NEWS RELEASE

FOR IMMEDIATE RELEASE

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

Coca-Cola FEMSA Announces 35.4% Operating Profit Growth For Second Quarter 2000

SECOND QUARTER 2000

- Consolidated unit case volume increased 5.1% driven by a 7.4% increase for the Mexican operations as compared to Second Quarter 1999
- Consolidated operating income increased 35.4%, consolidated operating margin reached 17.7%, an increase of 3.7 percentage points as compared to Second Quarter 1999.
- Consolidated EBITDA increased 21.3% over Second Quarter 1999
- Majority net income increased 12.1% to reach Ps. 276.9 million, resulting in an EPS of Ps. 0.19 (US$0.20 per ADR)

Mexico City (July 25, 2000) - Coca-Cola FEMSA, S.A. de C.V. (NYSE: KOF) ("KOF" or the "Company"), one of ten 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 ended June 30, 2000.

"Second Quarter results present the new growth story of Coca-Cola FEMSA. Over the last several years we have witnessed unprecedented volume growth within our Mexican Territories and that volume growth really drove improved profitability. Today, we continue to see improved volumes, but we are also moving from a phase of constructing a world-class operation to a phase focused on tightening, redefining, and improving upon our past successes and strong competitive advantages. We have invested wisely in the past and we are now reaping the benefits. This is a very exciting time when we are seeing value creation made possible through our past and current investment, our excellence in market execution and our adaptability to market changes," stated Carlos Salazar, Chief Executive Officer.

CONSOLIDATED RESULTS

Consolidated total revenue, as compared to Second Quarter 1999, increased by Ps. 266.6 million, or by 7.2%, reaching Ps. 3.952 billion. Strong operating efficiencies in both the Mexican and Argentine operations combined with volume and pricing strength in Mexico more than compensated for the rising dollar-denominated cost of PET bottles and the decline in the Company's Argentine sales volumes. The net result was a 35.4% increase in consolidated operating profit over the comparable 1999 period.

The strong increase in operating profit and a 3.9% decrease in depreciation, amortization and other non-cash items resulted in an increase in Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA")[1] of 21.3%, reaching Ps. 978.9 million. EBITDA as a percentage of total sales rose to 24.8% versus a 21.9% margin in Second Quarter 1999.

Integral cost of financing reached Ps. 150.8 million for Second Quarter 2000, comparing disfavorably to a Ps. 101.4 million expense in Second Quarter 1999.[2] The following factors contributed to the net increase:

- The Company's foreign exchange loss reached Ps. 71.2 million during the Second Quarter. The majority of the loss was due to the spread between the strike price of various forward dollar contracts purchased by the Company and the exchange rate at maturity of each contract.
- Net interest expense decreased by 38.3% due to the Company's lower debt levels and higher cash balance as compared to Second Quarter 1999.
- The loss on monetary position was the net result of the effects of 1.00% deflation in Argentina and 1.17% inflation in Mexico. The majority of the Company's debt was generated by the acquisition of KOF Buenos Aires resulting in a monetary loss due to Argentine deflation. This loss was only partially offset by the gain recorded in Mexico.

Net other expenses for Second Quarter 2000 reached Ps. 25.8 million. Coca-Cola FEMSA experienced other expenses primarily related to its continued efforts to rationalize its operations and improve productivity (*See Capacity Rationalization*).

KOF recognized consolidated income tax, tax on assets and employee profit sharing expense of Ps. 246.4 million for Second Quarter 2000. The average effective tax rate increased from 40.0% to 47.1%. This increase was due to higher non-deductible expenses including the write-off of fixed assets, and more importantly, the effect of the application of the new accounting standard related to deferred taxes (*See Bulletin D4 – Treatment of Deferred Taxes*)

Consolidated net income increased by 12.1% for Second Quarter 2000. Net income per share reached Ps.0.194 (US$0.198 per ADR).

[1] Coca-Cola FEMSA 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.

[2] The term "integral cost 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) inflation on the monetary position of the Company.

BALANCE SHEET

On June 30, 2000, Coca-Cola FEMSA recorded a cash balance of Ps. 756 million (US$77 million) and total bank debt of Ps. 2.988 billion (US$304 million). As compared to March 31, 2000, this represents a Ps. 355 million (US$36 million) decrease in cash and cash equivalents during the quarter. This decrease in cash is primarily due to the Company's dividend payment of Ps. 218 million (US$22 million) and the supplemental tax payment associated with the Company's 1999 annual income tax return as well as the employee profit sharing paid during the month of May. As compared to December 31, 1999, this represents a 32.9% increase in cash and cash equivalents. The Company's debt level remained relatively stable as compared to March 31, 2000, and decreased 0.4% as compared to December 31, 1999.

"The financial strength of Coca-Cola FEMSA continues to improve as we build a cash reserve for future expansion opportunities. As we have stated in the past, our long-term debt is not pre-payable and a change in our dividend policy is not being considered at this time," stated Mr. Hector Treviño, Chief Financial and Administrative Officer.

MEXICAN OPERATING RESULTS

In Mexico, sales volume grew 7.4%. The sale of the brands Coca-Cola and Coca-Cola light continue to be strong growing over 8.5% in second quarter. The Company believes that this growth came from gains in sales share within the cola segment of the market. Also, estimated gains in sales share within the flavored soft drink segment of the market resulted in 4.8% growth in the Company's sales within the segment.

Multi-serving, returnable PET continues to grow as a percentage of total volume sales. At June 30, 2000, 2 liter PET returnable bottles represented 32.8% of the Company's total product mix as compared to 31.0% during Second Quarter 1999 and 32.9 % in First Quarter 2000.

The company's pricing strategy is to increase prices strategically throughout the markets that it serves. Although the Company implemented several price increases during the quarter, the most important to the consolidated Mexican average price was the increase in the price of the 600 ml plastic one-way presentation in the Valley of Mexico in May. Due to the importance of the package as a percentage of total product mix (approximately 23%), this increase resulted in a weighted average increase of approximately 3.0% (using the current product mix).

Sales volume growth in Mexico, combined with the above mentioned pricing, lower sweetener costs and important production efficiencies more that offset the effects of a 2.3% average depreciation of the Mexican peso on already increasing dollar-denominated raw material costs. The result was a 19.5% increase in gross profit, representing a 3.5 percentage point increase in the gross profit margin.[3]

Although operating expenses increased by 10.7% due to higher volumes and a real increase in salaries versus the year prior, as a percent of total sales, selling and administrative expenses for Second Quarter decreased 0.2 percentage points.

Operating profit increased 34.6% for Second Quarter 2000 as compared to the Second Quarter 1999. Operating margin increased from 17.8% in the Second Quarter 1999 to 21.4%in the Second Quarter 2000.

Second Quarter 2000 EBITDA reached Ps. 877.0 million, a 24.2% increase over Second Quarter 1999.

[3] *Coca-Cola FEMSA measures gross profit margin as gross profit to net sales.*

BUENOS AIRES OPERATING RESULTS

"During the second quarter, we continue to face a difficult economic environment in Argentina. As both tax and labor reforms are introduced, the consumer's discretionary income is being severely pressured. Under these conditions, we are seeing our packaging mix move towards the lower price-per-ounce multi-serving presentations and the economical returnable package is regaining importance in certain geographic areas. Although pricing declined to A$3.00 for the quarter, through strategic pricing we believe we can see a relatively stable price for the rest of the year," stated Mr. Salazar.

Second Quarter total sales volume of Coca-Cola FEMSA's Argentine operations reached 25.6 million unit cases, a 4.5% decline over Second Quarter 1999. This decline, combined with a 3.2% price decrease as compared to Second Quarter 1999 (a 1.6% decrease over First Quarter 2000) resulted in a 7.8% decrease in total revenues.

Lower sales volumes and pricing were only partly compensated for by improved production efficiencies, including the consolidation of production into one plant (*See Capacity Rationalization*), and stable total raw material costs, resulting in a 8.3% decrease in Second Quarter gross profit.

Operating expenses decreased by 10.8%, primarily due to lower volume and lower real salaries as compared to Second Quarter 1999, resulting in an increase of 16.7% in operating profit.

Second Quarter 2000 EBITDA of A$10.4 million was in line with A$10.4 million EBITDA during Second Quarter 1999.

Mr. Salazar commented, "The continue efforts of our workforce as we move to a new phase of cost reduction and improved productivity is evident when we see the types of innovative steps being taken to improve the overall profitability of our company."

" We are working to find innovative ways to increase our value in this challenging market. On this front, we are working with The Coca-Cola Company to develop a product that will complement our existing portfolio and compete in the low priced segment that has gained importance over the past several years. As we have only begun the testing of this product, named Taí, we do not have further information that we can share at this time. What I can comment on is the efforts being made to work with The Coca-Cola Company to develop a product that will protect the enormous value of our present brands," continued Mr. Salazar.

CAPACITY RATIONALIZATION

On June 2, 2000, Coca-Cola FEMSA ceased production in its San Justo plant. Although the Company plans to continue to utilize the distribution facilities at the site, all production will be done in the Company's Alcorta plant. At the time production was ceased, the plant had an annual installed capacity of approximately 45.6 million unit cases and was operating at approximately 14% capacity utilization. The Company believes the remaining Alcorta plant with an annual installed capacity of approximately 188.8 million unit cases is sufficient to meet volume demands.

"The halting of production in one of our plants in Buenos Aires was necessary for Coca-Cola FEMSA to rationalize its capacity and cut costs in the very difficult economic environment. Through this and other improvements in our operating efficiency we were able to compensate for the lower volumes and therefore increase operating profitability," added Mr. Salazar.

On June 28, 2000, the Company closed its Minatitlan production facility in the Southeast of Mexico. At the time of its closing, the plant had an annual installed capacity of approximately 15.0 million unit cases and was operating at approximately 38% capacity utilization. Through improved asset utilization, the Company believes that this capacity can be absorbed by the remaining five plants in the Southeast Territory.

Severance payments related to the rationalization of these plants reached approximately Ps. 22.9 million. The Company estimates the annual cost savings of the rationalization to be approximately Ps. 24.4 million.

HEDGING POLICY FOR 2001

As of June 30, 2000, the Company had entered into U.S. dollar forward exchange contracts in an aggregate amount of US$ 131.4 million at an average exchange rate of Ps. 10.61 per U.S. dollar all maturing during 2001. In addition, the Company bought options maturing throughout 2001 to purchase US$ 87.6 million at an average strike price of Ps 10.55 per U.S. dollar. The objective of these contracts is to hedge part of the Company's U.S. dollar needs for 2001.

BULLETIN D4 - TREATMENT OF DEFERRED TAXES

In December 1999, the Mexican Institute of Public Accountants issued a revised Bulletin D4, "Accounting for Income Taxes, Tax on Assets and Employee Profit Sharing," mandating all Mexican companies, as of January 1, 2000, record the deferred tax effect generated by the differences of financial and fiscal accounting.

The effects of the adoption of this new standard on the Company's Mexican GAAP financial statements with respect to income tax and tax on assets is estimated at Ps, 40 million incremental taxes during Second Quarter 2000.

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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 Territories in Mexico and in the Buenos Aires Territory in Argentina. The Company has 10 bottling facilities in Mexico and one in Buenos Aires and serves more than 255,000 retailers in Mexico and more than 70,000 retailers in the greater Buenos Aires area. Coca-Cola FEMSA currently accounts for approximately 3.5% of The Coca-Cola Company's global sales, 24% of all Coca-Cola sales in Mexico and approximately 38% of all Coca-Cola sales in Argentina. The Coca-Cola Company owns a 30% equity interest in Coca-Cola FEMSA.

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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, 2000. For comparison purposes, 1999 and 2000 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, 2000 exchange rate of Ps. 9.825 per A$1.00. Also, all comparisons for Second Quarter 2000, ending June 30, 2000, in this report are made against the figures for the comparable period, Second Quarter 1999 unless otherwise noted.

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 that could materially impact the Company's actual performance.

References herein to "US$" are to United States dollars. This news release contains translations of certain peso 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.

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
INCOME STATEMENT
For the three months ended June 30, 2000 and 1999
Expressed in currency with purchasing power as of June 30, 2000

	Consolidated			Mexican Operations			Buenos Aires Operation		
	(Millions of Mexican Pesos) (1)						(Millions of Argentine Pesos) (1)		
	2000	1999	% VAR	2000	1999	% VAR	2000	1999	% VAR
Sales volume (millions unit cases)	144.5	137.5	5.1	118.9	110.7	7.4	25.6	26.8	(4.5)
Average unit price per case	27.24	26.74	1.9	26.78	25.83	3.7	3.00	3.10	(3.2)
Net Sales	3,935.5	3,676.2	7.1	3,181.5	2,859.0	11.3	76.7	83.2	(7.8)
Other operating revenues	16.8	9.5	76.8	8.6	2.9	196.6	0.8	0.7	14.3
Total revenues	3,952.3	3,685.7	7.2	3,190.1	2,861.9	11.5	77.5	83.9	(7.6)
Cost of sales	1,976.7	1,950.4	1.3	1,541.8	1,482.2	4.0	44.3	47.7	(7.1)
Gross profit	1,975.6	1,735.3	13.8	1,648.3	1,379.7	19.5	33.2	36.2	(8.3)
Administrative expenses	296.7	266.5	11.3	249.6	215.9	15.6	4.8	5.2	(7.7)
Selling expenses	950.1	921.6	3.1	713.3	653.9	9.1	24.1	27.2	(11.4)
Operating expenses	1,246.8	1,188.1	4.9	962.9	869.8	10.7	28.9	32.4	(10.8)
Goodwill amortization	28.9	30.3	(4.6)	1.6	1.7	(5.9)	0.8	0.8	-
Operating income	699.9	516.9	35.4	683.8	508.2	34.6	3.5	3.0	16.7
Interest expense, net	55.8	90.5	(38.3)						
Foreign exchange loss	71.2	(4.5)	(1,682.2)						
Result on monetary position	23.8	15.4	54.5						
Integral cost of financing	150.8	101.4	48.7						
Other (income) expenses, net	25.8	4.1	529.3						
Income before taxes	523.3	411.4	27.2						
Taxes	246.4	164.4	49.9						
Consolidated net income	276.9	247.0	12.1						
Majority net income	276.9	247.0	12.1						
EBITDA (2)	978.9	807.2	21.3	877.0	706.3	24.2	10.4	10.4	-

(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 2000 - June 2000	1.17%
Argentine Inflation March 2000 - June 2000	-1.00%
Mexican Peso / U.S.Dollar at June 30, 2000	9.825

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
INCOME STATEMENT
For the six months ended June 30, 2000 and 1999
Expressed in currency with purchasing power as of June 30, 2000

	Consolidated			Mexican Operations			Buenos Aires Operation		
	(Millions of Mexican Pesos) (1)						(Millions of Argentine Pesos) (1)		
	2000	1999	% VAR	2000	1999	% VAR	2000	1999	% VAR
Sales Volume(millions unit cases)	282.0	265.6	6.2	222.7	207.1	7.5	59.3	58.5	1.4
Average unit price per case	27.27	26.61	2.5	26.62	25.38	4.9	3.02	3.15	(4.1)
Net Sales	7,689.6	7,069.4	8.8	5,928.8	5,256.2	12.8	179.2	184.6	(2.9)
Other operating revenues	35.9	19.9	80.4	17.7	7.9	124.1	1.9	1.2	58.3
Total revenues	7,725.5	7,089.3	9.0	5,946.5	5,264.1	13.0	181.1	185.8	(2.5)
Cost of sales	3,894.5	3,830.1	1.7	2,882.7	2,774.2	3.9	103.0	107.5	(4.2)
Gross profit	3,831.0	3,259.2	17.5	3,063.8	2,489.9	23.0	78.1	78.3	(0.3)
Administrative expenses	587.1	505.8	16.1	491.8	402.3	22.2	9.7	10.5	(7.6)
Selling expenses	1,888.5	1,776.0	6.3	1,366.5	1,252.2	9.1	53.1	53.3	(0.4)
Operating expenses	2,475.6	2,281.8	8.5	1,858.3	1,654.5	12.3	62.8	63.8	(1.6)
Goodwill amortization	57.8	62.3	(7.2)	3.3	3.4	(2.9)	1.7	1.7	-
Operating income	1,297.6	915.1	41.8	1,202.2	832.0	44.5	13.6	12.8	6.3
Interest expense, net	109.9	188.7	(41.8)						
Foreign exchange loss	108.3	(29.8)	(463.4)						
Result on monetary position	(24.2)	(43.4)	(44.2)						
Integral cost of financing	194.0	115.5	68.0						
Other (income) expenses, net	26.0	23.1	12.6						
Income before taxes	1,077.6	776.5	38.8						
Taxes	510.6	304.8	67.5						
Consolidated net income	567.0	471.6	20.2						
Majority net income	567.0	471.6	20.2						
EBITDA (2)	1,856.5	1,489.5	24.6	1,590.1	1,217.5	30.6	27.1	27.7	(2.3)

(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 99 - June 2000	9.06%
Argentine Inflation June 99 - June 2000	-0.70%
Mexican Peso / U.S.Dollar at June 30, 2000	9.825

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
Consolidated Balance Sheet
As of June 30, 2000 and December 31, 1999
Millions of Mexican pesos (Ps.)
Expressed in currency with purchasing power as of June 30, 2000

ASSETS		**2000**		**1999**
Current Assets				
Cash and cash equivalents	Ps.	756	Ps.	569
Accounts receivable:				
Trade		400		568
Notes		42		107
Prepaid taxes		9		4
Other		130		106
		581		785
Inventories		486		472
Prepaid expenses		178		42
Total current assets		2,001		1,868
Property, plant and equipment				
Land		709		700
Buildings, machinery and equipment		8,526		8,596
Accumulated depreciation		(2,881)		(2,692)
Construction in progress		415		248
Bottles and cases		275		328
Total property, plant and equipment		7,044		7,180
Investment in shares		202		204
Deferred charges, net		501		477
Goodwill, net		1,731		1,781
TOTAL ASSETS	Ps.	11,480	Ps.	11,509

LIABILITIES & STOCKHOLDERS' EQUITY		**2000**		**1999**
Current Liabilities				
Short-term bank loans, notes and interest payable	Ps.	92	Ps.	104
Suppliers		1,040		1,175
Accounts payable and others		510		407
Taxes payable		235		475
Total Current Liabilities		1,877		2,161
Long-term bank loans		2,965		2,966
Pension plan and seniority premium		150		152
Other liabilities		868		113
Total Liabilities		5,860		5,392
Stockholders' Equity				
Minority interest		0		0
Majority interest:				
Capital stock		2,034		2,034
Additional paid in capital		1,431		1,431
Retained earnings of prior years		3,805		3,826
Net income for the period		567		1,008
Cumulative results of holding				
non-monetary assets		(2,217)		(2,183)
Total majority interest		5,620		6,117
Total stockholders' equity		5,620		6,117
TOTAL LIABILITIES & EQUITY	Ps.	11,480	Ps.	11,509

Mexican Inflation December 99 - June 200(	3.15%
Argentine Inflation December 99 - June 2000	-0.30%
Mexican Peso / U.S.Dollar at June 30, 2000	9.825

Selected Information

Capital Expenditures
(Includes Bottles and Cases and Deferred Charges)
For the six months ended June 30, 2000
Expressed in Pesos as of June 30, 2000

	2000
Total	398.1

Capital Expenditures
(Includes Bottles and Cases and Deferred Charges)
For the three months ended June 30, 2000
Expressed in Pesos as of June 30, 2000

	2000
Total	133.3

Sales Volume Information
For the six months ended June 30, 2000 and 1999
Expressed in millions of unit cases

	2000	1999
Mexico	222.7	207.1
Valley of Mexico	165.9	157.0
Southeast	56.8	50.1
Buenos Aires	59.3	58.5
Total	282.0	265.6

Sales Volume Information
For the three months ended June 30, 2000 and 1999
Expressed in millions of unit cases

	2000	1999
Mexico	118.9	110.7
Valley of Mexico	88.7	83.5
Southeast	30.2	27.2
Buenos Aires	25.6	26.8
	144.5	137.5

Product Mix by Brand
(Colas / Flavors / Water)
For the six months ended June 30, 2000 and 1999
Expressed as a percentage of total volume

	2000	1999
Mexico	75/22/03	75/22/03
Valley of Mexico	76/22/02	76/22/02
Southeast	73/22/05	73/22/05
Buenos Aires	77/22/01	75/24/01
Total	76/22/02	75/23/02

Product Mix by Brand
(Colas / Flavors / Water)
For the three months ended June 30, 2000 and 1999
Expressed as a percentage of total volume

	2000	1999
Mexico	76/21/03	75/22/03
Valley of Mexico	76/22/02	75/23/02
Southeast	73/22/05	72/22/06
Buenos Aires	79/20/01	78/21/01
Total	76/22/02	75/22/03

Product Mix by Presentation
(Returnable / Non Returnable)
For the six months ended June 30, 2000 and 1999
Expressed as a percentage of total volume

	2000	1999
Mexico	44/56	44/56
Valley of Mexico	42/58	40/60
Southeast	52/48	58/42
Buenos Aires	10/90	09/91
Total	37/63	37/63

Product Mix by Presentation
(Returnable / Non Returnable)
For the three months ended June 30, 2000 and 1999
Expressed as a percentage of total volume

	2000	1999
Mexico	44/56	44/56
Valley of Mexico	41/59	40/60
Southeast	50/50	56/44
Buenos Aires	10/90	11/89
Total	38/62	38/62