PRESS RELEASE

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FOR FURTHER INFORMATION:

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Financial Information

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Coca-Cola FEMSA reports first quarter 2001 results

- Consolidated sales volume increased by 4.4% as compared to the first quarter of 2000, primarily driven by the volume growth recorded by the Valley of Mexico Territory, as well as the volume growth driven by the new products in Coca-Cola FEMSA's Argentine portfolio.
- Consolidated operating margin increased by more than 3 percentage points to 19.4% of total revenues, as compared to the first quarter of 2000.
- In absolute terms, consolidated operating profit reached Ps. 797.4 million a 27.2% improvement over the same period last year reflecting operating income growth of 29.8% and 5.1% in the Mexican and Argentine operations, respectively.
- Consolidated EBITDA amounted to Ps. 1.077 billion, an increase of 17.3% over the first quarter of 2000.
- Net income reached Ps. 411.4 million, equivalent to Ps. 0.29 on a per-share basis (US$ 0.30 per ADR), and represented an increase of 36.7% over the first quarter 2000.

Mexico, D.F., April 25, 2001. – Coca-Cola FEMSA, S.A. de C.V. (BMV: KOFL; NYSE: KOF) ("KOF" or the "Company"), one of the ten anchor bottlers for Coca-Cola worldwide and the largest Coca-Cola bottler in Mexico and Argentina, announced today its consolidated results for the first quarter of 2001.

"The financial results obtained by Coca-Cola FEMSA in the first quarter of the year demonstrate once again, the high level of commitment, dedication, and skills that the Company has, which should enable us to continue on our current growth path " stated Carlos Salazar, Chief Executive Officer of the Company.

RESULTS OF OPERATIONS IN MEXICO

Sales volume

Sales volume in the Mexican Territories amounted to 108.0 million unit cases (MUC[1]) for the first quarter of 2001, an increase of 3.9% over the first quarter of 2000, and on top of the 7.7% growth experienced during the first quarter of 2000 over the 1999 figure.

This increase in sales volume is attributable to ongoing organic growth combined with new product and package introduction and the application of consumer marketing programs, such as sponsorships and promotional campaigns.

During the first quarter of the year, the Company re-launched the "Ciel" still water brand and introduced "Ciel Mineralizada" a carbonated water product. In addition, the Company launched Delaware Punch in a 250 ml non-returnable plastic bottle and Sprite in a 2-liter returnable PET bottle, both in the Valley of Mexico.

Additionally, during the month of April, the Company successfully launched the new "Senzao" brand, a guarana-flavored carbonated drink, to strengthen the Company's flavored soft-drink portfolio in the Mexican Territories.

Total Revenues – Revenue per Case

The weighted average price per unit case sold in the Mexican Territories was Ps. 29.1 per unit case for the first quarter of 2001, an increase of 3.1% over the same period last year. This increase is mainly attributable to the price increase implemented last November in Mexico as well as a shift in our sales mix towards presentations with a higher per unit case price.

Growth in sales volume along with the increase in the revenue per unit sold resulted in total revenue growth of 7.4% for the first quarter of 2001.

Costs and Expenses – Margins

Coca-Cola FEMSA's cost of goods sold increased by 3.1% as compared to the first quarter of 2000, yet declined as a percentage of net sales, resulting in a gross margin improvement of 2.1 percentage points to 53.6% of net sales. Gross margin expansion resulted from (i) the increase in average revenue per case sold, (ii) growth in sales volume, (iii) lower unit price of certain raw materials as a result of the appreciation of the peso against the dollar, and (iv) higher efficiencies and fixed-cost reduction.

Administrative and selling expenses increased by 2.5% and 0.4%, respectively reflecting (i) an increase in variable selling expenses resulting from higher volumes, (ii) increase in real wages and salaries, (iii) technology related expenses and (iv) higher distribution maintenance expenses. Administrative and selling expenses, however, decreased by 0.4 and 1.5 percentage points respectively, as a percentage of total revenues.

The gross margin improvement along with the reduction of operating expenses as a percentage of sales, resulted in an operating margin improvement of 3.9 percentage points, from 18.8% recorded in the first quarter of 2000 to 22.7% in the first quarter of 2001.

Operating profit for the period amounted to Ps. 717.7 million pesos, an increase of 29.8% over the first quarter of 2000, and EBITDA[2] reached Ps. 911.4 million, an increase of 19.9%, both with respect to the first quarter of 2000.

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[1] The "unit case" is a unit measurement equivalent to 24 eight-ounce servings.

[2] Coca-Cola FEMSA calculates EBITDA base 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.

“We are proud to demonstrate that the strategies that we have implemented have been adequate for the Company and that the foundations being established are conducive to future growth. Proof of this instance is the growth in EBITDA of almost 20% in the Mexican Territories attained with an increase in volume of just 3.9%, leading to an EBITDA margin improvement of 3.0 percentage points over first quarter 2000,” said Mr. Salazar.

RESULTS OF OPERATIONS IN BUENOS AIRES

“In Argentina, the prevailing adverse economic environment continues to be a great challenge to the Company’s operations, Coca-Cola FEMSA succeeded in implementing strategies such as introduction of new products and packages, revenue management through product segmentation by sales channel, and reduction of fixed costs. These strategies have compensated for the unfavorable reduction in average unit price,” continued Mr. Salazar.

Sales volume

Sales volume for Coca-Cola FEMSA in our Argentine Territories amounted to 35.6 MUC for the first quarter of 2001, an increase of 5.9% over the first quarter of 2000 and below the growth rate recorded by the Coca-Cola System in Argentina taken as a whole reflecting among other things an unfavorable comparison against the first quarter of 2000, when Coca-Cola FEMSA de Buenos Aires grew 6.3% against 1st quarter of 1999 and the Coca-Cola system in Argentina grew less than 0.5%.

In the first quarter of 2001, our efforts to reach the consumer with a wider array of non-alcoholic beverages proceeded with the launch of several new products and presentations. During January, the Company introduced Schweppes in non-returnable 290 ml. glass presentation; in February, the Company launched the 2.25 liter non-returnable PET presentations of Orange Crush, Grapefruit Crush, KIN mineral water and Taí grapefruit; and during March, the 1 liter returnable glass presentation of Coca-Cola and the Black Fire brand energy drink in 354 ml. can were introduced.

Total Revenues – Revenue per Case

Average revenue per case decreased by 9.9% as compared to the first quarter of 2000, reaching A$2.73 per unit case. This reflects the deflationary economic environment prevailing in Argentina as well as and the growing participation of the Taí and Crush brands within our portfolio, which during the first quarter represented 8.3% and 1.6% of sales, respectively and which have a lower price-per-ounce than the Company’s main brands.

The net effect resulting from the increase in sales volume and the decrease in the average unit case price resulted in net sales reduction of 4.5% relative to the same period last year. However, the increase in other operating revenues in connection to the sale of finished product to other bottlers (See Operations with Polar below) partially compensated the decline in net sales. The Company’s total revenues reached A$100.9 million, a 1.8% decrease as compared to the first quarter of 2000.

Costs and Expenses – Margins

Coca-Cola FEMSA’s cost of goods sold decreased by 2.9% as compared to the first quarter of 2000 in the Buenos Aires Territory, yet Coca-Cola FEMSA de Buenos Aires gross profit remained practically stable relative to the first quarter last year.
Gross margins expanded slightly from 43.2% of net sales recorded in the first quarter of 2000, to 43.9% in the first quarter of 2001. Gross margin expansion is mainly attributable to (i) growth in sales volume, (ii) lower unit price of certain raw materials, and (iii) higher efficiencies and reduction of fixed costs, which together compensated for the decline in the average revenue per case.

During the first quarter of 2001, administrative expenses remained constant compared to the first quarter of 2000, yet decreased by 0.1 percentage points as a percentage of total revenues. Selling expenses decreased by 2.1% as a consequence of the efforts to continue reducing fixed expenses in response to decline in revenues.

The reduction of fixed cost and expenses, reflects the effect of the Argentine restructuring announced in our fourth quarter press release.

The improvement in gross margins and the reduction in operating expenses resulted in an operating margin expansion of 0.7 percentage points, from 9.6% in the first quarter of 2000 to 10.3% in the first quarter of 2001, despite the tough economic circumstances affecting the market.

Operating profit for the period was A$ 10.4 million, an increase of 5.1%, and EBITDA was A$ 17.4 million, an increase of 5.0%, both with respect to the first quarter of 2000.

CONSOLIDATED RESULTS

Sales volume increased by 3.9% and 5.9% for the Mexican and Argentine Territories, respectively, over the first quarter of 2001. The combined growth of Mexico and Argentina resulted in a consolidated volume growth of 4.4% for the first quarter of 2001.

The increase of the average price per unit case in Mexico compensated the significant reduction in unit price in Argentina, so that consolidated (weighted) average price per unit case decreased only by 0.1% in real terms.

The growth in sales volume, along with the expansion in operating margins in the Mexican and Argentine Territories resulted in operating income growth of 27.2% and consolidated operating margin expansion of 3.4 percentage points to 19.4% of total revenues as compared to the first quarter of 2000.

The integral cost of financing recorded for the first quarter of 2001 amounted to Ps. 28.5 million, a decline of 19.3% over the same period last year. Such decline is attributable to the net effect of: (i) the significant increase in cash holdings relative to the first quarter of 2000, (ii) a significant decline in foreign exchange losses relative to the first quarter of 2000, when Coca-Cola FEMSA recorded losses on dollar-hedging contracts and (iii) a loss on monetary position generated by the Argentine deflation as well as a higher monetary assets levels.

The Company recognized consolidated income tax, tax on assets and employee profit sharing expense of Ps. 335.9 million for the first quarter of 2001, an increase of 20.8% as compared to the first quarter of last year. The average effective tax rate for the first quarter was 43.4%.

Net income reached Ps. 411.4 million, which resulted in Ps. 0.29 on a per-share basis (US$ 0.30 per ADR), and represented an increase of 36.7% over the first quarter 2000. Absent the application of the new Accounting Bulletin C-2, net income would have reached Ps. 437.9 million, 45.5% higher than the comparable figure last year. (See Accounting Policy Change, below).

Consolidated EBITDA grew 17.3% for the first quarter of 2001.

BALANCE SHEET

On March 31, 2001, Coca-Cola FEMSA recorded a cash balance of Ps. 2.564 billion (US$ 270 million) and a total financial debt of Ps. 2.910 billion (US$ 307 million). As compared to December 31, 2000, this represents an increase of Ps. 637 million (US$ 70 million) in cash and cash equivalents with a very similar level of financial debt.

OPERATIONS WITH POLAR

During the month of February, Coca-Cola FEMSA signed an agreement with Grupo Polar, a Coca-Cola bottler that operates a franchise located to the southwest of our current Territory in Argentina, under which and for a period of at least 3 years, Coca-Cola FEMSA shall produce and bottle Coca-Cola brand beverages for sale in that Territory. Polar ceased operations in their Chacabuco facility and will distribute products manufactured by Coca-Cola FEMSA for its Territory. Management expects to produce approximately 6 million cases per year in connection with this operation, which will allow the Company to realize economies of scale and higher fixed-cost absorption. The Company will not recognize the volume generated for the transactions with Polar as Coca-Cola FEMSA sales volume.

BULLETIN C-2 FINANCIAL INSTRUMENTS
EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES

The Mexican Institute of Public Accountants issued Bulletin C-2, “Financial Instruments” which would be mandatory for all Mexican companies in 2001. Bulletin C-2 requires the recognition of all of its contractual rights or obligations under derivatives in its balance sheet as assets or liabilities and to measure those instruments at their fair value. Changes in the fair value of a derivative will be included in current earnings.

As of March 31, 2001 the only instruments the Company had in its balance sheet that must be accounted for in agreement with the new Bulletin C-2 standards are contracts for the purchase of U.S. Dollars. See “Audited Financial Results for the period ended December 31, 2000”.

The initial recognition of the new accounting standard has been recorded in the net income of the period as an extraordinary charge denominated “Change in Accounting Standards” which amounted to Ps. 40.8 million, minus its effect from deferred taxes of Ps. 14.3 million. Such amount was determined by measuring the difference between the Peso-Dollar contracted forward exchange rate and the spot Peso-Dollar foreign exchange rate when the contracts were bought and it corresponds to the amount due as of December 31, 2000. Going forward, the effect generated from application of the Bulletin C-2 corresponding will be recorded as foreign exchange fluctuation in the integral cost of financing.

Up to year 2000, the Company recognized the total effect at the time of expiration of the forward contracts as foreign exchange fluctuation and was determined by measuring the difference between the Peso-Dollar contracted forward exchange rate and the spot Peso-Dollar exchange rate at the time of expiration.

GROWTH EXPECTATIONS 2001

Management reiterates previously disclosed growth expectations for Coca-Cola FEMSA for the year 2001:

% GROWTH		
	Mexico	Buenos Aires
Sales Volume	5% - 7%	3% - 5%
EBIT	13% - 16%	5% - 8%

Management estimates that in the case of Argentina, volume could exceed this estimate at the expense of sacrificing slightly the average revenue per unit case, reflecting the high growth of the value protection brands.

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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 9 bottling facilities in Mexico and one in Buenos Aires and serves more than 275,000 retailers in Mexico and more than 70,000 retailers in the greater Buenos Aires area. Coca-Cola FEMSA currently accounts for approximately 3% of The Coca-Cola Company's global sales, 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.

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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 March 31, 2001. For comparison purposes, 2000 and 2001 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, 2001 exchange rate of Ps. 9.4855 per A$1.00. Also, all comparisons for First Quarter 2001, ending March 31, 2001, in this report are made against the figures for the comparable period, First Quarter 2000 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.

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Siguen 3 Tablas

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
INCOME STATEMENT
For the three months ended March 31, 2001 and 2000
Expressed in currency with purchasing power as of March 31, 2001

	Consolidated			Mexican Operations			Buenos Aires Operation		
	(Millions of Mexican Pesos) (1)						(Millions of Argentine Pesos) (1)		
	2001	2000	% VAR	2001	2000	% VAR	2001	2000	% VAR
Sales Volume(millions unit cases)	143.6	137.6	4.4	108.0	103.9	3.9	35.6	33.7	5.9
Average unit price per case	28.27	28.31	(0.1)	29.07	28.20	3.1	2.72	3.02	(9.9)
Net revenues	4,060.9	3,894.3	4.3	3,139.6	2,929.5	7.2	97.1	101.7	(4.5)
Other operating revenues	54.1	19.3	180.3	18.0	9.7	85.6	3.8	1.0	280.0
Total revenues	4,115.0	3,913.6	5.1	3,157.6	2,939.2	7.4	100.9	102.7	(1.8)
Cost of sales	2,010.9	1,982.7	1.4	1,473.7	1,429.8	3.1	56.6	58.3	(2.9)
Gross profit	2,104.1	1,930.9	9.0	1,683.9	1,509.4	11.6	44.3	44.4	(0.2)
Administrative expenses	311.2	304.5	2.2	264.8	258.3	2.5	4.9	4.9	-
Selling expenses	966.9	969.8	(0.3)	699.6	696.5	0.4	28.2	28.8	(2.1)
Operating expenses	1,278.1	1,274.3	0.3	964.4	954.8	1.0	33.1	33.7	(1.8)
Goodwill amortization	28.6	29.9	(4.3)	1.8	1.8	-	0.8	0.8	-
Operating income	797.4	626.7	27.2	717.7	552.8	29.8	10.4	9.9	5.1
Interest expense	79.4	80.7	(1.6)						
Interest income	78.2	21.8	258.7						
Interest expense, net	1.1	58.9	(98.1)						
Foreign exchange loss	26.4	39.5	(33.2)						
Gain on monetary position	10.6	(51.2)	(120.7)						
Integral cost of financing	38.1	47.2	(19.3)						
Other (income) expenses, net	(14.5)	0.4	(3,736.0)						
Income before taxes	773.8	579.1	33.6						
Taxes	335.9	278.1	20.8						
Effect of changes in accounting principles	(26.5)	-	NA						
Consolidated net income	411.4	301.0	36.7						
Majority net income	411.4	301.0	36.7						
EBITDA (2)	1,076.6	918.1	17.3	911.4	760.4	19.9	17.4	16.6	5.0

(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 - March 2001	7.88%
Argentine Inflation March 2000 - March 2001	-1.73%
Mexican Peso / U.S.Dollar at March 31, 2001	9.486

Coca-Cola FEMSA, S.A. de C.V. and Subsidiaries
Consolidated Balance Sheet
As of March 31, 2001 and December 31, 2000
Millions of Mexican pesos (Ps.)
Expressed in currency with purchasing power as of March 31, 2001

ASSETS		**2001**		**2000**
Current Assets				
Cash and cash equivalents	Ps.	2,564	Ps.	1,927
Accounts receivable:				
Trade		436		640
Notes		71		61
Prepaid taxes		4		4
Other		146		166
		657		871
Inventories		621		505
Prepaid expenses		125		65
Total current assets		3,967		3,368
Property, plant and equipment				
Land		792		786
Buildings, machinery and equipment		8,439		8,503
Accumulated depreciation		(2,845)		(2,791)
Construction in progress		301		272
Bottles and cases		216		322
Total property, plant and equipment		6,903		7,092
Investment in shares		211		210
Deferred charges, net		479		503
Goodwill, net		1,590		1,644
TOTAL ASSETS	Ps.	13,150	Ps.	12,817

LIABILITIES & STOCKHOLDERS' EQUITY		**2001**		**2000**
Current Liabilities				
Short-term bank loans, notes and interest payable	Ps.	105	Ps.	87
Suppliers		1,329		1,388
Accounts payable and others		644		550
Taxes payable		447		260
Total Current Liabilities		2,525		2,285
Long-term bank loans		2,892		2,965
Pension plan and seniority premium		165		162
Other liabilities		988		982
Total Liabilities		6,570		6,394
Stockholders' Equity				
Minority interest		0		0
Majority interest:				
Capital stock		2,169		2,169
Additional paid in capital		1,526		1,526
Retained earnings of prior years		5,014		4,005
Net income for the period		411		1,301
Cumulative results of holding				
non-monetary assets		(2,540)		(2,578)
Total majority interest		6,580		6,423
Total stockholders' equity		6,580		6,423
TOTAL LIABILITIES & EQUITY	Ps.	13,150	Ps.	12,817

Mexican Inflation December 2000 - March 2001	0.99%
Argentine Inflation December 2000 - March 2001	-0.24%
Mexican Peso / U.S.Dollar at March 31, 2001	9.49

Selected Information

For the three months ended March 31, 2001

Expressed in Pesos as of March 31, 2001

	2001
Depreciation (1)	184.4
Amortization and others	94.8
Capital Expenditures (2)	134.6

(Includes good will amortization) (1)

(Includes Bottles and Cases and Deferred Charges) (2)

Sales Volume Information

Expressed in millions of unit cases

	2001	2000
Mexico	108.0	103.9
Valley of Mexico	81.3	77.4
Southeast	26.7	26.5
Buenos Aires	35.6	33.7
Total	143.6	137.6

Product Mix by Brand

(Colas / Flavors / Water)

Expressed as a percentage of total volume

	2001	2000
Mexico	77/19/4	75/22/3
Valley of Mexico	78/19/3	75/22/3
Southeast	74/20/6	74/21/5
Buenos Aires	68/31/1	76/23/1
Total	75/22/3	75/22/3

Product Mix by Presentation

(Returnable / Non Returnable)

Expressed as a percentage of total volume

	2001	2000
Mexico	44/56	45/55
Valley of Mexico	42/58	42/58
Southeast	48/52	53/47
Buenos Aires	7/93	10/90
Total	35/65	36/64