NEWS RELEASE

FOR IMMEDIATE RELEASE

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COCA-COLA FEMSA, S.A. DE C.V.

COCA-COLA FEMSA ANNOUNCES SECOND QUARTER 1999 OPERATING RESULTS

SECOND QUARTER 1999

- **Unit case volume in the Mexican Territories grew 1.5%, on top of a comparable 28.8% increase in the second quarter of 1998.**
- **Buenos Aires comparable unit case volume increased 4.7% (11.0% including volume from the Pilar area), on top of a comparable 10.8% increase in the second quarter 1998.**
- **Consolidated operating profit increased 16.5% over second quarter 1998, reaching Ps.498.8 million.**
- **Consolidated EBITDA increased 17.6% as compared to second quarter 1998, reaching Ps.745.3 million.**

FIRST HALF 1999

- **Unit case volume in the Mexican Territories grew 4.3%, on top of a comparable 25.5% increase in the first six months of 1998.**
- **Buenos Aires comparable unit case volume increased 3.8% (11.3% including volume from the Pilar area), on top of an 8.2% increase in the first six months of 1998.**
- **Consolidated operating profit increased by 20.1% over the first half 1998, reaching Ps.878.4 million.**
- **Consolidated EBITDA increased 20.3% as compared to the first half of 1998, reaching Ps.1.379 billion.**

Mexico City (July 28, 1999) - Coca-Cola FEMSA, S.A. de C.V. (NYSE: KOF) ("KOF" or the "Company"), one of eleven global Coca-Cola anchor bottlers and the largest Coca-Cola bottler in Mexico and Argentina, announced today its consolidated results for the three-month period and six month period ended June 30, 1999. 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 June 30, 1999. For comparison purposes, 1998 and 1999 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 June 30, 1999 exchange rate of Ps. 9.41 per A$1.00.

"During the second quarter 1999, Coca-Cola FEMSA worked diligently to improve operations and to capitalize on the operating efficiencies realized. The result was solid operating profit growth despite the very challenging economic background faced in the markets that we serve. With continual operating improvement in Mexico and Buenos Aires, I believe the Company is well postured to continue growing in both sales volume and profitability," stated Alfredo Martínez Urdal, Chief Executive Officer of the Company.

SECOND QUARTER 1999 CONSOLIDATED RESULTS

Comparable consolidated unit case volume grew 2.1% (3.2% including the Pilar area in Argentina[1]) during second quarter 1999, reaching 135.7 million unit cases (137.5 million unit cases including Pilar area volume). This growth follows a 27.4% volume growth in the second quarter of 1998.

Favorable pricing in Mexico offset a 4.0% decline in average pricing in Buenos Aires and consolidated total sales reached Ps. 3.419 billion, a 4.7% improvement over second quarter 1998. The positive pricing in Mexico followed a 7% weighted average increase in the Valley of Mexico late in the first quarter of 1999. The improvement in volume and pricing, and advancements made in operating efficiencies, resulted in a 16.5% increase in consolidated operating income, which reached Ps.498.8 million.

During second quarter 1999, integral cost of financing was Ps. 92.8 million, which compares favorably to the Ps. 110.4 million integral cost of financing reported in the second quarter of 1998.[2] The positive effects of a 1.0% appreciation of the Mexican peso during the second quarter 1999 and a decrease in net interest expense were partially offset by 1.35% deflation in Argentina, which resulted in a loss on monetary position. Lower net interest expense was driven by the appreciation of the Mexican peso, a US$14.7 million decrease of short-term debt and an improved cash position during the second quarter 1999.

Other expenses for second quarter 1999 reached Ps. 27.7 million. These expenses were related to asset write-offs in our Mexican and Argentine operations attributable to operational efficiencies and rationalization of production capacity, and severance payment expenses experienced by the Company.

KOF recognized consolidated income tax, tax on assets and employee profit sharing expense of

1 On June 1, 1998, KOFBA entered into a franchise agreement covering the Pilar area, previously serviced by Refrescos del Norte, S.A. (RDN). Pilar is located north of Buenos Aires.

2 The term "integral result of financing" refers to the combined financial effects of, (i) net interest expense or interest income, (ii) net foreign exchange gains or losses and (iii) net gains or losses on monetary position.

Ps. 151.3 million for second quarter 1999 compared to Ps. 114.2 million in second quarter 1998. The increase was largely due to the initiation of tax payments in Argentina in December 1998, changes in the Mexican and Argentine tax laws, and the Company's improved profitability.

Consolidated net income increased by 31.4%, reaching Ps. 227.0 million during the second quarter of 1999. Net income per share reached Ps. 0.159 (US$0.169 per ADR).

Consolidated EBITDA[3] grew 17.6% to Ps. 745.3 million in the second quarter of 1999 over the same period of 1998.

Capital Expenditures during the quarter reached approximately Ps. 238.7 million, including the Company's net investment in cold drink equipment.

REGIONAL DETAIL

"The Company's efforts to lower operating costs in every aspect of our business and the appreciation of the Mexican peso allowed us to improve our cost structure. We are, among other things, reducing secondary packaging costs, and improving asset utilization in our bottling facilities and distribution warehouses. Coca-Cola FEMSA prides itself in the people we have recruited and developed, as well as the information systems that these employees utilize. Although these "assets" carry a cost, we strongly believe that the results far outweigh the expenses incurred," stated Mr. Martínez Urdal.

MEXICO

Through powerful marketing execution and promotions in Coca-Cola FEMSA's Mexican Territories, second quarter 1999 sales volume exceeded the strong sales volume of the previous year by 1.5%. During the second quarter 1998, which included the extraordinary event of the World Cup Soccer Tournament and extremely hot and dry weather, comparable sales volume growth over second quarter 1997 reached 28.8%.

During second quarter 1999, carbonated soft drink (CSD) unit case volume grew 2.7% in Mexico and bottled water sales volume declined 26.1%.

Mexican operating profit improved 9.5%, reaching Ps. 489.5 million. Increased unit case volume, favorable pricing, a strong peso and an improved cost structure contributed to the improvement in operating results. Although the current trend towards non-returnable presentations increased the Company's packaging material cost, the increase was off-set by lower costs of certain raw materials and the increased purchasing power that resulted from the appreciation of the peso against the U.S. Dollar. In addition, the Company has increased its expenses in the area of people and information systems in line with its strategy to maintain the highest quality of operations and products possible.

ARGENTINA

"For the first year since entering the Argentine market in 1994, we are expecting positive operating income throughout the year. The Argentine market is extremely challenging with

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[3] The Company calculates EBITDA based on income from operations plus depreciation, amortization and other non-cash items (including bottle breakage expenses). It should be noted that the U.S. Securities and Exchange Commission does not endorse the use of EBITDA. However, the Company's management believes that reporting EBITDA is an industry standard and is a useful measure.

seasonality, pricing pressures and lower per capita consumption. However, we believe that through the additional cases we are selling as a result of improved marketing and new territories, Coca-Cola FEMSA Buenos Aires will continue to improve its operating performance," stated Mr. Martínez Urdal.

Second quarter 1999 unit case volume grew 4.7% on a comparable basis and 11.0% including the volume from the Pilar area. Sales volume of colas and flavors grew 11.0% and 12.7%, respectively. Although increased cola sales drove these increases in volume, flavored soft drinks now represent 21.8% of the Company's product mix.

Second quarter 1999 operating profit in the Company's Buenos Aires Franchise increased from A$0.2 million in second quarter 1998 to A$3.1 million with an operating margin improvement of 340 basis points. The primary drivers of this margin growth were improved efficiencies due to the additional cases sold and the benefit of a price reduction of product purchased from Complejo Industrial CAN, S.A. ("CICAN").

CICAN is a joint venture between participating Coca-Cola bottlers in Argentina, Uruguay, and Paraguay. KOF, through its operating subsidiary, Coca-Cola FEMSA Buenos Aires, S.A, owns approximately 48.1% equity interest in CICAN. As a result of the price reduction, the Company's cost of sales was reduced while profits received by the Company, as a CICAN participant, were lower.

The increases in selling general and administrative expenses were largely due to the additional expenses and depreciation of assets related to the new Pilar operation.

DIVIDEND PAYMENT

On March 17, 1999 the Company's board of directors declared a dividend of Ps.0.114 per share to be paid to all shareholders of record on August 17, 1999. The payment date is August 18,1999. Each ADR traded represents ten Series L shares.

YEAR 2000

As of June 30, 1999, 95% of Coca-Cola FEMSA's mission-critical programs and data processing systems are Year 2000 ("Y2K") compliant. The Company has revised its Y2K compliance schedule and expects 100% compliance of these critical programs and systems during the third quarter 1999 and expects that the certification of all remaining systems that are not mission critical to be completed by October 1999. The Company's contingency plan, although completed in June 1999, will continually be reviewed and updated to better prepare Coca-Cola FEMSA for the new millenium.

The Company estimates that the incremental cost of its Y2K solution is US$2.0 million (approximately 70% hardware cost and 30% software costs). The estimate includes embedded chip replacement and other bottling facility hardware, as well as data processing systems utilized throughout the Company. The Company believes that this cost will not have a material adverse impact on the operations or financial condition of the Company.

RISK

The Company believes the greatest risk of disruption in the operations primarily arises from the Company's dependence on third-party business relationships. The Company has identified and classified as material risks to the Company's operation the absence or shortage in the supply of the following critical inputs in the production processes: electricity, fuel, telecommunications and raw materials. In addition, the Company believes that failures in the banking system could cause credit and cash constraints that could lead to liquidity problems disrupting the transactions in which the Company engages in the normal course of its business.

The Company has contacted all of its critical suppliers, customers, and other business partners to determine their preparation for the Y2K problem and to assess the Company's vulnerability to third-party Y2K risk. Although the Company will make its best efforts to insulate itself from exposure to third-party Y2K problems and has a contingency plans to face the most reasonably likely worst case scenarios, it can not guarantee that these third parties, including critical suppliers, will be properly prepared by the end of 1999, nor can it guarantee that any Y2K problems experienced by third-parties will not affect the Company's operations.

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This news release may contain forward-looking statements concerning Coca-Cola FEMSA future performance and should be considered as good faith estimates of 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, which could materially impact the Company's actual performance.

Coca-Cola FEMSA, S.A. de C.V., is a joint venture between Grupo Industrial Emprex, S.A. de C.V. ("Emprex"), a 99%-owned subsidiary of Fomento Económico Mexicano, S.A. de C.V. ("FEMSA"), Mexico's largest beverage company, and Inmex Corporation, a wholly owned subsidiary of The Coca-Cola Company. KOF produces *Coca-Cola*, *Sprite*, *Fanta*, *Lift* and other trademark beverages of The Coca-Cola Company in the Valley of Mexico and the Southeast Territory in Mexico and in Buenos Aires, Argentina. The Company has 12 bottling facilities in Mexico and two in Buenos Aires and serves more than 245,000 retailers in Mexico and more than 65,000 retailers in the greater Buenos Aires area. The Company currently accounts for approximately 24% of all Coca-Cola sales in Mexico and approximately 35% of all Coca-Cola sales in Argentina. The Coca-Cola Company owns a 30% equity interest in Coca-Cola FEMSA.

(4 pages of tables to follow)

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Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
INCOME STATEMENT
For the three months ended June 30, 1999 and 1998
Expressed in currency with purchasing power as of June 30, 1999

	Consolidated			Mexican Operations			Buenos Aires Operation		
	(Millions of Mexican Pesos)						(Millions of Argentine Pesos)		
	1999	1998	% VAR	1999	1998	% VAR	1999	1998	% VAR
Sales volume (millions unit cases)	137.5	133.2	3.2	110.7	109.0	1.6	26.8	24.2	10.7
Average unit price per case	24.80	24.36	1.8	23.68	22.98	3.0	3.13	3.25	(3.7)
Net Sales	3,409.6	3,244.6	5.1	2,621.4	2,504.9	4.7	83.8	78.6	6.6
Other operating revenues	9.2	21.2	(56.6)	2.6	4.6	(43.5)	0.7	1.8	(61.1)
Total revenues	3,418.8	3,265.8	4.7	2,624.0	2,509.5	4.6	84.5	80.4	5.1
Cost of sales	1,789.8	1,810.0	(1.1)	1,338.1	1,336.9	0.1	48.0	50.3	(4.6)
Gross profit	1,629.0	1,455.8	11.9	1,285.9	1,172.6	9.7	36.5	30.1	21.3
Administrative expenses	246.5	213.8	15.3	197.7	167.2	18.2	5.2	4.9	6.1
Selling expenses	855.4	784.5	9.0	597.1	557.0	7.2	27.4	24.2	13.2
Operating expenses	1,101.9	998.3	10.4	794.8	724.2	9.7	32.6	29.1	12.0
Goodwill amortization	28.3	29.4	(3.7)	1.6	1.5	6.7	0.8	0.8	-
Operating income	498.8	428.1	16.5	489.5	446.9	9.5	3.1	0.2	1,450.0
Interest expense, net	82.8	105.4	(21.4)						
Foreign exchange loss	(4.2)	26.2	(116.0)						
Result on monetary position	14.2	(21.2)	(167.0)						
Integral cost of financing	92.8	110.4	(15.9)						
Other (income) expenses, net	27.7	30.7	(9.8)						
Income before taxes	378.3	287.0	31.8						
Taxes	151.3	114.2	32.5						
Consolidated net income	227.0	172.8	31.4						
Majority net income	227.0	172.8	31.4						
EBITDA (2)	745.3	633.6	17.6	648.1	569.4	13.8	10.5	6.9	52.2

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

Mexican Inflation March 99 - June 99	2.02%
Argentine Inflation March 99 - June 99	-1.35%
Mexican Peso / U.S.Dollar at June 30, 1999	9.41

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
Consolidated Balance Sheet
As of June 30, 1999 and December 31, 1998
Millions of Mexican pesos (Ps.)
Expressed in currency with purchasing power as of June 30, 1999

ASSETS		**1999**		**1998**
Current Assets				
Cash and cash equivalents	Ps.	668	Ps.	183
Accounts receivable:				
Trade		318		499
Notes		36		58
Prepaid taxes		113		25
Other		92		146
		559		728
Inventories		445		449
Prepaid expenses		85		60
Total current assets		1,757		1,420
Property, plant and equipment				
Land		649		652
Buildings, machinery and equipment		7,494		7,754
Accumulated depreciation		(2,297)		(2,216)
Construction in progress		644		414
Bottles and cases		271		325
Total property, plant and equipment		6,761		6,929
Investment in shares		180		163
Deferred charges, net		481		473
Goodwill, net		1,767		1,979
TOTAL ASSETS	Ps.	10,946	Ps.	10,964

LIABILITIES & STOCKHOLDERS' EQUITY		**1999**		**1998**
Current Liabilities				
Short-term bank loans, notes and interest payable	Ps.	846	Ps.	1,206
Suppliers		792		847
Accounts payable and others		481		298
Taxes payable		431		135
Total Current Liabilities		2,550		2,486
Long-term bank loans		2,855		3,204
Pension plan and seniority premium		130		129
Other liabilities		81		79
Total Liabilities		5,616		5,898
Stockholders' Equity				
Minority interest		0		0
Majority interest:				
Capital stock		1,865		1,703
Additional paid in capital		1,312		1,473
Retained earnings of prior years		3,530		3,031
Net income for the period		436		665
Cumulative results of holding				
non-monetary assets		(1,813)		(1,806)
Total majority interest		5,330		5,066
Total stockholders' equity		5,330		5,066
TOTAL LIABILITIES & EQUITY	Ps.	10,946	Ps.	10,964

Mexican Inflation December 98 - June 99	6.36%
Argentine Inflation December 98 - June 99	-1.05%
Mexican Peso / U.S.Dollar at June 30, 1999	9.41

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
INCOME STATEMENT
For the six months ended June 30, 1999 and 1998
Expressed in currency with purchasing power as of June 30, 1999

	Consolidated			Mexican Operations			Buenos Aires Operation		
	(Millions of Mexican Pesos) (1)						(Millions of Argentine Pesos) (1)		
	1999	1998	% VAR	1999	1998	% VAR	1999	1998	% VAR
Sales Volume(millions unit cases)	265.6	251.1	5.8	207.1	198.5	4.3	58.5	52.6	11.2
Average unit price per case	24.73	24.42	1.3	23.27	22.71	2.5	3.18	3.28	(3.0)
Net Sales	6,568.4	6,130.9	7.1	4,819.5	4,508.9	6.9	185.9	172.4	7.8
Other operating revenues	18.9	57.8	(67.3)	7.2	7.4	(2.7)	1.2	5.5	(78.2)
Total revenues	6,587.3	6,188.7	6.4	4,826.7	4,516.3	6.9	187.1	177.9	5.2
Cost of sales	3,532.5	3,465.3	1.9	2,514.1	2,416.5	4.0	108.2	111.5	(3.0)
Gross profit	3,054.8	2,723.4	12.2	2,312.6	2,099.8	10.1	78.9	66.4	18.8
Administrative expenses	468.3	414.7	12.9	368.5	321.9	14.5	10.6	9.9	7.1
Selling expenses	1,650.2	1,518.6	8.7	1,144.8	1,060.2	8.0	53.7	48.7	10.3
Operating expenses	2,118.5	1,933.3	9.6	1,513.3	1,382.1	9.5	64.3	58.6	9.7
Goodwill amortization	57.9	58.7	(1.4)	3.1	3.1	-	1.7	1.7	(0.0)
Operating income	878.4	731.4	20.1	796.2	714.6	11.4	12.9	6.1	111.5
Interest expense, net	172.7	208.9	(17.3)						
Foreign exchange loss	(27.3)	59.5	(145.9)						
Result on monetary position	(39.8)	(5.2)	665.4						
Integral cost of financing	105.6	263.2	(59.9)						
Other (income) expenses, net	54.9	58.2	(5.7)						
Income before taxes	717.9	410.0	75.1						
Taxes	281.5	150.5	87.0						
Consolidated net income	436.4	259.5	68.2						
Majority net income	436.4	259.5	68.2						
EBITDA (2)	1,379.3	1,146.5	20.3	1,116.9	963.3	15.9	27.9	19.5	43.1

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

Mexican Inflation June 98 - June 99	17.59%
Argentine Inflation June 98 - June 99	1.35%
Mexican Peso / U.S.Dollar at June 30, 1999	9.41

Selected Information

Capital Expenditures
(Includes Bottles and Cases and excludes Deferred Charges)
For the six months ended June 30, 1999
Expressed in Pesos as of June 30, 1999

	1999
Total	332

Sales Volume Information
For the six months ended June 30, 1999 and 1998
Expressed in millions of unit cases

	1999	1998
Valley of Mexico	157	150
Southeast	50	48
Buenos Aires	54	52
Pilar Area	4	0*
Total	266	251

* Total is less than 1million unit cases

Sales Volume Information
For the three months ended June 30, 1999 and 1998
Expressed in millions of unit cases

	1999	1998
Valley of Mexico	84	82
Southeast	27	27
Buenos Aires	25	24
Pilar Area	2	0*
Total	138	133

* Total is less than 1million unit cases

Product Mix by Brand
(Colas / Flavors / Water)
For the six months ended June 30, 1999 and 1998
Expressed as a percentage of total volume

	1999	1998
Valley of Mexico	76/22/02	75/23/02
Southeast	73/22/05	71/23/06
Buenos Aires	75/24/01	76/23/01
Total	75/23/02	74/23/03

Product Mix by Brand
(Colas / Flavors / Water)
For the three months ended June 30, 1999 and 1998
Expressed as a percentage of total volume

	1999	1998
Valley of Mexico	75/23/02	75/22/03
Southeast	72/22/06	70/23/07
Buenos Aires	77/22/01	78/21/01
Total	75/22/03	74/22/04

Product Mix by Presentation
(Returnable / Non Returnable)
For the six months ended June 30, 1999 and 1998
Expressed as a percentage of total volume

	1999	1998
Valley of Mexico	40/60	51/49
Southeast	58/42	62/38
Buenos Aires	10/90	13/87
Total	37/63	45/55

Product Mix by Presentation
(Returnable / Non Returnable)
For the three months ended June 30, 1999 and 1998
Expressed as a percentage of total volume

	1999	1998
Valley of Mexico	40/60	49/51
Southeast	56/44	60/40
Buenos Aires	12/88	11/89
Total	38/62	45/55