, but above all, bear witness to the strength of our brands and franchises in Mexico. Our management has been consistently emphasizing a 'going back to basics' strategy, which hinges on identifying best practices within our industries and making them standard operating procedures. This discipline will be helped by the recent reassignment of top executives across subsidiaries, which in addition will also foster a better integration of our operations. While challenges do lie ahead in an increasingly competitive environment, we are confident that we will rise to meet them successfully in the interest of our consumers and our shareholders."

Net majority income decreased by 29.6% to Ps. 733 million for the fourth quarter of 1999 and increased by 93.5% to Ps. 2.930 billion in 1999, each compared to the same period last year. Earnings per FEMSA Unit for the fourth quarter of 1999 and for the twelve months ended Dec. 31, 1999 amounted to Ps. 0.686 and Ps. 2.743, respectively. Earnings per ADR for the fourth quarter and full year 1999 amounted to US\$ 0.724 and US\$ 2.893, respectively.

This report may contain certain forward-looking statements concerning FEMSA's future performance and 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.