

NEWS RELEASE

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION:

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Coca-Cola FEMSA Announces 36.3% Improvement in Operating Profit for Third Quarter 2000

THIRD QUARTER 2000

- Consolidated unit case volume increased 7.3%, driven by a 12.3% volume increase for the Mexican operations as compared to Third Quarter 1999
- Consolidated operating income increased 36.3%, representing a 39.8% improvement for the Mexican operations and a 22.9% decrease in Buenos Aires, as compared to Third Quarter 1999
- Consolidated EBITDA increased 30.6% over Third Quarter 1999, reaching Ps. 1.003 billion
- Majority net income reached Ps. 251.4 million resulting in an EPS of Ps. 0.18 (US\$0.19 per ADR), a 2.1% decrease over Third Quarter 1999

NINE MONTHS 2000

- Consolidated unit case volume increased 6.6% in the first nine months of 2000 as compared to the same period in 1999, resulting from a 9.2% increase in Mexico and a 2.6% decrease in Buenos Aires
- Consolidated EBITDA increased 26.9% as compared to the first nine months of 1999, reaching Ps. 2.885 billion

Mexico City (October 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 and nine month period ended September 30, 1999.

KOF- 25 October 2000

THIRD QUARTER 2000 CONSOLIDATED RESULTS

Consolidated total revenue, as compared to Third Quarter 1999, increased by Ps. 381.3 million, or 10.6%, reaching Ps. 3.995 billion. Strong operating efficiencies in both the Mexican and Argentine operations combined with volume and pricing strength in Mexico more than compensated for the increase in some dollar-denominated raw material costs and the decline in the Company's Argentine sales volume. The net result was a 36.3% increase in consolidated operating profit over the comparable 1999 period.

The Company continues to rationalize its production and distribution capacity. As part of these efforts, Coca-Cola FEMSA recorded asset write-offs resulting in an increase depreciation and amortization of 19.9% as compared to Third Quarter 1999.

The strong increase in operating profit and the increase in depreciation, amortization and other non-cash items resulted in an increase in Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA")¹ of 30.6%. EBITDA as a percentage of total sales (EBITDA margin) rose to 25.1% versus 21.3% in Third Quarter 1999.

Consolidated net income decreased by 2.1% for Third Quarter 2000 with net income per share of Ps. 0.18 (US\$0.19 per ADR). The decline was primarily due to increases in the Integral cost of financing, Other expenses and higher income taxes.

Integral cost of financing reached Ps. 140.9 million for Third Quarter 2000, representing a 81.8% increase over Third Quarter 1999.² The primary reason for the increase in cost was the Company's foreign exchange loss of Ps. 102.7 million during the Third Quarter. This loss is the result of the spread between the strike price of various dollar forward contracts, purchased in June 1999 by the Company, and the exchange rate at the end of each period. The purpose of the dollar forward contracts was to hedge the Company's exposure to the U.S. dollar relative to the Mexican peso. *See Currency Hedge Policy.*

Partially offsetting the loss was a 45.6% decrease in net interest expense. This decrease was the result of the Company's lower debt levels and higher cash balance. Also, the Company's experienced a gain on monetary position of Ps. 5.9 million. This gain was the net effect of 1.17% inflation in Mexico during the third quarter on the company's Mexican monetary assets and liabilities.

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.

Other expenses for Third Quarter 2000 reached Ps. 31.0 million. Coca-Cola FEMSA experienced other expenses related to:

- Continued efforts by Coca-Cola FEMSA to rationalize its operations and improve productivity, and the resulting severance payments associated with these efforts. See *Capacity Rationalization*.
- A one-time additional expense of Ps. 10 million to the Instituto Mexicano del Seguro Social (Mexican Social Security Institute) related to employee benefits. The Company anticipates one additional charge of approximately Ps. 20 million in Fourth Quarter 2000.

KOF recognized consolidated income tax, tax on assets and employee profit sharing expenses of Ps. 258.1 million for Third Quarter 2000.

BALANCE SHEET

On September 30, 2000, Coca-Cola FEMSA recorded a cash balance of Ps. 1.438 billion (US\$152 million) and total bank debt of Ps. 2.862 billion (US\$303 million). As compared to June 30, 2000, this represents a Ps. 682 million (US\$ 75 million) increase in cash and cash equivalents and a relatively stable bank debt level during the first nine months of 2000.

MEXICAN OPERATING RESULTS

“The efforts throughout the Company to improve our operations are reflected in our Third Quarter financial results. I am pleased at the containment of costs and the marginal investments that we are making within our production and distribution facilities. These efforts combined with those of our marketing and sales departments to improve further the already excellent consumption rates are the driving forces behind our increased profitability,” stated Mr. Salazar.

In Mexico, Third Quarter sales volume grew 12.3% over the comparable 1999 period. The growth came from both sales of flavored and cola products. The packaging mix stabilized at 45% returnable, 55% one-way packages, with one-way packages increasing 52 basis points as a percentage of the total product mix. However, the fastest growing presentation remained the 2-liter returnable plastic bottle (34.3% of total volume as compared to 32.8% in Third Quarter 1999).

“The returnable package is extremely important in our strategy to provide a product portfolio that meets the needs of the markets we serve. In both Mexico and Argentina, we are working to assure that this niche is fully developed. Our packaging portfolio strategy is a vital element in the growth in the Company’s profitability. Not to utilize the returnable package strategically would be to ignore a tool that can help us in our channel and pricing strategies,” stated Mr. Salazar.

The sales volume growth in Mexico, combined with strong pricing, lower costs of some raw materials, and important production efficiencies, more that offset the effects of an increase of some dollar-denominated costs. The result was a 24.5% increase in gross profits, representing

a 3.1 percentage point increase in the gross profit margin.³

Although operating expenses increased by 16.3% due to a real increase in wages and increased depreciation expense versus the same period of the prior year, as a percent of total sales, selling and administrative expenses for Third Quarter decreased 30 basis points.

Operating profit reached Ps. 665.7 million, an increase of 39.8% for Third Quarter 2000 as compared to Third Quarter 1999.

Third Quarter 2000 EBITDA reached Ps. 911.3 million, a 38.5% increase over Third Quarter 1999.

BUENOS AIRES OPERATING RESULTS

“The definition of our future product portfolio strategy is vital and we believe that in the short-term we can continue to build profitability in this market and in the medium term, as the Argentine economy recovers, we will be well positioned to benefit,” stated Mr. Salazar.

“Argentina has been a difficult market in which to operate, but we are up to the challenge. As our Third Quarter top-line declined, we continued to improve our productivity in all areas and saw EBITDA reach A\$9.8 million,” continued Mr. Salazar.

Third Quarter total sales volume of Coca-Cola FEMSA’s Argentine operations reached 26.3 million unit cases, a 10.2% decline over Third Quarter 1999. The result of this decline and a 1.3% price reduction as compared to Third Quarter 1999 (a 1.0% decrease over Second Quarter 2000), was an 11.6% decline in total revenues.

Improved production efficiencies and stable total raw material costs and lower operating expenses partially offset the decrease in total revenues, resulting in a 9.6% decline in gross profit and a A\$1.1 million decrease in operating profit as compared to Third Quarter 1999.

Third Quarter 2000 EBITDA of A\$9.8 million represents a decrease of 16.9% over the comparable period in 1999.

Capacity Rationalization

In September 2000, Coca-Cola FEMSA ceased production in the Tapachula bottling facility in Tapachula, Mexico. The Tapachula plant housed two bottling lines producing returnable plastic (“Ref. PET”) and glass returnable presentations. As of June 30, 2000, the plant had an annual installed capacity of approximately 20.0 million unit cases and was operating at approximately

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

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.



(4 pages of tables to follow)

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries

INCOME STATEMENT

For the three months ended September 30, 2000 and 1999

Expressed in currency with purchasing power as of September 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)	144.3	134.4	7.3	118.0	105.1	12.3	26.3	29.3	(10.2)
Average unit price per case	27.58	26.79	2.9	27.46	26.34	4.3	2.97	3.01	(1.3)
Net Sales	3,978.2	3,601.4	10.5	3,241.1	2,767.8	17.1	78.1	88.3	(11.6)
Other operating revenues	16.9	12.4	36.3	11.2	5.9	89.8	0.6	0.7	(14.3)
Total revenues	3,995.1	3,613.8	10.6	3,252.3	2,773.7	17.3	78.7	89.0	(11.6)
Cost of sales	1,988.7	1,906.0	4.3	1,565.7	1,419.5	10.3	44.8	51.5	(13.0)
Gross profit	2,006.4	1,707.8	17.5	1,686.6	1,354.2	24.5	33.9	37.5	(9.6)
Administrative expenses	321.3	276.8	16.1	269.4	225.4	19.5	5.5	5.4	1.9
Selling expenses	975.5	900.8	8.3	749.8	650.9	15.2	23.9	26.5	(9.8)
Operating expenses	1,296.8	1,177.6	10.1	1,019.2	876.3	16.3	29.4	31.9	(7.8)
Goodwill amortization	28.2	29.9	(5.7)	1.7	1.7	-	0.8	0.8	-
Operating income	681.4	500.3	36.3	665.7	476.2	39.8	3.7	4.8	(22.9)
Interest expense, net	44.1	81.0	(45.6)						
Foreign exchange loss	102.7	12.2	741.8						
Gain on monetary position	(5.9)	(15.7)	(62.4)						
Integral cost of financing	140.9	77.5	81.8						
Other (income) expenses, net	31.0	7.8	297.4						
Income before taxes	509.5	415.0	22.8						
Taxes	258.1	158.1	63.3						
Consolidated net income	251.4	256.9	(2.1)						
Majority net income	251.4	256.9	(2.1)						
EBITDA (2)	1,002.7	768.3	30.6	911.3	657.9	38.5	9.8	11.8	(16.9)

(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 2000 - September 2000	1.17%
Argentine Inflation June 2000 - September 2000	0.00%
Mexican Peso / U.S.Dollar at September 30, 2000	9.443

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries

INCOME STATEMENT

For the nine months ended September 30, 2000 and 1999

Expressed in currency with purchasing power as of September 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)	426.4	400.1	6.6	340.8	312.2	9.2	85.6	87.9	(2.6)
Average unit price per case	27.52	26.80	2.7	27.30	26.08	4.7	3.01	3.11	(3.2)
Net Sales	11,734.4	10,719.8	9.5	9,304.9	8,143.5	14.3	257.3	272.8	(5.7)
Other operating revenues	52.5	32.0	64.1	29.3	14.0	109.3	2.5	1.9	31.6
Total revenues	11,786.9	10,751.8	9.6	9,334.2	8,157.5	14.4	259.8	274.7	(5.4)
Cost of sales	5,909.5	5,758.1	2.6	4,514.1	4,256.8	6.0	147.8	159.0	(7.0)
Gross profit	5,877.4	4,993.7	17.7	4,820.1	3,900.7	23.6	112.0	115.7	(3.2)
Administrative expenses	915.9	787.7	16.3	772.4	636.9	21.3	15.2	16.0	(5.0)
Selling expenses	2,874.9	2,685.0	7.1	2,147.5	1,931.5	11.2	77.0	79.8	(3.5)
Operating expenses	3,790.8	3,472.7	9.2	2,919.9	2,568.4	13.7	92.2	95.8	(3.8)
Goodwill amortization	86.2	92.7	(7.0)	5.0	5.2	(3.8)	2.5	2.5	-
Operating income	2,000.4	1,428.3	40.1	1,895.2	1,327.1	42.8	17.3	17.4	(0.6)
Interest expense, net	158.0	274.5	(42.4)						
Foreign exchange loss	213.5	(18.3)	(1,266.7)						
Gain on monetary position	(17.4)	(60.1)	(71.0)						
Integral cost of financing	354.1	196.1	80.6						
Other (income) expenses, net	56.8	31.0	83.2						
Income before taxes	1,589.5	1,201.2	32.3						
Taxes	764.5	467.2	63.6						
Consolidated net income	825.0	733.9	12.4						
Majority net income	825.0	733.9	12.4						
EBITDA (2)	2,885.1	2,274.9	26.9	2,537.5	1,902.8	33.4	36.9	39.3	(6.1)

(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 September 99 - September 2000	9.06%
Argentine Inflation September 99 - September 2000	-0.70%
Mexican Peso / U.S.Dollar at September 30, 2000	9.443

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries

Consolidated Balance Sheet

As of September 30, 2000 and December 31, 1999

Millions of Mexican pesos (Ps.)

Expressed in currency with purchasing power as of September 30, 2000

ASSETS	2000		1999		LIABILITIES & STOCKHOLDERS' EQUITY	2000		1999	
Current Assets					Current Liabilities				
Cash and cash equivalents	Ps.	1,438	Ps.	568	Short-term bank loans, notes and interest payable	Ps.	103	Ps.	105
Accounts receivable:					Suppliers		1,199		1,180
Trade		399		583	Accounts payable and others		587		407
Notes		43		106	Taxes payable		420		478
Prepaid taxes		10		4	Total Current Liabilities		2,309		2,170
Other		154		89	Long-term bank loans		2,846		3,033
		606		782	Pension plan and seniority premium		151		154
Inventories		545		474	Other liabilities		889		113
Prepaid expenses		121		40	Total Liabilities		6,195		5,470
Total current assets		2,710		1,864	Stockholders' Equity				
Property, plant and equipment					Minority interest		0		0
Land		712		705	Majority interest:				
Buildings, machinery and equipment		8,337		8,663	Capital stock		2,080		2,080
Accumulated depreciation		(2,808)		(2,699)	Additional paid in capital		1,464		1,463
Construction in progress		530		254	Retained earnings of prior years		3,858		3,889
Bottles and cases		309		333	Net income for the period		825		1,016
Total property, plant and equipment		7,080		7,256	Cumulative results of holding non-monetary assets		(2,320)		(2,328)
Investment in shares		198		200	Total majority interest		5,907		6,120
Deferred charges, net		472		475	Total stockholders' equity		5,907		6,120
Goodwill, net		1,642		1,795	TOTAL LIABILITIES & EQUITY				
TOTAL ASSETS	Ps.	12,102	Ps.	11,590		Ps.	12,102	Ps.	11,590

Mexican Inflation December 1999 - September 2000
 Argentine Inflation December 1999 - September 2000
 Mexican Peso / U.S.Dollar at September 30, 2000

5.50%
 -0.31%
 9.443

Selected Information

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

	2000
Total	598.1

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

	2000	1999
Mexico	340.8	312.2
Valley of Mexico	253.7	237.0
Southeast	87.1	75.2
Buenos Aires	85.6	87.9
Total	426.4	400.1

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

	2000	1999
Mexico	76/22/2	76/22/2
Valley of Mexico	76/22/2	76/22/2
Southeast	74/22/4	74/21/5
Buenos Aires	77/22/1	76/23/1
Total	76/22/2	76/22/2

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

	2000	1999
Mexico	45/55	45/55
Valley of Mexico	42/58	41/59
Southeast	51/49	58/42
Buenos Aires	10/90	10/90
Total	38/62	37/63

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

	2000
Total	195.6

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

	2000	1999
Mexico	118.0	105.1
Valley of Mexico	87.7	80.0
Southeast	30.3	25.1
Buenos Aires	26.3	29.3
Total	144.3	134.4

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

	2000	1999
Mexico	77/21/2	76/22/2
Valley of Mexico	78/20/2	76/22/2
Southeast	74/22/4	74/22/4
Buenos Aires	79/20/1	78/21/1
Total	77/21/2	76/22/2

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

	2000	1999
Mexico	45/55	46/54
Valley of Mexico	43/57	42/58
Southeast	50/50	58/42
Buenos Aires	10/90	12/88
Total	39/61	38/62