MEXICAN ECONOMIC DEVELOPMENT INC
Form 6-K
April 30, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF APRIL
2003

FOMENTO ECONOMICO MEXICANO, S.A. DE C.V.
(Exact name of Registrant as specified in its charter)

Mexican Economic Development, Inc.
(Translation of Registrant's name into English)

United Mexican States
(Jurisdiction of incorporation or organization)

General Anaya No. 601 Pte.
Colonia Bella Vista
Monterrey, NL 64410 Mexico
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F of Form 40-F.)

Form 20-F X Form 40-F ___

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes ___ No X

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82--.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FOMENTO ECONOMICO MEXICANO, S.A. DE C.V.

By: /s/ Federico Reyes

Federico Reyes
Chief Financial Officer

Date: April 30, 2003

FEMSA REPORTS RESULTS FOR FIRST QUARTER OF 2003

MONTERREY, Mexico--(BUSINESS WIRE)--April 30, 2003--

First quarter 2003 consolidated revenues and operating income up 4.7% with respect to same period in 2002, reaching Ps. 12.530 billion and Ps. 1.707 billion respectively.

Fomento Economico Mexicano, S.A. de C.V. ("FEMSA") (NYSE: FMX; BMV: FEMSA UBD; FEMSA UB), the Leader in Latin Beverages, reported today growth in consolidated total revenues and operating income for the first quarter ending March 31, 2003.

FEMSA and Subsidiaries
Growth compared to same period of the previous year

Changes in %, in real peso terms

	Total Revenue 1 Qtr 03	Operating Income* 1 Qtr 03	Operating Margin** 1 Qtr 03	Operating Margin** Change
FEMSA Consolidated	4.7%	4.7%	13.6%	0 bps
FEMSA Cerveza	(2.4)	(2.4)	11.5	0
Coca-Cola FEMSA	0.8	5.2	24.0	+ 100
FEMSA Comercio	20.7	3.9	3.2	(50)
FEMSA Empaques	7.1	29.4	13.6	+230

* Before Management Fees for FEMSA Cerveza, FEMSA Comercio and FEMSA Empaques

** Operating Margin is the ratio of Operating Income to Total Revenues; change in basis points

"Once again, our consolidated results were positive in terms of revenue and operating income growth. Beyond short-term metrics, however, we continue to invest in the transformation to improve our core businesses going forward. The sustained effort to strengthen our operations and financial structure is now bearing fruit with the acquisition of Panamco. This transaction will consolidate FEMSA as one of the most successful companies in Mexico, as well as the leader in beverages in Latin America. We have managed FEMSA with a long-term vision, results orientation and operational and financial discipline. Today we have a solid track record, but the real challenge lies ahead. We will not be satisfied until we have realized the potential that this new stage in our company offers to us," said Jose Antonio Fernandez, Chairman and CEO of FEMSA.

UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2003 COMPARED TO THE FIRST QUARTER ENDED MARCH 31, 2002

FEMSA Consolidated

Total Revenues

During the first quarter of 2003, our consolidated total revenues increased by 4.7% to Ps. 12.530 billion. Our operating subsidiaries extended their steady growth trends into the first quarter of 2003, with the exception of FEMSA Cerveza, whose revenues declined by 2.4% reflecting continued weak demand in its core territories. FEMSA Comercio opened 61 net new Oxxo stores in the period, FEMSA Empaques benefited from higher demand for beverage cans coupled with a favorable currency effect, and Coca-Cola FEMSA achieved solid volume growth.

Income from Operations

During the first quarter of 2003, our consolidated operating expenses increased by 0.8% to Ps. 4.202 billion, combining a reduction in administrative expenses mainly related to lower payroll expenses, and a slight increase in selling expenses that lagged revenue growth. As a percentage of total revenues, consolidated operating expenses declined by 140 basis points to 33.5%. Our consolidated income from operations after participation in the results of affiliated companies increased by 4.7% to Ps. 1.707 billion, and our consolidated operating margin remained constant at 13.6% of consolidated total revenues.

Net Interest Expense

Consolidated net financial expense during the first quarter of 2003 increased by 71.4% to Ps. 144 million. This increase relative to the first quarter of 2002 reflects the net effect of (i) a 68.4% increase in interest expense reflecting higher average liabilities and the effect of the quarter's depreciation of the peso against the dollar on our net dollar liabilities, only partially compensated by lower average interest rates, and (ii) a 66.1% increase in interest income reflecting a significantly higher average cash position.

Foreign Exchange Variation and Result on Monetary Position

Foreign Exchange. For the first quarter of 2003, we recorded a consolidated foreign exchange loss of Ps. 156 million compared to a foreign exchange gain of Ps. 236 million recorded in the comparable quarter of 2002. The peso devaluated 3.2% against the dollar in the December 2002 to March 2003 period. Our average net dollar liabilities increased slightly from the amount recorded in the first quarter of 2002.

Monetary Position. For the first quarter of 2003, the loss on monetary position amounted to Ps. 12 million, primarily related to (i) our larger net asset position in Mexico and (ii) the change in the policy during the third quarter of 2002 by which we discontinued the use of our investment in Coca-Cola FEMSA Buenos Aires as a hedge for the liabilities incurred in connection with this acquisition, as mentioned in previous Company communications.

Taxes

For the first quarter of 2003, we recognized consolidated income tax, tax on assets and employee profit sharing expense ("taxes") of Ps. 624 million, a reduction of 17.5% relative to the first quarter of 2002. The effective tax rate was 48.6% during this period, mainly as a result of higher non-recurrent, non-deductible items.

Net Income

During the first quarter of 2003, our consolidated net income amounted to Ps. 659 million, a reduction of 41.9% from the Ps. 1.134 billion recorded in the first quarter of 2002. The non-operating charges that impacted this result as described above were mainly (i) a larger interest expense reflecting a larger net debt balance, (ii) a significant foreign exchange loss related to the devaluation of the peso against the dollar, and (iii) a higher effective tax rate.

Consolidated Net Majority Income

Consolidated net majority income amounted to Ps. 401 million for the first quarter of 2003 compared with Ps. 690 million recorded in the first quarter of 2002. Net majority income per FEMSA Unit was Ps. 0.3785 for the first quarter of 2003 compared with Ps. 0.6513 recorded in the first quarter of 2002.

FEMSA Cerveza

For the first quarter of 2003, FEMSA Cerveza's total revenues amounted to Ps. 4.542 billion, a 2.4% decrease compared to the same period last year, resulting from a decline of 1.8% in total sales volume and a decline of 0.8% in total real revenue per hectoliter. Domestic sales volume fell by 1.8% to 4.841 million hectoliters, reflecting demand weakness during January and February partially offset by an important recovery in March. We did not implement a price increase during the first quarter of 2003, which also explains the decline of 1.5% in average domestic revenue per hectoliter in real terms. Overall, we have continued to observe a relatively weak consumer market in the northern regions, characterized by soft employment and slow retail activity. Nevertheless, we have continued to provide active support for all our brands through integrated marketing initiatives; sample results include those of Sol and Indio, which have extended their encouraging trends in terms of significant incremental volume. Export sales volume decreased by 1.8%, reflecting a moderate increase in volume sold in the United States upset by seasonal declines in other regions of the world. Export revenues have benefited from the currency devaluation, posting a 12.7% increase in average revenue per hectoliter in real peso terms.

During the first quarter of 2003, FEMSA Cerveza's gross profit decreased by 2.7% compared to the first quarter of 2002. Gross profit was affected by a lower absorption of fixed costs and by increasing costs of dollar-denominated raw materials and packaging, resulting from the devaluation of the peso against the dollar of 19.8% in the period spanning from March 2002 to March 2003. The gross margin contracted 10 basis points to 55.4% of net sales. Administrative expenses decreased by 0.5% to Ps. 565.4 million and selling expenses decreased by 3.9% to Ps. 1.392 billion during the period. FEMSA Cerveza's income from operations, before deduction of management fees, decreased by 2.4% to Ps. 520.2 million compared to the first quarter of 2002, yielding an operating margin before deduction of management fees identical to that of the first quarter of last year, at 11.5% of total revenues.

During the quarter we made steady progress in the implementation of several components of the ongoing transformation process at FEMSA Cerveza. As of March 31, 2003 approximately 76% of our domestic volume was sold through presale systems, as this tool gradually yields more effectiveness to our sales force. Presale will also provide more business intelligence insights as we continue the implementation of systems, such as ERP, to better exploit the information we gather directly from the market.

Coca-Cola FEMSA

Coca-Cola FEMSA's first quarter 2003 top line results were driven by solid volume performance: 6.6% growth in Mexico and 7.6% growth in Argentina. The Mexican territories recorded a reduction in average price per unit case of 6.2%, due mainly to (i) price adjustments for the 2-liter flavor presentations, (ii) the growth of Ciel water brand within the product mix, particularly after the widespread acceptance of the 5-liter jug presentation which carries a lower price per ounce than soft-drinks, and (iii) the introduction of the 2.5-liter economy size returnable presentation for brand Coca-Cola. Total revenues in the Mexican territories remained flat versus the first quarter of 2002.

Coca-Cola FEMSA Buenos Aires continued to experience a recovery in sales and profitability. Volume growth was supported by a good performance in the cola category and by a significant move towards glass returnable presentations, which jumped from 2.9% of the mix in the first quarter of 2002 to 22.9% in the first quarter of 2003. This shift was also largely responsible for the 2.6% reduction in average price per unit case, as returnable presentations are generally more affordable to the end consumer on a per-ounce basis. Total revenues in the Argentine territories increased by 7.3% in the first quarter of 2003. Consolidated total revenues at Coca-Cola FEMSA increased 0.8% to Ps. 4.150 billion in the first quarter of 2003.

Coca-Cola FEMSA's consolidated operating income grew 5.2% in the first quarter of 2003. Overall, Coca-Cola FEMSA's operating expenses reflect a rationalization in commercialization expenses, as well as a reduction in expenses related to advertising and promotions. The operating margin expanded by 100 basis points in the quarter to 24.0% of total revenues.

Recent Events

Regarding the progress of the transaction involving Coca-Cola FEMSA's acquisition of Panamerican Beverages, Inc. (NYSE: PB, "Panamco"), we mention some relevant developments in chronological order:

-- Early termination of the waiting period by the U.S. Hart-Scott-Rodino Antitrust Improvements Act announced on February 5, 2003.

-- Approval granted by the Comision Federal de Competencia (Mexican Antitrust Commission) announced on March 28, 2003.

-- Favorable legal opinion regarding competition issued by the Brazilian Ministry of Justice announced on March 28, 2003.

-- Definitive filing of the proxy statements to the Securities and Exchange Commission by Coca-Cola FEMSA and Panamco on March 28, 2003.

-- Significant progress in the structuring of the financing facilities, including the successful pre-funding of Ps. 4,250 million in peso-denominated Certificados Bursatiles on April 23, 2003.

-- Approval to close the transaction granted by Panamco's shareholders at Panamco's General Shareholder's Assembly held on April 28, 2003.

For more information, please consult the relevant filings found in the Securities and Exchange Commission's website.

Coca-Cola FEMSA's financial results and discussion are incorporated by reference from Coca-Cola FEMSA's press release attached to this press release. Please note that the figures expressed in this report do not integrate any operation from Panamco and its bottling franchises nor any financing considerations related to the acquisition transaction. The acquisition of Panamco by Coca-Cola FEMSA is expected to close during the first week of May 2003.

FEMSA Comercio

During the first quarter of 2003, FEMSA Comercio continued its sustained growth performance, adding 61 net new Oxxo stores, compared to 44 in the same period of 2002. FEMSA Comercio's total revenues increased by 20.7% as a result of the increase in the number of stores, which this quarter includes 454 more stores than the comparable period of 2002. Average sales per store with more than 18 months of operation declined by 1.4% in the quarter. This was mainly a result of an adverse calendar effect observed during March, as Easter vacation 2002 occurred during this month. FEMSA Comercio's gross margin expansion of 50 basis points resulted primarily from improved purchasing terms with suppliers achieved by successful category management. However, operating expenses as a percentage to total revenues increased by 100 basis points, mostly related to staffing and infrastructure upgrades in the marketing, category management, logistics, administrative areas, site maintenance and expansion management. As a result, operating income before management fees grew 3.9%, which represents an operating margin contraction of 50 basis points to 3.2% of total revenues in the quarter. FEMSA Comercio will continue with its national expansion strategy in order to consolidate its position as the leading convenience store chain in Mexico.

FEMSA Empaques

For the first quarter of 2003, FEMSA Empaques recorded revenue growth of 7.1%, derived from the following combination of results in its main product lines: (i) 21.1% sales volume growth in beverage cans from higher sales to FEMSA Cerveza, Coca-Cola FEMSA and export clients; and (ii) 9.2% sales volume decline in glass bottles due to lower purchases from FEMSA Cerveza, more than offsetting the increase in purchases from Coca-Cola FEMSA. Dollar-denominated revenues were benefited by the devaluation of the peso against the dollar. The devaluation effect is also reflected in the 270-basis point expansion of the gross margin. Operating expenses increased by 10.9%, mainly reflecting higher shipping expenses related to the can export business. Operating income before management fees increased by a solid 29.4%, representing an operating margin expansion of 230 basis points to 13.6% of total revenues for the first quarter.

CONFERENCE CALL INFORMATION

Our First-Quarter 2003 Conference Call will be held on: Wednesday, April 30, 2003, 1:00 P.M. Eastern Time (12:00 noon Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: 1-800-915-4836, International: 973-317-5319. This Conference Call will also be transmitted through live webcast at http://ir.femsa.com/

If you are unable to participate live, an instant replay of the conference call will be available through May 6, 2003. To listen to the replay please dial: Domestic U.S.: 1-800-428-6051; International: 973 709-2089, Passcode: 291314.

Set forth in this press release is certain unaudited financial information for FEMSA for the first quarter ended March 31, 2003, compared to the first quarter ended March 31, 2002. We are a holding company whose principal activities are grouped under the following subholding companies (the "Subholding Companies") and carried out by their respective operating subsidiaries: FEMSA Cerveza, S.A. de C.V. ("FEMSA Cerveza"), which engages in the production, distribution and marketing of beer; Coca-Cola FEMSA, S.A. de C.V. ("Coca-Cola FEMSA"), which engages in the production, distribution and marketing of non-alcoholic beverages; FEMSA Empaques, S.A. de C.V. ("FEMSA Empaques"), which engages in the production and distribution of packaging materials; and FEMSA Comercio, S.A. de C.V. ("FEMSA Comercio"), which engages in the operation of convenience stores.

FEMSA Units consists of FEMSA UBD units and FEMSA UB units. Each FEMSA UBD unit is comprised of one Series B share, two Series D-B shares and two Series D-L shares. Each FEMSA UB unit is comprised of five series B shares. The number of FEMSA Units outstanding as of March 31, 2003 was 1,059,462,090, equivalent to the total number of shares of the Company outstanding as of March 31, 2003 divided by 5.

All of the figures in this report have been restated in constant Mexican pesos ("Pesos" or "Ps.") with purchasing power as of March 31, 2003 and were prepared in accordance with Mexican Generally Accepted Accounting Principles ("Mexican GAAP"). As a result, all percentage changes are expressed in real terms. The restatement was determined as follows:

-- For the results of the Mexican operations, using factors derived from the Mexican National Consumer Price Index ("NCPI"). To restate March 2002 pesos to March 2003 pesos, we applied an inflation factor of 1.0564 and to restate December 2002 pesos to March 2003 pesos, we applied a 1.0132 inflation factor.

-- For the results of the Buenos Aires operations, using factors derived from the Argentine National Consumer Price Index. To restate March 2002 to March 2003 Argentine Pesos, we applied an inflation factor of 1.3021 and to restate December 2002 Argentine Pesos to March 2003 Argentine Pesos we applied a 1.0211 inflation factor; to convert constant Argentine Pesos into Pesos, we used the March 31, 2003 exchange rate of Ps. 3.6225 per Argentine Peso.

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 expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact our actual performance.

IMPORTANT NOTICES:

We invite you to register in our Investor Relations Site located at http://ir.femsa.com to receive notification of all of our press releases, earnings releases and IR Events automatically through our e-mail alert service.

Please contact FEMSA's Investor Relations officers if you wish to have your name added or removed from this distribution list or to receive this press release through a specific medium only.

Three pages of tables and Coca-Cola FEMSA's press release to follow

CONSOLIDATED INCOME STATEMENT
For the three months ended March 31,:

(Expressed in Millions of Pesos as of March 31, 2003)

	2003	2002	%Var
Net sales	12,468	11,923	4.6
Other operating revenues	62	39	59.0
Total revenues	12,530	11,962	4.7
Cost of sales	6,599	6,141	7.5
Gross profit	5,931	5,821	1.9
Administrative expenses	1,143	1,155	(1.0)
Selling expenses	3,059	3,015	1.5
Operating expenses	4,202	4,170	0.8
Participation in affiliated companies	(22)	(20)	N.S.
Income from operations	1,707	1,631	4.7
Interest expense	(330)	(196)	68.4
Interest income	186	112	66.1
Interest expense, net	(144)	(84)	71.4
Foreign exchange (loss) gain	(156)	236	N.S.
Gain (loss) on monetary position	(12)	188	N.S.
Integral result of			

financing	(312)	340	N.S.
Other (expenses) incomes	(112)	(81)	38.3
Income before taxes	1,283	1,890	(32.1)
Taxes	(624)	(756)	(17.5)
Net Income	659	1,134	(41.9)
Net majority income	401	690	(41.9)
Net minority income	258	444	(41.9)

	% Total Revenues		
	2003	2002	Var P.P.
Net sales	99.5	99.7	(0.2)
Other operating revenues	0.5	0.3	0.2
Total revenues	100.0	100.0	-
Cost of sales*	52.9	51.5	1.4
Gross profit*	47.6	48.8	(1.2)
Administrative expenses	9.1	9.7	(0.6)
Sales expenses	24.4	25.2	(0.8)
Operating expenses	33.5	34.9	(1.4)
Participation in affiliated companies	(0.2)	(0.2)	-
Income from operations	13.6	13.6	-

* % to Net sales

CONSOLIDATED BALANCE SHEET
As of March 31, :

(Expressed in Millions of Pesos as of March 31, 2003)

ASSETS	2003	2002	% Var
Cash and cash equivalents	13,939	8,016	73.9
Accounts receivable	2,949	3,298	(10.6)
Inventories	5,226	4,637	12.7
Prepaid expenses	1,286	947	35.8

Total Current Assets	23,400	16,898	38.5
Property, plant and equipment, net	30,449	29,007	5.0
Deferred charges and other assets	7,183	6,375	12.7
TOTAL ASSETS	61,032	52,280	16.7

LIABILITIES & STOCKHOLDERS' EQUITY

Bank loans	3,703	1,221	203.3
Current maturities long term debt	517	725	(28.7)
Interest payable	202	198	2.0
Operating liabilities	7,859	7,596	3.5
Total Current Liabilities	12,281	9,740	26.1
Bank loans	10,028	6,571	52.6
Deferred income taxes	4,032	3,918	2.9
Other liabilities	1,669	1,463	14.1
Total Liabilities	28,010	21,692	29.1
Total Stockholders' equity	33,022	30,588	8.0
LIABILITIES & STOCKHOLDERS' EQUITY	61,032	52,280	16.7

FINANCIAL RATIOS

Liquidity	1.91	1.73	0.17
Interest coverage**	18.97	31.79	(12.82)
Leverage	84.8%	70.9%	13.91
Capitalization	32.7%	22.5%	10.22

** Income from operations + depreciation + other non- cash charges / interest expense, net

OTHER INFORMATION

Depreciation	553.2	562.6	(1.7)
Other non-cash charges	471.4	476.9	(1.2)
Capex	1,580.6	909.3	73.8
Net Debt (MM dollars)	28.6	69.1	(58.6)

Results from operations
For the first quarter of:
(Expressed in Millions of Pesos as of March 31, 2003)

	FEMSA Cerveza			Coca-Cola FEMSA			FEMSA Comercio		
	2003	2002	% Var	2003	2002	% Var	2003	2002	% Var
Net sales	4,507.2	4,627.7	(2.6)	4,100.7	4,078.2	0.6	3,407.1	2,822.0	20.7
Other revenues	34.9	27.2	28.3	48.9	39.8	22.9			
Total revenues	4,542.1	4,654.9	(2.4)	4,149.6	4,118.0	0.8	3,407.1	2,822.0	20.7
Cost of good sold	2,043.0	2,085.4	(2.0)	1,995.6	1,922.8	3.8	2,521.2	2,102.8	19.9
Gross margin	2,499.1	2,569.5	(2.7)	2,154.0	2,195.2	(1.9)	885.8	719.2	23.2
Administrative expenses	565.4	568.5	(0.5)	328.2	346.1	(5.2)	60.0	54.5	10.2
Sales expenses	1,391.8	1,448.0	(3.9)	831.5	903.6	(8.0)	718.2	561.1	28.0
Operating expenses	1,957.2	2,016.5	(2.9)	1,159.7	1,249.7	(7.2)	778.2	615.6	26.4
Participation in affiliated companies	(21.7)	(20.0)	(8.5)						
Income from operations before management fee	520.2	533.0	(2.4)	994.3	945.5	5.2	107.6	103.5	3.9
Management fee	103.2	100.8	2.4	0.0	0.0		15.7	19.0	(17.4)
Income from operations	417.0	432.2	(3.5)	994.3	945.5	5.2	91.9	84.6	8.7
% to Total Revenues									
Income from operations before management fee	11.5	11.5	0.0	24.0	23.0	1.0	3.2	3.7	(0.5)
OTHER INFORMATION									
Depreciation	287.5	291.1	(1.2)	118.8	144.2	(17.6)	29.6	22.1	33.8
Other non-cash charges	372.0	380.0	(2.1)	91.9	107.4	(14.4)	31.7	23.5	34.9
Capex	835.8	651.5	28.3	348.7	232.3	50.1	201.8	52.0	288.2
Net debt (million dollars)	248.7	159.7	55.8	(325.5)	(186.5)	74.5	90.8	32.7	177.4

Operating Data
For the first quarter of:

FEMSA Cerveza

Sales Volumes
(Thousand hectoliters)

	2003	2002	%Var

Domestic	4,841	4,930	(1.8)
Exports	362	368	(1.8)
Total Volume	5,202	5,298	(1.8)

Presentation Mix (%)

	2003	2002	Var p.p.
Returnable	69.5	71.0	(1.5)
Non Returnable	8.0	7.3	0.7
Cans	22.5	21.7	0.8
Total volume	100.0	100.0	(0.0)

Exports revenues:	Millions Ps.	259.8	234.7	10.7
	US Millions	23.7	24.7	(4.0)

Coca-Cola FEMSA

Sales Volumes

(Millions of Unit Cases)

	2003	2002	%Var
Valley of Mexico	89.7	83.9	6.9
Southeast	28.9	27.3	5.9
Mexico	118.6	111.2	6.6
Buenos Aires	31.6	29.4	7.6
Total	150.2	140.6	6.8

Presentation Mix (%)

(Returnable/Non-Returnable)	2003	2002
Valley of Mexico	30/70	36/64
Southeast	46/54	44/56
Mexico	34/66	38/62
Buenos Aires	23/77	3/97
Total	32/68	31/69

FEMSA Empaque

Total Sales Volume
(Millions of pieces)

		2003	2002	%Var
Cans		737.3	608.6	21.1
Glass Bottles		209.8	231.1	(9.2)
Export volumes:	Cans	148.9	31.1	378.8
Exports revenues:	Millions Ps.	202.3	124.7	62.2
	US Millions	18.4	13.1	40.5

Percentage of sales revenue by client category:

	2003	2002	Var p.p.
Intercompany sales	57.7	59.8	(2.1)
FEMSA Cerveza	37.6	44.5	(6.9)
Coca-Cola FEMSA	20.1	15.3	4.8
Third-party sales	42.3	40.2	2.1
Domestic	29.8	31.5	(1.8)
Export	12.5	8.7	3.8
Total	100.0	100.0	

FEMSA Comercio

	2003	2002	%Var
Total stores	2,277	1,823	24.9
New stores	61	44	38.6
Comparative same stores:*			
Average monthly sales (Ths. Ps.) **	510.6	517.8	(1.4)

* Stores with more than 18 months of operations.
** Based on comparative same stores in each period.

PRESS RELEASE
FOR FURTHER INFORMATION:

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COCA-COLA FEMSA Announces 5.2% Operating Profit Growth for the first quarter of 2003

FIRST-QUARTER 2003

-- Consolidated unit case volume increased by 6.8% as a result of the 6.6% and 7.6% volume growth in the Mexican and Argentine operations, respectively.

-- Consolidated operating income increased by 5.2% to Ps. 994.3 million, reaching a consolidated operating margin of 24.0%, an increase of 1.0 percentage point as compared to the first quarter of 2002.

Mexico City (April 30, 2003) - Coca-Cola FEMSA, S.A. de C.V. (NYSE: KOF) ("Coca-Cola FEMSA" or the "Company"), one of the global Coca-Cola anchor bottlers and the largest Coca-Cola bottler in Mexico and Argentina, announced today its consolidated results for the first quarter of 2003.

"Our first quarter results reflect the ability of our Company to take advantage of our brands and resources to leverage on our industry knowledge and market expertise to implement price, packaging and product strategies per distribution channel to preserve and create value for our organization." stated Carlos Salazar, Chief Executive Officer of the Company.

CONSOLIDATED RESULTS

During the first quarter of 2003, our consolidated volume totaled 150.2 million unit cases ("MUC")1, a 6.8% improvement over the same period in 2002. Strong volume growth in Mexico and Argentina supported these results.

Consolidated operating income increased by 5.2% during the same period, driven by a 3.2% and 58.5% operating income growth in our Mexican and Argentina territories, respectively. Higher volume growth and lower operating expenses in Mexico and Argentina, compensated for higher costs of packaging in both territories and the impact of the devaluation of the Mexican peso year over year.

The integral cost of financing shifted from a gain of Ps. 308.6 million during the first quarter of 2002 to a loss of Ps. 65.3 million in the first quarter of 2003 due primarily to the combined effect of:

(i) the negative impact of the depreciation of the Mexican peso on our U.S. dollar denominated interest expenses;
(ii) an extraordinary gain recorded in KOFBA, generated by the devaluation of the Argentine Peso versus the U.S. dollar during the first quarter of 2002 applied to cash balances held in U.S. dollars; and
(iii) the decision of the Company to discontinue using the investment in KOFBA as a hedge for the liabilities incurred in connection with this acquisition during the third quarter of 2002

The income tax, tax on assets and employee profit sharing as a percentage of income before taxes increased from 36.9% in the first quarter of 2002 to 46.2% in the same period of 2003, due to non-recurring non-deductible expenses recorded during this period. Despite the increase on the marginal rate, the income tax, tax on assets and employee profit sharing decreased by 12.3% in the first quarter of 2003 as compared to the first quarter of 2002.

As a result of all of the above, consolidated net income declined by 40.3%, to Ps. 470.7 million in the first quarter of 2003, resulting in earnings per share ("EPS") of Ps. 0.330 (U.S.$0.306 per ADR).

BALANCE SHEET

On March 31, 2003, Coca-Cola FEMSA recorded a cash balance of Ps. 6,792 million (U.S.$629.2 million) and total bank debt of Ps. 3,269 million (U.S.$302.8 million). As compared to December 31, 2002, this represents a Ps. 530 million (U.S.$49.1 million) increase in cash and cash equivalents.

MEXICAN OPERATING RESULTS

Revenues

Revenues in the Mexican territories reached Ps. 3,653.7 million for the first quarter of 2003, remaining almost flat as compared with the same period last year. First-quarter 2003 sales volume reached 118.6 MUC, an increase of 6.6% over first-quarter 2002. Excluding incremental volumes from our 5 lt. presentation of still water brand Ciel, the rest of the products reached sale volumes of 115.6 MUC, a 3.9% improvement over the first quarter of 2002.

The following chart sets forth sales volume and average unit price per case for the first quarter of 2003, as well as percentage growth over the same period in 2002 in our Mexican territories.

	Excluding 5 lt. Ciel		Including 5 lt. Ciel	
	Total	% Growth	Total	% Growth
Sales Volume (MUC)	115.6	3.9	118.6	6.6
Avg. Unit Price	Ps. 31.3	(4.6)	Ps. 30.8	(6.2)

The 6.6% sales volume growth during the first quarter of 2003 in the Mexican territories was mainly the result of (i) the solid performance of our flavor brands including Fanta, Lift and Mundet, and (ii) the 8.4 MUC sales volume reached by Ciel still and mineral water, almost doubling the sales volume as compared to first quarter of 2002.

Gross Profit

Gross profit decreased by 2.1% for the first-quarter 2003. Consolidated cost of sales, as a percentage of total sales, increased by 1.2 percentage points during the first quarter of 2003, as a result of higher costs of packaging and the devaluation of the Mexican peso year over year.

Income from Operations

As a percentage of total sales, selling and administrative expenses decreased for the first quarter of 2003 by 2.0 percentage points, as compared to 2002. This was a result of (i) lower breakage of bottles due to the replacement of the 2.0 lt. PET returnable packaging with the introduction of the 2.5 lt. PET returnable presentation for the Coca-Cola brand, (ii) lower marketing expenses and (iii) lower administrative expenses, as compared to the first quarter of 2002. As a result, operating profit increased by 3.2%

during first quarter of 2003, reaching an operating margin of 26.2%, an expansion of 0.8 percentage points as compared to the same period of 2002.

ARGENTINE OPERATING RESULTS

Revenues

Our successful execution strategies in Argentina continue to achieve positive results. In the first quarter of 2003, total sales volume in our Buenos Aires territory increased by 7.6% as compared to the same period of 2002, which offset the 2.6% decrease in the average real price per unit case in Argentine pesos. As a result, total revenues grew by 7.3% during the first quarter of 2003.

Our core brands (Coca-Cola, Sprite and Fanta) in returnable packaging presentations are recapturing the preference of our Argentine consumers, accounting for almost all the incremental volume sales during the quarter. During the first quarter of 2003, returnable presentations, which are more profitable than the value-protection brands, represented 23% of our total volume sales, compared to 3% during the first quarter of 2002.

Gross Profit

Gross profit as a percentage of sales decreased from 36.9% in the first quarter of 2002 to 34.8% in 2003, this reduction was mainly due to higher sweetener and packaging costs, which were partially offset by our shift to returnable glass presentations.

Income from Operations

In Argentina, operating expenses decreased by 5.6% for the first quarter of 2003 as compared to the same period of 2002, as a result of lower marketing expenses and lower salary expenses.

The successful performance of our returnable presentations combined with a strong focus on channel segmentation and a tight cost control strategy helped us achieve an operating profit of A$10.3 million for the first quarter of 2003, an increase of 58.5% versus the same period last year.

RECENT DEVELOPMENTS

-- On April 28, 2003, the stockholders of Panamerican Beverages, Inc. ("Panamco") approved the acquisition of Panamco by Coca-Cola FEMSA in a special meeting that took place in Miami, Florida. The proposed acquisition was approved by all classes of Panamco stock as required by the merger agreement with Coca-Cola FEMSA. The merger remains subject to the satisfaction or waiver of other conditions, including the disbursement of acquisition funding by the lenders to Coca-Cola FEMSA. Assuming all remaining conditions are satisfied, the acquisition is expected to close on May 6, 2003.

-- On April 25, 2003 the Company raised Ps. 4.25 thousand million, equivalent to approximately US$400 million, through three bonds offerings of "Certificados Bursatiles" (Mexican peso denominated-bonds) in the Mexican debt capital markets, in what is considered one of the most successful debt offerings completed in Mexican history. Fitch and S&P rated the bond offerings with local currency credit ratings of AAA/AA+, respectively. The following table provides the characteristics of each one of the issues:

Main Terms	4yrs TIIE Based Note	5 yrs CETES Based Note	7 yrs Fixed Rate Notes
Amount	Ps. 2,000 MM	Ps. 1,250 MM	Ps.1,000 MM
Tenor/Amortization	4 year bullet	5 year bullet	7 year bullet
Rate	28-day TIIE + 55 bps	182 day CETE + 120 bps	10.4% Fixed

The proceeds from the offerings will be used as part of the debt pre-funding needed for the acquisition of Panamco.

-- In line with our efforts to evaluate and test different strategies on how to foster per-capita consumption for carbonated soft-drinks in the Valley of Mexico, we launched a 2.5 lt. PET non-returnable packaging presentation for the Coca-Cola brand during the month of March of 2003.

-- At the beginning of the year we successfully launched in Argentina, Fanta Light in 500 ml PET and 1.5 lt. PET non-returnable presentations. This new product generated almost 10% of the incremental volumes of the quarter in Buenos Aires, driving volume growth in the premium category.

-- Due to the success of our strategy of returnable packaging presentations in Argentina, we launched a 2.0 lt. PET returnable presentation for brand Coca-Cola at the end of February of 2003 to increase further our presence in the family size presentations and to increase per-capita consumption by providing a more compelling value proposition to our clients and customers in Buenos Aires.

CONFERENCE CALL INFORMATION

Our First-Quarter 2003 Conference Call will be held on: Wednesday, April 30, 2003, 10:30 A.M. Eastern Time (9:30 A.M. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: 800-599-9816 and International: 617-847-8705.

If you are unable to participate live, an instant replay of the conference call will be available through May 14, 2003. To listen to the replay please dial: Domestic U.S.: 888-286-8010; International: 617-801-6888, Passcode: 833855.

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Coca-Cola FEMSA, S.A. de C.V. produces Coca-Cola, Sprite, Fanta, Lift and other trademark beverages of The Coca-Cola Company in the Valley of Mexico and the Southeast territories in Mexico and in the Buenos Aires Territory in Argentina. The Company has eight bottling facilities in Mexico and one in Buenos Aires and serves more than 283,650 retailers in Mexico and 76,400 retailers in the greater Buenos Aires area. Coca-Cola FEMSA currently accounts for approximately 3.2% of Coca-Cola global sales, 23.8% of all Coca-Cola sales in Mexico and approximately 36.8% of all Coca-Cola sales in Argentina. The Coca-Cola Company owns a 30% equity interest in Coca-Cola FEMSA.

* * *

Figures for the Company's operations in Mexico and its consolidated international operations were prepared in accordance with Mexican generally accepted accounting principles ("Mexican GAAP"). Figures of the Company's operations in Argentina were prepared in accordance with Argentine generally accepted accounting principles. All figures are expressed in constant Mexican pesos with purchasing power at March 31, 2003. For comparison purposes, 2002 and 2003 figures from the Company's Argentine operations have been restated taking into account Argentine inflation with reference to the Argentine consumer price index and converted from Argentine pesos into Mexican pesos using the March 31, 2003 exchange rate of Ps. 3.622 per A$1.00. In addition, all comparisons in this report for the first quarter of 2003, which ended on March 31, 2003, in this report are made against the figures for the comparable period in 2002, unless otherwise noted.

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

References herein to "U.S.$" are to United States dollars. This news release contains translations of certain peso amo amounts into U.S. dollars at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated.

* * *

(3 pages of tables to follow)

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
Consolidated Balance Sheet
As of March 31, 2003 and December 31, 2002
Millions of Mexican pesos (Ps.)
Expressed in currency with purchasing power as of March 31, 2003

ASSETS	2003	2002
Current Assets		
Cash and cash equivalents	Ps. 6,792	Ps. 6,262
Accounts receivable:		
Trade	375	563
Notes	11	12
Prepaid taxes	188	245
Other	229	208

	803	1,028
Inventories	1,217	773
Prepaid expenses	101	74
Total current assets	8,913	8,137
Property, plant and equipment		
Land	792	795
Buildings, machinery and equipment	8,987	9,047
Accumulated depreciation	(3,338)	(3,304)
Construction in progress	402	370
Bottles and cases	372	292
Total property, plant and equipment	7,215	7,200
Investment in shares	121	126
Deferred charges, net	907	859
Goodwill, net	280	262
TOTAL ASSETS	Ps. 17,436	Ps. 16,584

LIABILITIES & STOCKHOLDERS' EQUITY	2003	2002
Current Liabilities		
Short-term bank loans, notes and interest payable	Ps. 108	Ps. 82
Suppliers	1,643	1,630
Accounts payable and others	674	668
Taxes payable	507	229
Total Current Liabilities	2,932	2,609
Long-term bank loans	3,269	3,212
Pension plan and seniority premium	191	188
Other liabilities	1,199	1,198
Total Liabilities	7,591	7,207
Stockholders' Equity		
Minority interest	0	0
Majority interest:		
Capital stock	2,401	2,401
Additional paid in capital	1,689	1,689
Retained earnings of prior years	9,431	6,817
Net income for the period	471	2,615
Cumulative results of holding non-monetary assets	(4,147)	(4,145)

Total majority interest	9,845	9,377
Total stockholders' equity	9,845	9,377
TOTAL LIABILITIES & EQUITY	Ps. 17,436	Ps.16,584

Mexican Inflation December 2002 - March 2003	1.32%
Argentine Inflation December 2002 - March 2003	2.11%
Mexican Peso / U.S.Dollar at March 31, 2003	10.795
Argentine peso / U.S. Dollar March 31 , 2003	2.980

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
INCOME STATEMENT
For the three months ended March 31, 2003 and 2002
Expressed in currency with purchasing power as of March 31, 2003

	Consolidated			Mexican Operations		
	(Millions of Mexican Pesos) (1)					
	2003	2002	% VAR	2003	2002	% VAR
Sales Volume(millions unit cases)	150.2	140.6	6.8	118.6	111.2	6.6
Average unit price per case	27.30	29.01	(5.9)	30.80	32.83	(6.2)
Net revenues	4,100.7	4,078.2	0.6	3,653.7	3,651.7	0.1
Other operating revenues	48.9	39.8	22.9	16.6	19.8	(16.2)
Total revenues	4,149.6	4,118.0	0.8	3,670.3	3,671.5	(0.0)
Cost of sales	1,995.6	1,922.8	3.8	1,683.1	1,641.0	2.6
Gross profit	2,154.0	2,195.2	(1.9)	1,987.2	2,030.5	(2.1)
Administrative expenses	322.5	330.9	(2.5)	295.4	302.7	(2.4)
Selling expenses	831.5	903.6	(8.0)	729.2	795.0	(8.3)
Operating expenses	1,154.0	1,234.5	(6.5)	1,024.6	1,097.7	(6.7)
Goodwill amortization	5.7	15.2	(62.5)	2.0	2.0	-
Operating income	994.3	945.5	5.2	960.6	930.8	3.2
Interest expense	94.6	74.2	27.5			
Interest income	64.5	65.1	(0.9)			
Interest expense, net	30.1	9.1	230.8			
Foreign exchange loss (gain)	18.4	(132.0)	(113.9)			
Loss (gain) on monetary position	16.8	(185.7)	(109.0)			
Integral cost of financing	65.3	(308.6)	(121.2)			
Other (income) expenses, net	54.9	6.2	785.5			

Income before taxes	874.1	1,247.9	(30.0)			
Taxes	403.4	460.0	(12.3)			
Consolidated net income	470.7	787.9	(40.3)			
Majority net income	470.7	787.9	(40.3)			
Non-cash items (2)	210.7	251.6	(16.3)	165.3	191.4	(13.6)

(1) Except volume and average price per unit case figures.
(2) Depreciation, amortization and other non-cash items (including returnable bottle breakage expenses).

Mexican Inflation March 2002 - March 2003	5.64%
Argentine Inflation March 2002 - March 2003	30.21%
Mexican Peso / U.S.Dollar at March 31, 2003	10.795
Argentine Peso / U.S.Dollar at March 31 2003	2.980
Mexican Peso / Argentine peso at March 31 2003	3.622

Selected Information

For the three months ended March 31, 2003

Expressed in Pesos as of March 31, 2003

	2003
Depreciation (1)	124.5
Amortization and others	86.2
Capital Expenditures (2)	348.7

(1) (Includes goodwill amortization)
(2) (Includes Bottles and Cases and Deferred Charges)

Sales Volume Information
Expressed in millions of unit cases

	2003	2002
Mexico	118.6	111.2
Valley of Mexico	89.7	83.9
Southeast	28.9	27.3
Buenos Aires	31.6	29.4
Total	150.2	140.6

Product Mix by Brand
(Colas / Flavors / Water)
Expressed as a percentage of total volume

	2003	2002
Mexico	68/25/7	74/22/4
Valley of Mexico	68/25/7	74/23/3

Southeast	69/24/7	73/21/6
Buenos Aires	70/29/1	63/36/1
Total	69/25/6	72/25/3

Product Mix by Presentation
(Returnable / Non Returnable)
Expressed as a percentage of total volume

	2003	2002
Mexico	34/66	38/62
Valley of Mexico	30/70	36/64
Southeast	46/54	44/56
Buenos Aires	23/77	3/97
Total	32/68	31/69

(1) The unit case is equal to 24 eight-ounce servings.

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