



GRUPO MODELO, S.A. DE C.V.

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OFFICE OF INTERNATIONAL
CORPORATE FINANCE
July 28, 2004

Rule 12g3-2(b) File No. 82-34766

Office of International Corporate Finance
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.
ATTN: Mr. Michael Pressman



SUPPL

Grupo Modelo S.A. de C.V.
Rule 12g3-2(b) File No. 82-34766

The enclosed information is being furnished to the Securities and Exchange Commission (the "SEC") on behalf of Grupo Modelo S.A. de C.V. (the "Company") pursuant to the exemption from the Securities Exchange Act of 1934, as amended (the "Act") afforded by Rule 12g3-2(b) thereunder.

This information is being furnished under paragraph (1) of Rule 12g3-2(b) with the understanding that such information and documents will not be deemed to be "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Act.

Very truly yours,

For and on behalf of
Grupo Modelo S.A. de C.V.

PROCESSED

AUG 09 2004



Name: Margarita Hugues Vélez
Title: In-house Counsel

Enclosure[s] : Financial Information

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: GMODELO

Quarter: 2 Year: 2004

GRUPO MODELO, S.A. DE C.V.

RECEIVED

CONSOLIDATED FINANCIAL STATEMENT
AT JUNE 30 OF 2004 AND 2003
(Thousands of Pesos)

TRANSLATION FOR INFORMATION
PURPOSES ONLY

2004 AUG -9 A 9:30

Final Printing

REF S	OFFICE CONCEPTS INTERNATIONAL CORPORATE FINANCE	QUARTER OF PRESENT		QUARTER OF PREVIOUS	
		Amount	%	Amount	%
1	TOTAL ASSETS	65,910,239	100	61,747,838	100
2	CURRENT ASSETS	20,648,224	31	19,258,122	31
3	CASH AND SHORT-TERM INVESTMENTS	12,672,137	19	10,140,896	16
4	ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)	1,499,114	2	1,194,386	2
5	OTHER ACCOUNTS AND DOCUMENTS RECEIVABLE	311,581	0	372,383	1
6	INVENTORIES	4,544,077	7	4,936,505	8
7	OTHER CURRENT ASSETS	1,621,315	2	2,613,952	4
8	LONG-TERM	3,556,329	5	2,774,334	4
9	ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)	1,017,533	2	143,282	0
10	INVESTMENT IN SHARES OF SUBSIDIARIES AND NON-CONSOLIDATED ASSOCIATED	2,400,890	4	2,508,438	4
11	OTHER INVESTMENTS	137,906	0	122,614	0
12	PROPERTY, PLANT AND EQUIPMENT	39,540,581	60	37,997,384	62
13	PROPERTY	17,935,964	27	17,507,780	28
14	MACHINERY AND INDUSTRIAL EQUIPMENT	26,138,777	40	25,681,986	42
15	OTHER EQUIPMENT	7,695,527	12	8,274,871	13
16	ACCUMULATED DEPRECIATION	18,678,866	28	18,145,584	29
17	CONSTRUCTION IN PROGRESS	6,449,179	10	4,678,331	8
18	DEFERRED ASSETS (NET)	937,560	1	516,842	1
19	OTHER ASSETS	1,227,545	2	1,201,156	2
20	TOTAL LIABILITIES	12,168,890	100	11,253,505	100
21	CURRENT LIABILITIES	4,384,269	36	3,932,509	35
22	SUPPLIERS	1,226,190	10	1,025,160	9
23	BANK LOANS	37,082	0	26,544	0
24	STOCK MARKET LOANS	0	0	0	0
25	TAXES TO BE PAID	1,972,549	16	1,788,952	16
26	OTHER CURRENT LIABILITIES	1,148,448	9	1,091,853	10
27	LONG-TERM LIABILITIES	0	0	0	0
28	BANK LOANS	0	0	0	0
29	STOCK MARKET LOANS	0	0	0	0
30	OTHER LOANS	0	0	0	0
31	DEFERRED LOANS	7,784,621	64	7,320,996	65
32	OTHER LIABILITIES	0	0	0	0
33	CONSOLIDATED STOCK HOLDERS' EQUITY	53,741,349	100	50,494,333	100
34	MINORITY INTEREST	12,608,283	23	12,187,347	24
35	MAJORITY INTEREST	41,133,066	77	38,306,986	76
36	CONTRIBUTED CAPITAL	15,121,063	28	15,121,063	30
37	PAID-IN CAPITAL STOCK (NOMINAL)	2,839,652	5	2,839,652	6
38	RESTATEMENT OF PAID-IN CAPITAL STOCK	11,337,261	21	11,337,261	22
39	PREMIUM ON SALES OF SHARES	911,036	2	911,036	2
40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	33,114	0	33,114	0
41	CAPITAL INCREASE (DECREASE)	26,012,003	48	23,185,923	46
42	RETAINED EARNINGS AND CAPITAL RESERVE	23,175,177	43	20,607,210	41
43	REPURCHASE FUND OF SHARES	596,358	1	596,358	1
44	EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK HOLDERS' EQUITY	(662,554)	(1)	(610,150)	(1)
45	NET INCOME FOR THE YEAR	2,903,022	5	2,592,505	5

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

CONSOLIDATED FINANCIAL STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

TRANSLATION FOR INFORMATION
PURPOSES ONLY
Final Printing

REF S	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
3	CASH AND SHORT-TERM INVESTMENTS	12,672,137	100	10,140,896	100
46	CASH	375,142	3	493,578	5
47	SHORT-TERM INVESTMENTS	12,296,995	97	9,647,318	95
18	DEFERRED ASSETS (NET)	937,560	100	516,842	100
48	AMORTIZED OR REDEEMED EXPENSES	666,787	71	231,471	45
49	GOODWILL	270,773	29	285,371	55
50	DEFERRED TAXES	0	0	0	0
51	OTHERS	0	0	0	0
21	CURRENT LIABILITIES	4,384,269	100	3,932,509	100
52	FOREING CURRENCY LIABILITIES	377,966	9	279,376	7
53	MEXICAN PESOS LIABILITIES	4,006,303	91	3,653,133	93
24	STOCK MARKET LOANS	0	100	0	100
54	COMMERCIAL PAPER	0	0	0	0
55	CURRENT MATURITIES OF MEDIUM TERM NOTES	0	0	0	0
56	CURRENT MATURITIES OF BONDS	0	0	0	0
26	OTHER CURRENT LIABILITIES	1,148,448	100	1,091,853	100
57	OTHER CURRENT LIABILITIES WITH COST	0	0	0	0
58	OTHER CURRENT LIABILITIES WITHOUT COST	1,148,448	100	1,091,853	100
27	LONG-TERM LIABILITIES	0	100	0	100
59	FOREING CURRENCY LIABILITIES	0	0	0	0
60	MEXICAN PESOS LIABILITIES	0	0	0	0
29	STOCK MARKET LOANS	0	100	0	100
61	BONDS	0	0	0	0
62	MEDIUM TERM NOTES	0	0	0	0
30	OTHER LOANS	0	100	0	100
63	OTHER LOANS WITH COST	0	0	0	0
64	OTHER LOANS WITHOUT COST	0	0	0	0
31	DEFERRED LOANS	7,784,621	100	7,320,996	100
65	NEGATIVE GOODWILL	0	0	0	0
66	DEFERRED TAXES	7,015,759	90	6,717,162	92
67	OTHERS	768,862	10	603,834	8
32	OTHER LIABILITIES	0	100	0	100
68	RESERVES	0	0	0	0
69	OTHERS LIABILITIES	0	0	0	0
44	EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK HOLDERS' EQUITY	(662,554)	100	(610,150)	100
70	ACCUMULATED INCOME DUE TO MONETARY POSITION	4,091,142	617	4,091,142	671
71	INCOME FROM NON-MONETARY POSITION ASSETS	(4,753,696)	(717)	(4,701,292)	(771)

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

TRANSLATION FOR INFORMATION
PURPOSES ONLY

CONSOLIDATED FINANCIAL STATEMENT
OTHER CONCEPTS
(Thousands of Pesos)

Final Printing

REF S	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
72	WORKING CAPITAL	16,263,955	15,325,613
73	PENSIONS FUND AND SENIORITY PREMIUMS	3,550,191	3,160,859
74	EXECUTIVES (*)	0	0
75	EMPLOYERS (*)	23,039	24,072
76	WORKERS (*)	22,707	24,134
77	CIRCULATION SHARES (*)	3,251,759,632	3,251,759,632
78	REPURCHASED SHARES (*)	0	0

(*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS.

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: **GMODELO**
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

CONSOLIDATED EARNING STATEMENT
FROM JANUARY THE 1st TO JUNE 30 OF 2004 AND 2003
(Thousands of Pesos)

TRANSLATION FOR INFORMATION
PURPOSES ONLY

Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
1	NET SALES	21,547,993	100	20,405,557	100
2	COST OF SALES	9,416,747	44	8,970,151	44
3	GROSS INCOME	12,131,246	56	11,435,406	56
4	OPERATING EXPENSES	5,635,241	26	5,729,904	28
5	OPERATING INCOME	6,496,005	30	5,705,502	28
6	TOTAL FINANCING COST	(164,877)	(1)	(290,234)	(1)
7	INCOME AFTER FINANCING COST	6,660,882	31	5,995,736	29
8	OTHER FINANCIAL OPERATIONS	(293,369)	(1)	(187,745)	(1)
9	INCOME BEFORE TAXES AND WORKERS' PROFIT SHARING	6,954,251	32	6,183,481	30
10	RESERVE FOR TAXES AND WORKERS' PROFIT SHARING	3,140,723	15	2,779,627	14
11	NET INCOME AFTER TAXES AND WORKERS' PROFIT SHARING	3,813,528	18	3,403,854	17
12	SHARE IN NET INCOME OF SUBSIDIARIES AND NON-CONSOLIDATED ASSOCIATES	0	0	0	0
13	CONSOLIDATED NET INCOME OF CONTINUOUS OPARATION	3,813,528	18	3,403,854	17
14	INCOME OF DISCONTINUOUS OPERATIONS	0	0	0	0
15	CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS	3,813,528	18	3,403,854	17
16	EXTRAORDINARY ITEMS NET EXPENSES (INCOME)	0	0	0	0
17	NET EFFECT AT THE BEGINNING OF THE YEAR BY CHANGES IN ACCOUNTING PRINCIPLES	0	0	0	0
18	NET CONSOLIDATED INCOME	3,813,528	18	3,403,854	17
19	NET INCOME OF MINORITY INTEREST	910,506	4	811,349	4
20	NET INCOME OF MAJORITY INTEREST	2,903,022	13	2,592,505	13

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2/EAR: 2004

TRANSLATION FOR INFORMATION
PURPOSES ONLY

CONSOLIDATED EARNING STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

Final Printing

REF	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
1	NET SALES	21,547,993	100	20,405,557	100
21	DOMESTIC	15,101,223	70	14,925,051	73
22	FOREIGN	6,446,770	30	5,480,506	27
23	TRANSLATED INTO DOLLARS (***)	573,143	3	494,700	2
6	TOTAL FINANCING COST	(164,877)	100	(290,234)	100
24	INTEREST PAID	41	0	20	0
25	EXCHANGE LOSSES	54,871	33	70,752	24
26	INTEREST EARNED	364,344	221	402,712	139
27	EXCHANGE PROFITS	64,495	39	86,253	30
28	GAIN DUE TO MONETARY POSITION	209,050	127	127,959	44
8	OTHER FINANCIAL OPERATIONS	(293,369)	100	(187,745)	100
29	OTHER NET EXPENSES (INCOME) NET	(293,369)	(100)	(187,745)	(100)
30	(PROFIT) LOSS ON SALE OF OWN SHARES	0	0	0	0
31	(PROFIT) LOSS ON SALE OF SHORT-TERM INVESTMENTS	0	0	0	0
10	RESERVE FOR TAXES AND WORKERS' PROFIT SHARING	3,140,723	100	2,779,627	100
32	INCOME TAX	2,621,384	83	2,183,867	79
33	DEFERED INCOME TAX	(147,401)	(5)	48,271	2
34	WORKERS' PROFIT SHARING	666,740	21	547,489	20
35	DEFERED WORKERS' PROFIT SHARING	0	0	0	0

(***) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

TRANSLATION FOR INFORMATION
PURPOSES ONLY

CONSOLIDATED EARNING STATEMENT
OTHER CONCEPTS
(Thousands of Pesos)

Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR Amount	QUARTER OF PREVIOUS FINANCIAL YEAR Amount
36	TOTAL SALES	23,410,104	21,801,908
37	NET INCOME OF THE YEAR	3,227,360	2,922,401
38	NET SALES (**)	42,255,187	39,918,930
39	OPERATION INCOME (**)	11,833,487	10,384,218
40	NET INCOME OF MAYORITY INTEREST(**)	5,205,716	4,536,341
41	NET CONSOLIDATED INCOME (**)	6,847,628	5,972,362

(**) THE RESTATED INFORMATION ON THE LAST TWELVE MONTHS SHOULD BE USED

STOCK EXCHANGE CODE
GRUPO MODELO, S.A. DE C.V.

GMODELO

QUARTER 2

YEAR 2004

CONSOLIDATED EARNING STATEMENT
FROM APRIL THE 1ST TO JUNE 30 OF 2004 AND 2003
(Thousands of Pesos)

CONSOLIDATED
Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
1	NET SALES	12,357,502	100	11,297,915	100
2	COST OF SALES	5,457,453	44	4,961,867	44
3	GROSS INCOME	6,900,049	56	6,336,048	56
4	OPERATING EXPENSES	2,947,456	24	3,027,304	27
5	OPERATING INCOME	3,952,593	32	3,308,744	29
6	TOTAL FINANCING COST	-192,192	-2	-183,655	-2
7	INCOME AFTER FINANCING COST	4,144,785	34	3,492,399	31
8	OTHER FIANCIAL OPERATIONS	-64,271	-1	-122,310	-1
9	INCOME BEFORE TAXES AND WORKERS' PROFIT SHARING	4,209,056	34	3,614,709	32
10	RESERVE FOR TAXES AND WORKERS' PROFIT SHARING	1,853,799	15	1,577,816	14
11	NET INCOME AFTER TAXES AND WORKERS' PROFIT SHARING	2,355,257	19	2,036,893	18
12	SHARE IN NET INCOME OF SUBSIDIARIES AND NON-CONSOLIDATED ASSOCIATES	0	0	0	0
13	CONSOLIDATED NET INCOME OF CONTINUOUS OPERATION	2,355,257	19	2,036,893	18
14	INCOME OF DISCONTINUOUS OPERATION	0	0	0	0
15	CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS	2,355,257	19	2,036,893	18
16	EXTRAORDINARY ITEMS NET EXPENSES (INCOME)	0	0	0	0
17	NET EFFECT AT THE BEGINNING OF THE YEAR BY CHANGES IN ACCOUNTING PRINCIPLES	0	0	0	0
18	NET COSOLIDATED INCOME	2,355,257	19	2,036,893	18
19	NET INCOME OF MINORITY INTEREST	562,770	5	485,569	4
20	NET INCOME OF MAJORITY INTEREST	1,792,487	15	1,551,324	14

**CONSOLIDATED EARNING STATEMENT
BREAKDOWN OF MAIN CONCEPTS**
(Thousands of Pesos)

CONSOLIDATED
Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
1	NET SALES	12,357,502	100	11,297,915	100
21	DOMESTIC	8,344,629	68	8,221,597	73
22	FOREIGN	4,012,873	32	3,076,318	27
23	TRANSLATED INTO DOLLARS (***)	352,244	3	282,555	3
6	TOTAL FINANCING COST	-192,192	100	-183,655	100
24	INTREST PAID	33	0	20	0
25	EXCHANGE LOSSES	26,969	14	36,162	20
26	INTEREST EARNED	187,367	97	173,282	94
27	EXCHANGE PROFITS	48,982	25	30,521	17
28	GAIN DUE TO MONETARY POSITION	17,155	9	-16,034	-9
8	OTHER FIANCIAL OPERATIONS	-64,271	100	-122,310	100
29	OTHER NET EXPENSES (INCOME) NET	-64,271	100	-122,310	-100
30	(PROFIT) LOSS ON SALE OF OWN SHARES	0	0	0	0
31	(PROFIT) LOSS ON SALE OF SHORT-TERM INVESTMENTS	0	0	0	0
10	RESERVE FOR TAXES AND WORKERS' PROFIT SHARING	1,853,799	100	1,577,816	100
32	INCOME TAX	1,580,606	85	1,226,814	78
33	DEFERED INCOME TAX	-139,328	-8	48,497	3
34	WORKERS' PROFIT SHARING	412,521	22	302,505	19
35	DEFERED WORKERS' PROFIT SHARING	0	0	0	0

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2/EAR: 2004

CONSOLIDATED FINANCIAL STATEMENT
FROM JANUARY THE 1st TO JUNE 30 OF 2004 AND 2003
(Thousands of Pesos)

Final Printing

REF C	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
1	CONSOLIDATED NET INCOME	3,813,528	3,403,854
2	+(-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING CASH	1,516,816	959,132
3	CASH FLOW FROM NET INCOME OF THE YEAR	5,330,344	4,362,986
4	CASH FLOW FROM CHANGE IN WORKING CAPITAL	311,285	(1,053,584)
5	CASH GENERATED (USED) IN OPERATING ACTIVITIES	5,641,629	3,309,402
6	CASH FLOW FROM EXTERNAL FINANCING	493,264	(179,638)
7	CASH FLOW FROM INTERNAL FINANCING	(3,699,965)	(2,385,017)
8	CASH FLOW GENERATED (USED) BY FINANCING	(3,206,701)	(2,564,655)
9	CASH FLOW GENERATED (USED) IN INVESTMENT ACTIVITIES	(2,074,820)	(1,394,700)
10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	360,108	(649,953)
11	CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD	12,312,029	10,790,849
12	CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD	12,672,137	10,140,896

CONSOLIDATED FINANCIAL STATEMENT
BREAKDOWN OF MAIN CONCEPTS
(Thousands of Pesos)

CONSOLIDATED
Final Printing

REF C	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
2	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING CASH	1,516,816	959,132
13	DEPRECIATION AND AMORTIZATION FOR THE YEAR	1,001,861	966,371
14	+ (-) NET INCREASE (DECREASE) IN PENSIONS FUND AND SENIORITY PREMIUMS	0	0
15	+ (-) NET LOSS (PROFIT) IN MONEY EXCHANGE	0	0
16	+ (-) NET LOSS (PROFIT) IN ASSETS AND LIABILITIES ACTUALIZATION	0	0
17	+ (-) OTHER ITEMS	251,219	(83,253)
40	+ (-) ITEMS ADDED TO INCOME WICH DO NOT REQUIRE USING CASH	263,736	76,014
4	CASH FLOW FROM CHANGE IN WORKING CAPITAL	311,285	(1,053,584)
18	+ (-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE	(241,382)	(407,640)
19	+ (-) DECREASE (INCREASE) IN INVENTORIES	361,949	156,543
20	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE	211,230	(370,459)
21	+ (-) DECREASE (INCREASE) IN SUPPLIER ACCOUNT	266,925	21,857
22	+ (-) DECREASE (INCREASE) IN OTHER LIABILITIES	(287,437)	(453,885)
6	CASH FLOW FROM EXERNAL FINANCING	493,264	(179,638)
23	+ SHORT-TERM BANK AND STOCK MARKET FINANCING	37,082	26,544
24	+ LONG-TERM BANK AND STOCK MARKET FINANCING	0	0
25	+ DIVIDEND RECEIVED	0	0
26	+ OTHER FINANCING	456,182	(206,182)
27	(-) BANK FINANCING AMORTIZATION	0	0
28	(-) STOCK MARKET AMORTIZATION	0	0
29	(-) OTHER FINANCING AMORTIZATION	0	0
7	CASH FLOW FROM INTERNAL FINANCING	(3,699,965)	(2,385,017)
30	+ (-) INCREASE (DECREASE) IN CAPITAL STOCKS	0	0
31	(-) DIVIDENDS PAID	(3,699,965)	(2,385,017)
32	+ PREMIUM ON SALE OF SHARES	0	0
33	+ CONTRIBUTION FOR FUTURE CAPITAL INCREASES	0	0
9	CASH FLOW GENERATED (UTILIZED) IN INVESTMENT ACTIVITIES	(2,074,820)	(1,394,700)
34	+ (-) INCREASE (DECREASE) IN STOCK INVESTMENTS OF A PERMANENT NATURE	(2,702)	(628)
35	(-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(1,123,613)	(700,718)
36	(-) INCREASE IN CONSTRUCTIONS IN PROGRESS	(638,455)	(603,398)
37	+ SALE OF OTHER PERMNET INVESTMENTS	0	0
38	+ SALE OF TANGIBLE FIXED ASSETS	0	0
39	+ (-) OTHER ITEMS	(310,050)	(89,956)

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE
GRUPO MODELO, S.A. DE C.V.

GMODELO

QUARTER 2

YEAR 2004

RATIOS
CONSOLIDATED

CONSOLIDATED
Final Printing

REF P	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PRESENT FINANCIAL YEAR
	YIELD		
1	NET INCOME TO NET SALES	17.70%	16.68%
2	NET INCOME TO STOCK HOLDERS' EQUITY (**)	12.66%	11.84%
3	NET INCOME TO TOTAL ASSETS (**)	10.39%	9.67%
4	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	55.59%	40.97%
5	INCOME DUE TO MONETARY POSITION TO NET INCOME	-5.48 %	-3.76 %
	ACTIVITY		
6	NET SALES TO NET ASSETS (**)	0.64 times	0.65 times
7	NET SALES TO FIXED ASSETS (**)	1.07 times	1.05 times
8	INVENTORIES ROTATION (**)	4.10 times	3.54 times
9	ACCOUNTS RECEIVABLE IN DAYS OF SALES	11 days	9 days
10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	0.23%	0.38%
	LEVERAGE		
11	TOTAL LIABILITIES TO TOTAL ASSETS	18.46%	18.22%
12	TOTAL LIABILITIES TO STOCK HOLDERS' EQUITY	0.23 times	0.22 times
13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	3.11%	2.48%
14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.00%	0.00%
15	OPERATING INCOME TO INTEREST PAID	158,439.16 times	285275.09% times
16	NET SALES TO TOTAL LIABILITIES (**)	3.47 times	3.55 times
	LIQUIDITY		
17	CURRENT ASSETS TO CURRENT LIABILITIES	4.71 times	4.90 times
18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	3.67 times	3.64 times
19	CURRENT ASSETS TO TOTAL LIABILITIES	1.70 times	1.71 times
20	AVAILABLE ASSETS TO CURRENT LIABILITIES	289.04%	257.87%
	CASH FLOW		
21	CASH FLOW FROM NET INCOME TO NET SALES	24.74%	21.38%
22	CASH FLOW FROM CHANGES IN WORKING CAPITAL TO NET SALES	1.44%	-5.16 %
23	CASH GENERATED (USED) IN OPERATING TO INTEREST PAID	137,600.70 times	165,470.09 times
24	EXTERNAL FINANCING TO CASH GENERATED (USED) IN FINANCING	-15.38%	7.00%
25	INTERNAL FINANCING TO CASH GENERATED (USED) IN FINANCING	115.38%	93.00%
26	ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO CASH GENERATED (USED) IN INVESTMENT ACTIVITIES	54.15%	50.24%

(**) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE MONTHS.

MEXICAN STOCK EXCHANGE
SIFIC/ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODEGRUPO MODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

CONSOLIDATED
Final Printing

THE ESTIMATED I.N.P.C. USED FOR THE END OF THE MONTH OF JUNE, 2004 WAS 108.693 AND 104.087 FOR 2003.

R06: THE COMPANY DOES NOT HAVE CREDITS OR INVESTMENTS IN UDIS [Unidades de Inversion = Investment Units], AND THEREFORE WITH THIS COMMENT THE COMMUNICATION DATED DECEMBER 27, 1999, IS COMPLIED WITH.

THE CHARGE FROM THE APPLICATION OF THE INITIAL EFFECT OF THE DEFERRED TAX ON SHAREHOLDERS' EQUITY OF THE MAJORITY INTEREST WAS MADE IN THE ACCUMULATED PROFITS ACCOUNT WITH REFERENCE S42 FOR AN AMOUNT OF PS. 4,737,503, THIS BASED ON THE PROVISION OF BULLETIN D-4 INDICATING THAT THE INITIAL EFFECT OF THE APPLICATION OF THIS PRINCIPLE IS PRESENTED IN ONLY ONE ACCOUNT. THIS LINE WAS USED, SINCE IN THE SIFIC THERE IS NO REFERENCE IN WHICH WE CAN SHOW SAID EFFECT.

REFERENCE R37 "TAX RESULT FOR THE PERIOD" CORRESPONDS TO THAT OF GRUPO MODELO, DETERMINED ON THE BASIS OF THE TAX CONSOLIDATION RÉGIME.

THE CONTRIBUTIONS MADE TO PENSION PLANS AND THE EFFECT OF THE RESTRUCTURING OF THE MINORITY INTEREST CAPITAL ARE INCLUDED IN REFERENCE C26 "OTHER FINANCING". THIS IS BECAUSE IN REFERENCE C7 "FLOW FROM OWN FINANCING" THERE IS NO ITEM THAT ALLOWS NOTING THOSE MATTERS.

REFERENCE C-31 COLUMN INCLUDES THE PAYMENT OF DIVIDENDS IN THE FOLLOWING MANNER:

MAJORITY SHAREHOLDERS	Ps. 2,767,834	1,830,500
MINORITY SHAREHOLDERS	932,131	554,517
TOTAL (REFERENCE C-31)	3,699,965	2,385,017

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE: MODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

DIRECTOR REPORT (1)

ANNEX 1

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GRUPO MODELO, S.A. DE C.V. AND SUBSIDIARIES
FINANCIAL SUMMARY FOR THE SECOND QUARTER 2004
AMOUNTS IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF JUNE 30TH, 2004
16.3% INCREASE IN EXPORT VOLUME.
270 BASIS POINTS OPERATING MARGIN EXPANSION, REACHING 32.0%.
EBITDA GROWS 17.6%, THE MARGIN GETS TO 35.3%

MEXICO CITY, JULY 21ST, 2004. - TOTAL BEER VOLUME GREW 2.7% DURING THE SECOND QUARTER OF 2004, REACHING 12.0 MILLION HECTOLITERS. IN THE DOMESTIC MARKET 8.0 MILLION HECTOLITERS WERE SOLD, WHICH REPRESENTS A FALL OF 2.9% COMPARED TO LAST YEAR. THIS DECREASE MAINLY REFLECTS THE UNFAVORABLE WEATHER CONDITIONS IN MODELO'S TERRITORIES THAT AFFECTED CONSUMPTION DURING THE QUARTER.

EXPORT VOLUME GREW 16.3%, THE HIGHEST INCREASE OBSERVED SINCE THE FIRST QUARTER OF 2002, EXCEPT FOR THE REGISTERED IN THE FOURTH QUARTER OF 2003 IN WHICH DISTORTIONS WERE OBSERVED DUE TO THE BUILD UP INVENTORY EFFECT THAT RESULTED FROM THE ANNOUNCEMENT OF THE PRICE INCREASE FOR THE U.S. MARKET. DURING THE QUARTER EXPORTS REPRESENTED 33.0% OF TOTAL VOLUME COMPARED TO THE 29.1% REGISTERED LAST YEAR.

NET SALES REACHED 12,358 MILLION PESOS, A 9.4% INCREASE YEAR OVER YEAR. THIS INCREASE REFLECTS THE SOLID GROWTH OF 30.4% IN EXPORT SALES, AS A RESULT OF THE VOLUME PERFORMANCE, THE AVERAGE PRICE INCREASE OF 7.2% IN THE EXPORT PRICE PER HECTOLITER IN DOLLARS, AS WELL AS THE DEVALUATION OF THE MEXICAN PESO AGAINST THE U.S. DOLLAR DURING THE PERIOD.

THE COST OF GOODS SOLD AMOUNTED TO 5,457 MILLION PESOS, WHICH REPRESENTS A 10.0% GROWTH. THIS IS A RESULT OF HIGHER PROPORTION OF EXPORTS IN THE MIX. GROSS PROFIT WAS UP 8.9%, REACHING 6,900 MILLION PESOS, AND REPRESENTING 55.8% OVER NET SALES.

OPERATING EXPENSES DECREASED 2.6%, REACHING 2,947 MILLION PESOS, THIS REFLECTS THE LOWER OPERATING EXPENSES ASSOCIATED WITH EXPORTS. THE STABILITY IN THE OPERATING EXPENSES PER DOMESTIC HECTOLITER CONTINUES REFLECTING THE EFFORTS MADE BY THE COMPANY TO RATIONALIZE EXPENSES TOWARDS A HIGHER PROFITABILITY. THE QUARTERLY OPERATING INCOME AMOUNTED TO 3,953 MILLION PESOS. THE OPERATING MARGIN EXPANDED 270 BASIS POINTS TO 32.0%, RECORD MARGIN FOR A QUARTER.

THE EFFECTIVE TAX RATE (INCLUDING PROFIT SHARING) WAS 44.0%, MAINTAINING STABLE LEVELS WITH RESPECT THE PRIOR YEAR.

THE MAJORITY NET PROFIT WAS 1,792 MILLION PESOS, 15.5% ABOVE THE PRIOR YEAR. FURTHERMORE, THE NET MARGIN WAS BENEFITED BY A 80 BASIS POINTS EXPANSION, REACHING 14.5%. GRUPO MODELO'S EARNINGS PER SHARE STOOD AT 0.55, ABOVE THE 0.48 REGISTERED IN 2003.

GRUPO MODELO, S.A. DE C.V. AND SUBSIDIARIES
SALES OF BEER IN MILLION HECTOLITERS

MARKET	2ND QUARTER		2ND QUARTER		VAR. (5)
	2004	%	2003	%	
DOMESTIC	8.007	67.0	8.242	70.9	-2.9

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE MODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

PAGE 2

DIRECTOR REPORT (1)

ANNEX 1

CONSOLIDATED
Final Printing

EXPORT	3.944	33.0	3.390	29.1	16.3
TOTAL	11.951	100.0	11.632	100.0	2.7

GRUPO MODELO, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE SECOND QUARTER 2004 AND 2003
AMOUNTS IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF JUNE 30TH, 2004

	II-04	%	II-03	%	VAR. %
DOMESTIC SALES	7,199	58.3%	7,239	64.1%	-0.5%
EXPORT SALES	4,013	32.5%	3,076	27.2%	30.4%
OTHER INCOME	1,145	9.3%	983	8.7%	16.6%
TOTAL NET SALES	12,357	100.0%	11,298	100.0%	9.4%
COST OF GOODS SOLD	5,457	44.2%	4,962	43.9%	10.0%
GROSS PROFIT	6,900	55.8%	6,336	56.1%	8.9%
OPERATING EXPENSES	2,947	23.8%	3,027	26.8%	-2.6%
OPERATING INCOME	3,953	32.0%	3,309	29.3%	19.5%
INTEGRAL COST OF FINANCING	-192	-1.6%	-184	-1.6%	4.3%
OTHER EXPENSE (INCOME) - NET	-64	-0.5%	-122	-1.1%	-47.5%
PROFIT BEFORE TAX & PROFIT SHARING	4,209	34.1%	3,615	32.0%	16.5%
INCOME TAX	1,581	12.8%	1,227	10.9%	28.9%
DEFERRED INCOME TAX	-139	-1.1%	48	0.4%	-389.6%
PROFIT SHARING	413	3.3%	303	2.7%	36.3%
EQUITY IN INCOME OF ASSOCIATES	0	0.0%	0	0.0%	
CONSOLIDATED NET INCOME	2,354	19.1%	2,037	18.0%	15.7%
NET MAJORITY INCOME	1,792	14.5%	1,551	13.7%	15.5%
DEPRECIATION	510	4.1%	491	4.3%	3.9%
EQUITY INCOME OF ASSOCIATES (COGS)	98	0.8%	87	0.8%	12.6%
EBITDA	4,366	35.3%	3,713	32.9%	17.6%

2004 FINANCIAL SUMMARY

AMOUNTS IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF JUNE 30TH, 2004

EXPORT VOLUME GROWTH OF 7.7%.

NET SALES INCREASED 5.6%.

210 BASIS POINTS OPERATING MARGIN EXPANSION, REACHING 30.1%.

TOTAL BEER VOLUME AS OF JUNE 2004 GREW 0.5%, REACHING 21.0 MILLION HECTOLITERS. THE DOMESTIC MARKET REGISTERED A DECREASE OF 2.3%, WHILE EXPORTS

DIRECTOR REPORT (1)

ANNEX 1

CONSOLIDATED
Final Printing

SHOWED A POSITIVE 7.7% GROWTH.

NET SALES WERE UP 5.6% REACHING 21,548 MILLION PESOS, COMPARED TO 20,406 MILLION PESOS REGISTERED IN THE PREVIOUS YEAR. THIS REFLECTS THE GROWTH IN THE EXPORT MARKET AS WELL AS THE PRICE INCREASES FOR BOTH MARKETS.

TOTAL EXPORT REVENUES AMOUNTED TO 573 MILLION DOLLARS, REPRESENTING AN INCREASE OF 15.9% COMPARED TO 2003. AS A RESULT, THE EXPORT PRICE PER HECTOLITER SHOWED AN INCREASE OF 7.6% IN DOLLARS COMPARED TO 2003.

THE COST OF GOODS SOLD GREW 5.0% DUE TO HIGHER EFFICIENCIES IN PRODUCTION, THAT HELPED TO REDUCE THE PRESSURES THAT THE HIGHER PROPORTION OF EXPORT PRESENTATIONS PUT INTO THE COST. THIS ALSO CONTRIBUTED WITH THE 30 BASIS POINTS GROSS MARGIN EXPANSION, WHICH STOOD AT 56.3%.

OPERATING PROFIT AMOUNTED TO 6,496 MILLION PESOS, A GROWTH OF 13.8% COMPARED TO 2003. THE OPERATING MARGIN REACHED TO 30.1%, AN IMPROVEMENT OF 210 BASIS POINTS OVER THE PREVIOUS YEAR AND THE HIGHEST IN THE HISTORY OF GRUPO MODELO FOR A FIRST SEMESTER. THESE REFLECTS THE EFFORTS MADE BY THE COMPANY TO BE MORE EFFICIENT IN THE EXPENSES ASSOCIATED WITH THE DISTRIBUTION IN MEXICO, AS WELL AS ADVERTISING.

DEPRECIATION AND AMORTIZATION AMOUNTED TO 1,002 MILLION PESOS, 4.6% OVER NET SALES. THE EBITDA (OPERATING INCOME + DEPRECIATION - EQUITY INCOME OF ASSOCIATES INCLUDED IN COGS) AMOUNTED TO 7,339 MILLION PESOS, 12.9% HIGHER THAN THE PREVIOUS YEAR.

BELOW OPERATING RESULTS, INTEGRAL COST OF FINANCING WHICH IS FAVORABLE FOR GRUPO MODELO, AMOUNTED 165 MILLION PESOS.

THE EFFECTIVE TAX RATE (INCLUDING PROFIT SHARING) WAS 45.2%, MAINTAINING STABLE LEVELS WITH RESPECT THE PRIOR YEAR.

FINALLY, NET INCOME GREW 12.0% REACHING 2,903 MILLION PESOS AND REPRESENTING A NET MARGIN OF 13.5%.

FINANCIAL POSITION

AS OF JUNE 30, 2004, GRUPO MODELO'S CASH AND MARKETABLE SECURITIES ACCOUNTED FOR 19.2% OF TOTAL ASSETS, COMPARED TO 16.4% IN 2003. ON THE OTHER HAND, TOTAL ASSETS GREW 6.7% OVER THE LAST TWELVE MONTHS. THE FINANCIAL POSITION OF THE COMPANY REMAINED STRONG THROUGH A DEBT-FREE CAPITAL STRUCTURE AND SHORT-TERM OPERATIONAL LIABILITIES OF 4,384 MILLION PESOS. THE STOCKHOLDERS' EQUITY AMOUNTED TO 53,741 MILLION PESOS, REPRESENTING A 6.4% INCREASE COMPARED TO THE PRIOR YEAR. DURING THE QUARTER, DIFFERENT ACQUISITIONS OF MINORITY STAKES AND CONTRIBUTIONS FROM MINORITY SHAREHOLDERS RELATIVE TO PREVIOUS YEARS, WERE MADE.

FINANCIAL RATIOS	JUNE 2004	JUNE 2003
INVENTORY TURNOVER	4.1 TIMES	3.6 TIMES
RECEIVABLES TURNOVER	11 DAYS	9 DAYS
LEVERAGE	18.5 %	18.2%
CURRENT	4.7 TIMES	4.9 TIMES
EPS	1.60 PESOS PER SHARE	1.40 PESOS PER SHARE

CAPITAL EXPENDITURES

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE MODELO
GRUPO MODELO, S.A. DE C.V.
PAGE 4

QUARTER: 2 YEAR: 2004

DIRECTOR REPORT (1)

ANNEX 1

CONSOLIDATED
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AS OF JUNE 2004, GRUPO MODELO INVESTED 1,762 MILLION PESOS OF ITS INTERNAL CASH FLOW, TO CONTINUE WITH ITS MODERNIZATION AND EXPANSION PROJECTS THROUGHOUT THE ORGANIZATION. THE FUNDS WERE ALLOCATED AS SHOWN IN THE TABLE.

AREA	JUNE 2004
TUXTEPEC BREWERY	32.6%
BREWERIES & DISTRIBUTION	67.4%
	=====

GRUPO MODELO, S.A. DE C.V. AND SUBSIDIARIES
SALES OF BEER IN MILLION HECTOLITERS
FIGURES AS OF JUNE 30TH, 2004 AND 2003

MARKET	2004	%	2003	%	VAR. (%)
DOMESTIC	14.552	69.3	14.898	71.4	-2.3
EXPORT	6.439	30.7	5.981	28.6	7.7
	-----	-----	-----	-----	-----
TOTAL	20.991	100.0	20.879	100.0	0.5
	=====	=====	=====	=====	=====

GRUPO MODELO, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30TH, 2004 AND 2003
AMOUNTS IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF JUNE 30TH, 2004

	2004	%	2003	%	VAR. %
DOMESTIC SALES	13,072	60.7%	13,117	64.3%	-0.3%
EXPORT SALES	6,447	29.9%	5,481	26.9%	17.6%
OTHER INCOME	2,029	9.4%	1,808	8.9%	12.2%
	-----	-----	-----	-----	-----
TOTAL NET SALES	21,548	100.0%	20,406	100.0%	5.6%
COST OF GOODS SOLD	9,417	43.7%	8,970	44.0%	5.0%
	-----	-----	-----	-----	-----
GROSS PROFIT	12,131	56.3%	11,436	56.0%	6.1%
OPERATING EXPENSES	5,635	26.1%	5,730	28.1%	-1.7%
	-----	-----	-----	-----	-----
OPERATING INCOME	6,496	30.1%	5,706	28.0%	13.8%
INTEGRAL COST OF FINANCING	-165	-0.8%	-290	-1.4%	-43.1%
OTHER EXPENSE (INCOME) - NET	-293	-1.4%	-188	-0.9%	55.9%
	-----	-----	-----	-----	-----
PROFIT BEFORE TAX & PROFIT SHARING	6,955	32.3%	6,184	30.3%	12.5%
INCOME TAX	2,621	12.2%	2,184	10.7%	20.0%
DEFERRED INCOME TAX	-147	-0.7%	48	0.2%	-406.3%
PROFIT SHARING	667	3.1%	547	2.7%	21.9%
EQUITY INCOME OF ASSOCIATES	0	0.0%	0	0.0%	
	-----	-----	-----	-----	-----
CONSOLIDATED NET INCOME	3,814	17.7%	3,405	16.7%	12.0%

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
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STOCK EXCHANGE CODE: MODELO
GRUPO MODELO, S.A. DE C.V.
PAGE 5

QUARTER: 2 YEAR: 2004

DIRECTOR REPORT (1)

ANNEX 1

CONSOLIDATED
Final Printing

	2004	%	2003	%	2004	%
NET MAJORITY INCOME	2,903	13.5%	2,594	12.7%	12.0%	
DEPRECIATION	1,002	4.6%	966	4.7%	3.7%	
EQUITY INC. OF ASSOC. (INCLUDED IN COGS)	160	0.7%	171	0.8%	-6.4%	
EBITDA	7,339	34.1%	6,501	31.9%	12.9%	

GRUPO MODELO, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF JUNE 30TH, 2004 AND 2003
AMOUNTS IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF JUNE 30TH, 2004

	2004	2003	% VAR.
CASH & MARKETABLE SECURITIES	12,672	10,141	25.0%
TOTAL CURRENT ASSETS	20,648	19,258	7.2%
NON - CURRENT ASSETS	45,262	42,490	6.5%
TOTAL ASSETS	65,910	61,748	6.7%
CURRENT LIABILITIES	4,384	3,933	11.5%
LONG TERM DEBT	0	0	N/A
DEFERRED LIABILITIES	7,785	7,321	6.3%
TOTAL LIABILITIES	12,169	11,254	8.1%
MINORITY STOCKHOLDERS' EQUITY	12,608	12,187	3.5%
MAJORITY STOCKHOLDERS' EQUITY	41,133	38,307	7.4%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	65,910	61,748	6.7%

HIGHLIGHTS
QUARTER AND ACCUMULATED

	II-04	II-03	VAR. %	2004	2003	VAR. %
PRICE/HL DOMESTIC (PESOS)*	899.22	878.32	2.4%	898.34	880.47	2.0%
PRICE/HL EXPORTS (PESOS)*	1,017.38	907.36	12.1%	1,001.21	916.40	9.3%
PRICE/HL EXPORTS (DLLS.)	89.30	83.34	7.2%	89.01	82.72	7.6%
COST OF GOODS SOLD/HL TOTAL (PESOS)*	456.64	426.55	7.1%	448.61	429.64	4.4%
OPERATING EXPENSES/HL TOTAL (PESOS)*	246.62	260.25	-5.2%	268.46	274.44	-2.2%
EXPORT REVENUES (MILLIONS)	352.24	282.56	24.7%	573.14	494.70	15.9%

* AMOUNTS IN CONSTANT MEXICAN PESOS AS OF JUNE 30TH, 2004
GRUPO MODELO, FOUNDED IN 1925, IS THE LEADER IN THE PRODUCTION AND MARKETING OF BEER IN MEXICO WITH 63.1% TOTAL MARKET SHARE (INCLUDING DOMESTIC AND EXPORT MARKETS) AS OF DECEMBER 31, 2003. IT HAS SEVEN BREWING PLANTS IN THE COUNTRY, WITH A TOTAL ANNUAL INSTALLED CAPACITY OF 51.0 MILLION HECTOLITERS. CURRENTLY, IT BREWS AND DISTRIBUTES TEN BRANDS; CORONA EXTRA, THE NUMBER ONE MEXICAN BEER

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SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE: MODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

PAGE 6

DIRECTOR REPORT (1)

ANNEX 1

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SOLD IN THE WORLD, MODELO ESPECIAL, VICTORIA, PACÍFICO, NEGRA MODELO AND OTHER REGIONAL BRANDS. IT EXPORTS FIVE BRANDS WITH PRESENCE IN MORE THAN 150 COUNTRIES AND IS THE EXCLUSIVE IMPORTER OF ANHEUSER-BUSCH'S PRODUCTS IN MEXICO, INCLUDING THE BRANDS BUDWEISER AND BUD LIGHT. GRUPO MODELO TRADES IN THE MEXICAN STOCK EXCHANGE SINCE 1994 WITH THE TICKER SYMBOL GMODEL0C.

MEXICAN STOCK EXCHANGE
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TRANSLATION FOR INFORMATION
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STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

CONSOLIDATED
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GRUPO MODELO, S. A. DE C. V. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2004 AND 2003

(AMOUNTS IN THOUSANDS OF CONSTANT MEXICAN PESOS AS OF JUNE 30, 2004)

1. INCORPORATION AND CORPORATE PURPOSE:

A) GRUPO MODELO, S. A. DE C. V. AND SUBSIDIARIES (GROUP) IS MAINLY ENGAGED IN THE PRODUCTION AND SALE OF BEER, WHICH BEGAN IN 1925.

B) THE MAIN ACTIVITY OF GRUPO MODELO, S. A. DE C. V. IS HOLDING OF 76.75% OF THE CAPITAL STOCK OF DIBLO S. A. DE C. V., WHOSE BUSINESS PURPOSE IS HOLDING REAL ESTATE AND INVESTING IN SHARES OF SUBSIDIARIES MAINLY INVOLVED IN THE PRODUCTION, DISTRIBUTION AND SALE OF BEER IN MEXICO AND ABROAD. THE MOST IMPORTANT COMPANIES, ON THE BASIS OF THEIR OPERATIONS AND STOCKHOLDERS' EQUITY, ARE AS FOLLOWS:

	PERCENTAGE OF SHAREHOLDING
BREWERS:	
CERVECERÍA MODELO, S. A. DE C. V.	100
COMPAÑÍA CERVECERA DE ZACATECAS, S. A. DE C. V.	100
COMPAÑÍA CERVECERA DEL TRÓPICO, S. A. DE C. V.	100
CERVECERÍA MODELO DE GUADALAJARA, S. A. DE C. V.	100
CERVECERÍA MODELO DEL NOROESTE, S. A. DE C. V.	100
CERVECERÍA MODELO DE TORREÓN, S. A. DE C. V.	100
CERVECERÍA DEL PACÍFICO, S. A. DE C. V.	100
	===
TRANSFORMATION OF BARLEY TO MALT:	
CEBADAS Y MALTAS, S. A. DE C. V.	100
	===
MACHINERY MANUFACTURERS:	
INAMEX DE CERVEZA Y MALTA, S. A. DE C. V.	100
	===
MANUFACTURER OF BEER CANS AND CROWNS:	
ENVASES Y TAPAS MODELO, S. A. DE C. V.	100
AGENCIES DISTRIBUTING BEER AND OTHER PRODUCTS:	
CERVEZA CORONA EN GUADALAJARA, S. A. DE C. V.	100
LA MODELO EN MONTERREY, S. A. DE C. V.	100
DISTRIBUIDORA PACÍFICO Y MODELO DE LA PAZ, S. A. DE C. V.	100
CERVEZA CORONA EN COLIMA, S. A. DE C. V.	100
IMPULSORA MERCANTIL DE SALTILLO, S. A. DE C. V.	100

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 2
CONSOLIDATED
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SOCIEDAD MERCANTIL DE MORELOS, S. A. DE C. V.	100
EXPANSIÓN MERCANTIL HIDALGUENSE, S. A. DE C. V.	100
LA CERVEZA CORONA DEL CENTRO, S. A. DE C. V.	100
CERVEZAS MODELO EN VALLARTA, S. A. DE C. V.	100
PROMOTORA COMERCIAL DEL BAJÍO, S. A. DE C. V.	100
IMPULSORA MERCANTIL DE TEXCOCO, S. A. DE C. V.	100
LA CORONA EN SAN CRISTÓBAL, S. A. DE C. V.	100
LAS CERVEZAS DE MÉXICO EN PUEBLA, S. A. DE C. V.	100
DISTRIBUIDORA PACÍFICO Y MODELO DE MAZATLÁN, S. A. DE C. V.	100
LA CORONA DE LOS REYES, S. A. DE C. V.	100
CERVEZA CORONA DE ZACATECAS, S. A. DE C. V.	100
PROMOTORA OAXAQUEÑA, S. A. DE C. V.	100
IMPULSORA MERCANTIL DE LA COSTA, S. A. DE C. V.	100
CERVEZAS MODELO DE LA LAGUNA, S. A. DE C. V.	100
DISTRIBUIDORA MODELO DE TOLUCA, S. A. DE C. V.	60
	===

COMPANY CONTROLLING DISTRIBUTORS OF BEER AND OTHER PRODUCTS ABROAD:

PROCERMEX, INC.	100
	===

REAL-ESTATE COMPANIES ENGAGED IN THE DISTRIBUTION OF BEER AND OTHER PRODUCTS:

INMOBILIARIA DE TAMPICO, S. A. DE C. V.	100
PROMOTORA DEL SURESTE, S. A. DE C. V.	100
INMOBILIARIA BAJACAL, S. A. DE C. V.	100
IMPULSORA DEL NAZAS, S. A. DE C. V.	100
IMPULSORA TAPATÍA, S. A. DE C. V.	100
IMPULSORA DE LA PERIFERIA, S. A. DE C. V.	100
ADMINISTRACIÓN Y PROMOCIÓN DE INMUEBLES, S. A. DE C. V.	100
METROPOLITANA DE BIENES RAÍCES, S. A. DE C. V.	100
IMPULSORA POTOSINA, S. A. DE C. V.	100
PROMOTORA E IMPULSORA ACAPULQUEÑA, S. A. DE C. V.	100
IMPULSORA TOLLOCAN, S. A. DE C. V.	60
	===

THE GROUP IS IN THE PROCESS OF MERGING ITS DISTRIBUTION AGENCIES IN ORDER TO IMPROVE ITS OPERATIONS.

2. ACCOUNTING POLICIES:

THE MAIN ACCOUNTING POLICIES APPLIED BY THE GROUP IN THE PREPARATION OF THESE CONSOLIDATED FINANCIAL STATEMENTS ARE IN LINE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN MEXICO. THESE ACCOUNTING PRINCIPLES REQUIRE THAT GROUP'S MANAGEMENT MAKES ESTIMATES BASED ON CIRCUMSTANCES AND APPLY CERTAIN ASSUMPTIONS IN DETERMINING VALUATION OF SOME ITEMS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS.

THE GROUP'S MANAGEMENT CONSIDERS THAT THE ESTIMATES AND ASSUMPTIONS USED AT THE DATE OF ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS ARE REASONABLE, ALTHOUGH THESE ESTIMATES AND ASSUMPTIONS COULD DIFFER FROM THEIR FINAL ACTUAL EFFECT.

THE MAIN ACCOUNTING POLICIES ARE SUMMARIZED AS FOLLOWS:

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 3
CONSOLIDATED
Final Printing

A) CONSOLIDATION - THE GROUP PREPARES CONSOLIDATED FINANCIAL STATEMENTS, WHICH INCLUDE THE FINANCIAL SITUATION AND THE RESULTS OF THE COMPANIES IN WHICH DIBLO, S. A. DE C. V. HAS CONTROL AND DIRECT OR INDIRECT PARTICIPATION OF MORE THAN 50% OF THE COMMON STOCK; SIGNIFICANT INTERCOMPANY OPERATIONS HAVE BEEN ELIMINATED IN CONSOLIDATION.

B) BASIS FOR PREPARATION - THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP INCLUDE THE EFFECTS OF INFLATION ON THE CONSOLIDATED FINANCIAL INFORMATION, AS REQUIRED BY STATEMENT B-10 AND THE AMENDMENTS THERE-OF ISSUED BY THE MEXICAN INSTITUTE OF PUBLIC ACCOUNTANTS (MIPA).

C) COMPARABILITY - THE FIGURES SHOWN IN THE CONSOLIDATED FINANCIAL STATEMENTS AND ITS NOTES THERE OF ARE STATED CONSISTENTLY IN MEXICAN PESOS AT THE PURCHASING POWER OF JUNE 30, 2004, BY APPLYING FACTORS DERIVED FROM THE NATIONAL CONSUMER PRICE INDEX (NCPI). THE ESTIMATED NCPI USED TO PREPARE THESE CONSOLIDATED FINANCIAL STATEMENTS WAS 108.693(104.087 IN 2003).

D) TRANSLATION OF THE FINANCIAL INFORMATION OF SUBSIDIARIES LOCATED ABROAD
TRANSLATION OF THE FINANCIAL INFORMATION OF THE SUBSIDIARIES ABROAD TO MEXICAN PESOS, REQUIRED FOR CONSOLIDATION, WAS CONDUCTED IN ACCORDANCE WITH THE GUIDELINES OF STATEMENT B-15 "TRANSACTIONS IN FOREIGN CURRENCY AND TRANSLATION OF THE FINANCIAL STATEMENTS OF OPERATIONS ABROAD", ISSUED BY MIPA, THROUGH THE METHOD OF INTEGRATED FOREIGN OPERATION. THE PURCHASE EXCHANGE RATE OF \$11.40 (\$10.37 IN 2003), PER U.S. DOLLAR, WAS USED FOR TRANSLATING MONETARY ITEMS; NON-MONETARY ITEMS AND THE INCOME STATEMENT WERE TRANSLATED INTO MEXICAN PESOS AT THE EXCHANGE RATES PREVAILING ON THE DATES ON WHICH THE TRANSACTIONS THAT ORIGINATED THEM WERE CARRIED OUT. THE EFFECTS DERIVED FROM THIS TRANSLATION ARE SHOWN IN THE INTEGRAL RESULT FROM FINANCING.

E) MARKETABLE SECURITIES - THE MARKET SECURITIES CORRESPOND TO FINANCIAL SECURITIES RELATED TO THE BUSINESS PURPOSE AND FINANCIAL SECURITIES AVAILABLE FOR SALE AND ARE VALUED AT THEIR FAIR VALUE, WHICH IS SIMILAR TO THEIR MARKET VALUE. THE FAIR VALUE IS THE AMOUNT OF MONEY USED TO CHANGE A FINANCIAL ASSET TO LIQUIDATE A FINANCIAL LIABILITY AMONG INTERESTED AND WILLING PARTIES, IN A FREE MARKET TRANSACTION.

F) INVENTORIES - THESE ITEMS ARE VALUED BY THE LAST-IN, FIRST-OUT METHOD, AND ARE RESTATED USING THE REPLACEMENT OR MANUFACTURING COSTS METHOD. SUCH RESTATEMENT DOES NOT EXCEED MARKET VALUE.

G) COST OF SALES - RESTATEMENT OF THIS ACCOUNT WAS CARRIED OUT BASED ON THE RESTATED VALUE OF INVENTORIES.

H) INVESTMENTS IN SHARES OF ASSOCIATES AND NON-CONSOLIDATED SUBSIDIARIES - PERMANENT INVESTMENTS IN SHARES ARE RECORDED AT ACQUISITION COST AND ARE VALUED BY APPLYING THE EQUITY METHOD. THE PARTICIPATION IN THE PROFITS OF ASSOCIATED COMPANIES, WHICH MANUFACTURE ITEMS NECESSARY FOR THE PRODUCTION OF BEER, IS SHOWN IN THE INCOME STATEMENT REDUCING THE COST OF SALES.

I) PROPERTY, PLANT AND EQUIPMENT - THESE ITEMS ARE RECORDED AT ACQUISITION COST, AND ARE RESTATED BY APPLYING THE INFLATION FACTORS DERIVED FROM THE NCPI, TO THE NET REPLACEMENT VALUE DETERMINED BY INDEPENDENT EXPERT APPRAISERS UNTIL DECEMBER 31, 1996, AND IN ACCORDANCE WITH THEIR ACQUISITION DATE, IN THE CASE OF SUBSEQUENT PURCHASES TO THAT DATE.

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 4
CONSOLIDATED
Final Printing

J) CONSTRUCTION IN PROGRESS AND ADVANCES TO SUPPLIERS - THESE ITEMS ARE RECORDED AT THE VALUE AT WHICH THE EXPENDITURES ARE MADE, AND ARE RESTATED THROUGH THE APPLICATION OF THE INFLATION FACTORS DERIVED FROM THE NCPI, ACCORDING TO THE AGEING OF THE EXPENDITURE.

K) DEPRECIATION - THIS ITEM WAS CALCULATED BASED ON THE RESTATED VALUES OF PROPERTY, PLANT AND EQUIPMENT, TAKING AS A BASE, THE PROBABLE USEFUL LIFE AS DETERMINED BY INDEPENDENT APPRAISERS; AS FOR THE 1997 ACQUISITIONS, THE USEFUL LIVES ARE DETERMINED BY THE TECHNICAL DEPARTMENT OF THE GROUP.

L) GOODWILL AND UNAMORTIZED EXPENSES - GOODWILL IS DETERMINED BY COMPARING THE PURCHASE VALUE OF PERMANENT INVESTMENTS IN SHARES AND THE BOOK VALUE OF THOSE SHARES, AND INSTALLATION AND ORGANIZATION EXPENSES ARE RECORDED AT THEIR ACQUISITION COST. THESE ITEMS ARE RESTATED, APPLYING FACTORS DERIVED FROM THE NCPI, AS PER THE AGEING OF EXPENDITURES. LICENSES AND PERMITS ARE RECORDED AT THEIR ACQUISITION COST, WHICH, AT THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS, IS SIMILAR TO THEIR MARKET VALUE.

M) AMORTIZATION - THE ORIGINAL AMOUNT AND RESTATEMENT OF INSTALLATION AND ORGANIZATION EXPENSES ARE AMORTIZED BY THE STRAIGHT-LINE METHOD ON THE FINAL BALANCE OF EACH PERIOD. THE RATE USED FOR ACCOUNTING PURPOSES IS 10%, EXCEPT GOODWILL, WHICH IS AMORTIZED IN THE PERIOD IN WHICH THE GROUP ESTIMATED THE INVESTMENT WILL BE RECOVERED. THE PRACTICE OF AMORTIZING INVESTMENTS IN LICENSES AND PERMITS IS BASED ON THE STRAIGHT-LINE METHOD ON THE FINAL BALANCE OF THE PERIOD, AT THE RATE OF 5%.

N) LONG - LIVED ASSETS - THE DISPOSITIONS OF THE STATEMENT C-15 "IMPAIRMENT OF THE VALUE OF THE LONG-LIVED ASSETS AND THEIR DISPOSAL" ISSUED BY MIPA, WENT INTO EFFECT ON JANUARY 1, 2004. THAT STATEMENT ESTABLISHES, AMONG OTHER ISSUES, THE GENERAL CRITERIA FOR IDENTIFICATION AND, IF APPLICABLE, RECORDING OF THE IMPAIRMENT LOSSES OR THE DECREASE IN THE VALUE OF LONG-LIVED TANGIBLE AND INTANGIBLE ASSETS, INCLUDING GOODWILL. ADDITIONALLY, IT ESTABLISHES CONCEPTS SUCH AS THE NET SALES PRICE AND FAIR VALUE FOR THE VALUATION OF LONG-LIVED ASSETS. THE GROUP'S MANAGEMENT HAS CARRIED OUT A STUDY TO DETERMINE THE FAIR VALUE IN THEIR LONG-LIVED ASSETS, THE RESULT OF THIS STUDY DETERMINED THAT THERE IS NOT A RELEVANT IMPAIRMENT EFFECT THAT MODIFIES THE VALUE OF ITS ASSETS.

O) FOREIGN CURRENCIES - THE ASSETS AND LIABILITIES THAT REPRESENT RIGHTS AND OBLIGATIONS RECEIVABLE OR PAYABLE IN FOREIGN CURRENCY, ARE TRANSLATED TO MEXICAN PESOS AT THE EXCHANGE RATE IN EFFECT ON THE TRANSACTION DATE (SEE NOTE 13). BALANCES AT PERIOD END ARE VALUED AT THE RATE OF EXCHANGE IN EFFECT AT PERIOD END, AND THE RESULTING DIFFERENCES ARE RECORDED DIRECTLY IN THE INCOME STATEMENT, FORMING PART OF THE INTEGRAL RESULT FROM FINANCING.

P) LABOR OBLIGATIONS UPON RETIREMENT - LABOR OBLIGATIONS FOR PROJECTED BENEFITS, AS WELL AS UNAMORTIZED ITEMS, AND THE NET COST FOR THE PERIOD REGARDING, SENIORITY PREMIUMS AND PENSION PLANS, ARE DETERMINED UNDER THE UNITARY COST METHOD, BY INDEPENDENT ACTUARIES, AND ARE RECORDED IN ACCORDANCE WITH THE GUIDELINES ESTABLISHED IN STATEMENT D-3, "LABOR OBLIGATIONS", ISSUED BY THE MIPA. CONTRIBUTIONS TO THE TRUSTS THAT HANDLE THE PLAN ASSETS ARE DETERMINED ON THE SAME BASIS AS IN PRIOR YEARS AND CORRESPOND TO THE PENSION PLANS APPROVED BY MEXICAN TAX AUTHORITIES.

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

PAGE 5

ANNEX 2

CONSOLIDATED

Final Printing

Q) SEVERANCE PAYMENT - THESE PAYMENTS ARE CHARGED TO THE INCOME STATEMENT IN THE YEAR IN WHICH THEY ARE MADE.

R) DEFERRED INCOME TAX AND EMPLOYEES' PROFIT SHARING - IN RECOGNIZING DEFERRED INCOME TAX, THE GROUP USES THE METHOD OF COMPREHENSIVE ASSETS AND LIABILITIES, WHICH CONSISTS OF DETERMINING THE AFORE-MENTIONED TAX BY APPLYING THE INCOME TAX RATE CORRESPONDING TO TEMPORARY DIFFERENCES BETWEEN THE ACCOUNTING AND FISCAL VALUES OF ASSETS AND LIABILITIES AT THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS. AS FOR EMPLOYEES' STATUTORY PROFIT SHARING, THERE ARE NO TEMPORARY DIFFERENCES BETWEEN THE BOOK RESULT AND THE TAX BASE APPLICABLE IN THE DETERMINATION OF EMPLOYEES' STATUTORY PROFIT SHARING, WHICH COULD GIVE RISE TO A SIGNIFICANT DEFERRED ASSET OR LIABILITY.

S) RESTATEMENT OF STOCKHOLDERS' EQUITY - THIS ACCOUNT IS RESTATED BY APPLYING INFLATION FACTORS DERIVED FROM THE NCPI, ACCORDING TO THEIR AGE OR CONTRIBUTION DATE. THE EFFECTS OF THAT RESTATEMENT ARE PRESENTED IN THE FINANCIAL STATEMENTS, IN EACH OF THE ACCOUNTS THAT GAVE RISE TO THEM.

T) INSUFFICIENCY IN THE RESTATEMENT OF STOCKHOLDERS' EQUITY - THE BALANCE OF THIS ACCOUNT IS REPRESENTED BY THE ALGEBRAIC SUM OF THE ITEMS "RESULT FROM HOLDING NON-MONETARY ASSETS" AND "ACCUMULATED EQUITY MONETARY RESULT" WHICH ARE DESCRIBED BELOW:

RESULT FROM HOLDING NON-MONETARY ASSETS - THIS ITEM REPRESENTS THE CHANGE IN THE VALUE OF NON-MONETARY ASSETS DUE TO CAUSES OTHER THAN INFLATION. IT IS DETERMINED ONLY WHEN THE SPECIFIC COST METHOD IS USED, SINCE THESE COSTS ARE COMPARED WITH RESTATEMENTS DETERMINED THROUGH THE NCPI. IF THE SPECIFIC COSTS ARE HIGHER THAN THE INDEXES, THERE WILL BE A GAIN FROM SAID HOLDING; OTHERWISE, A LOSS WILL OCCUR. THE RESULT FROM HOLDING NON-MONETARY ASSETS GENERATED THROUGH 1996, DUE TO THE RESTATEMENT OF FIXED ASSETS, IS RESTATED AS THE OTHER STOCKHOLDERS' EQUITY ACCOUNTS.

ACCUMULATED EQUITY MONETARY RESULT - THIS ITEM IS THE RESULT ORIGINATED IN THE INITIAL RESTATEMENT OF THE FINANCIAL STATEMENT FIGURES.

U) RESULT FROM MONETARY POSITION - THIS ACCOUNT REPRESENTS THE EFFECT OF INFLATION ON MONETARY ASSETS AND LIABILITIES, EVEN THOUGH THEY CONTINUE TO HAVE THE SAME NOMINAL VALUE. WHEN MONETARY ASSETS EXCEED MONETARY LIABILITIES, A MONETARY POSITION LOSS IS GENERATED, SINCE WHEN USE OF THESE IS MADE, AN AMOUNT EQUAL TO THE NOMINAL VALUE WILL BE AT THE GROUP'S DISPOSAL, BUT WITH A LOWER PURCHASING POWER. WHEN LIABILITIES ARE GREATER, A GAIN WILL BE OBTAINED, SINCE THEY ARE SETTLED WITH MONEY OF LOWER PURCHASING POWER. THOSE EFFECTS ARE CHARGED OR CREDITED TO INCOME, FORMING PART OF THE INTEGRAL RESULT FROM FINANCING.

V) COMPREHENSIVE INCOME - STATEMENT B-4 "COMPREHENSIVE INCOME", REQUIRES THAT ITEMS MAKING UP THE GAINED EQUITY DURING THE PERIOD BE SHOWN IN THE STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY, UNDER THE ITEM OF COMPREHENSIVE INCOME.

W) EARNINGS PER SHARE - EARNINGS PER SHARE ATTRIBUTABLE TO THE MAJORITY INTEREST, WERE CALCULATED CONSIDERING THE AVERAGE OF COMMON OUTSTANDING SHARES.

3. ACCOUNTS AND NOTES RECEIVABLE:

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 6
CONSOLIDATED
Final Printing

THE BALANCE OF THIS ACCOUNT IS MADE UP AS FOLLOWS:

ITEM	2004	2003
TRADE ACCOUNTS RECEIVABLE	\$2,842,935	\$1,631,857
SUNDRY DEBTORS	213,488	197,843
SELLERS	41,812	45,413
	-----	-----
	3,098,235	1,875,113
LESS - ALLOWANCE FOR DOUBTFUL ACCOUNTS	(389,613)	(314,238)
	-----	-----
	2,708,622	1,560,875
RECOVERABLE INCOME TAX AND VALUE		
ADDED TAX	67,590	108,842
OFFICERS AND EMPLOYEES	21,021	12,416
NON-CONSOLIDATED RELATED COMPANIES (SEE NOTE 12)	30,995	27,918
	-----	-----
	2,828,228	1,710,051
LESS - SHORT-TERM ACCOUNTS AND NOTES RECEIVABLE	(1,810,695)	(1,566,769)
	-----	-----
LONG- TERM ACCOUNTS AND NOTES RECEIVABLE	\$ 1,017,533	\$ 143,282
	=====	=====

4. INVENTORIES:

THE BALANCE OF THIS ACCOUNT IS MADE UP AS FOLLOWS:

ITEM	2004	2003
CONTAINERS AND PACKAGING	1,440,606	1,789,813
RAW MATERIALS	1,309,746	1,131,217
FINISHED GOODS AND WORK IN PROCESS	1,081,604	1,101,597
SPARE PARTS AND ACCESSORIES	610,831	577,218
MERCHANDISE IN TRANSIT AND ADVANCES TO SUPPLIERS	256,951	288,566
ADVERTISING ARTICLES	111,511	124,735
	-----	-----
	4,811,249	5,013,146
LESS- ALLOWANCE FOR SLOW-MOVING INVENTORIES	(267,172)	(76,641)
	-----	-----
	\$ 4,544,077	\$4,936,505
	=====	=====

5. INVESTMENT IN SHARES OF ASSOCIATES AND NON-CONSOLIDATED SUBSIDIARIES:

A) THE BALANCE OF THIS ACCOUNT IS MADE UP AS FOLLOWS:

COMPANIES	PERCENTAGE OF SHARES COMPOSING THE CAPITAL STOCK	2004	2003
-----------	---	------	------

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 7
CONSOLIDATED
Final Printing

DIRECCIÓN DE FÁBRICAS, S. A. DE C. V. (HOLDING COMPANY OF GLASSCONTAINERS MANUFACTURING COMPANIES)	41	\$2,146,152	\$2,246,826
GONDI, S. A. DE C. V. EXTRACTOS Y MALTAS, S. A. DE C. V.	7	190,239	198,544
FOREIGN INVESTMENTS (1)	26	109,157	110,385
	40-81	119,955	27,867
	=====	2,565,503	2,583,622
OTHERS		59,095	122,614
		2,624,598	2,706,236
LESS - ALLOWANCE FOR DECLINE IN BOOK VALUE		(85,802)	(75,183)
		=====	=====
		\$2,538,796	\$2,631,053

(1) THE FIGURES SHOWN IN THE CONSOLIDATED FINANCIAL STATEMENTS DO NOT INCLUDE THE FINANCIAL POSITION OF SEEGER INDUSTRIAL, S. A., AN INVESTMENT GROUPED IN THE FOREIGN INVESTMENTS ITEM, AS THE ACCOUNTING POLICIES FOLLOWED BY THIS SUBSIDIARY DIFFER FROM THOSE OF THE OTHER COMPANIES COMPRISING THE GROUP. THE INVESTMENT IN THIS SUBSIDIARY REPRESENTS LESS THAN 0.03% OF CONSOLIDATED ASSETS.

B) THE AMOUNT OF THE INVESTMENT IN SHARES OF ASSOCIATES AND NON-CONSOLIDATED SUBSIDIARIES INCLUDES THE SHAREHOLDING IN THE RESULTS OF THOSE ENTITIES AMOUNTING TO \$160,071 (\$170,616 IN 2003) OF PROFIT.

6. PROPERTY, PLANT AND EQUIPMENT-NET:

A) THE BALANCE OF THIS ACCOUNT IS MADE UP AS FOLLOWS:

ITEM	2004		2003	
	NET HISTORICAL COST	NET RESTATEMENT	NET TOTAL VALUE	NET TOTAL VALUE
LAND	\$ 1,181,952	\$ 2,905,861	\$ 4,087,813	\$ 4,023,672
MACHINERY AND EQUIPMENT	8,535,765	6,638,407	15,174,172	15,129,225
TRANSPORTATION EQUIPMENT	1,775,621	554,335	2,329,956	2,552,818
BUILDINGS AND OTHER STRUCTURES	4,267,052	5,792,774	10,059,826	9,931,294
COMPUTER EQUIPMENT	268,488	18,470	286,958	257,012
FURNITURE AND OTHER EQUIPMENT	369,037	112,196	481,233	720,574
ANTIPOLLUTION EQUIPMENT	435,512	235,933	671,445	704,453
CONSTRUCTION IN PROGRESS AND ADVANCES TO SUPPLIERS	5,965,512	483,668	6,449,180	4,678,337
	=====	=====	=====	=====
	\$22,798,939	\$16,741,644	\$39,540,583	\$37,997,385

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 8
CONSOLIDATED
Final Printing

DEPRECIATION FOR THE PERIOD AMOUNTED TO \$968,243 (\$930,964 IN 2003).

B) THE GROUP'S MANAGEMENT ESTIMATES THAT THE COMPLETION OF WORKS IN PROGRESS AND ADVANCES TO SUPPLIERS WILL REQUIRE AN ADDITIONAL INVESTMENT OF APPROXIMATELY \$3,085,939 (\$4,085,087 IN 2003), TO BE APPLIED TO THE CONSTRUCTION OF WAREHOUSE, OFFICES AND THE ACQUISITIONS AND INSTALLATION OF NEW PRODUCTION LINES AND THE EXPANSION OF FACTORY PRODUCTION CAPACITY. THIS WORK IS TO BE COMPLETED DURING THE SECOND SEMESTER OF 2004 AND THE YEAR 2005.

7. NOTES PAYABLES:

THE AMOUNT OF THIS ITEM CORRESPONDS TO A CURRENT ACCOUNT LOAN, REPRESENTED BY 3,253 THOUSAND OF U.S. DOLLARS TO THE EXCHANGE RATE OF \$11.40 AND A LIBOR INTEREST RATE PLUS 0.75 POINTS (1.85% AT THE END OF THE PERIOD). THE MATURITY DATE IS ON DECEMBER 31, 2004.

8. CONTINGENCIES AND COMMITMENTS:

A) THE GROUP HAS A PENSION AND SENIORITY PREMIUM PLAN TO COVER THE OBLIGATIONS ESTABLISHED BY ITS LABOR CONTRACTS AND THE MEXICAN FEDERAL LABOR LAW. THESE COMPENSATIONS ARE CLAIMED ONLY AFTER HAVING WORKED A CERTAIN NUMBER OF YEARS.

- AS OF THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS THE AMOUNT OF THE ACCRUED LIABILITY FOR LABOR OBLIGATIONS UPON RETIREMENT OF THE PERSONNEL IS ANALYZED AS FOLLOWS:

DESCRIPTION	2004	2003
OBLIGATIONS FOR CURRENT BENEFITS	\$4,576,587	\$3,967,057
ADDITIONAL AMOUNT FOR PROJECTED BENEFITS	369,839	366,144
OBLIGATIONS FOR PROJECTED BENEFITS	4,946,426	4,333,201
PLAN ASSETS (TRUST FUND)	(3,642,960)	(3,217,909)
	1,303,466	1,115,292
ITEMS TO BE AMORTIZED OVER A PERIOD OF 16 TO 22 YEARS:		
FOR ADJUSTMENTS TO VARIANCES	(1,550,149)	(1,717,417)
FOR PAST SERVICES	(509,498)	(36,080)
PROJECTED NET ASSETS	(756,181)	(638,205)
ADDITIONAL LIABILITY MADE OF:		
INTANGIBLE ASSETS	519,364	514,203
ADJUSTMENT TO CAPITAL	1,005,679	727,838
ACCRUED LIABILITY	\$ 768,862	\$ 603,836

- THE INTANGIBLE ASSETS AND THE ADJUSTMENT TO CAPITAL ARE CREATED BY THOSE

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 9
CONSOLIDATED
Final Printing

SUBSIDIARIES IN WHICH THE TRUST FUNDS AND THE NET CURRENT LIABILITY ARE LESS THAN THE OBLIGATIONS FOR CURRENT BENEFITS.

- CONTRIBUTIONS TO THE TRUSTS THAT MANAGE THE PLAN ASSETS IN THE PERIOD AMOUNTED TO \$254,047 (\$195,465 IN 2003). DURING THE PERIOD PAYMENTS MADE BY THE TRUSTS TO BENEFICIARIES AMOUNTED TO \$95,073 (\$63,125 IN 2003).

- THE NET COST FOR THE PERIOD AMOUNTED TO \$165,003 (\$139,030 IN 2003), AND WAS DETERMINED IN THE SAME MANNER AS PROJECTED BENEFITS OBLIGATIONS, AT AN ESTIMATED REAL RATE OF RETURN OF 5%, AND ON AN AVERAGE INCREASE IN SALARIES OF 1.5% IN THE PERIOD.

- THE TAX PROVISIONS RELATED TO PENSION PLAN AND RETIREMENT FUNDS STIPULATE THAT INVESTMENTS IN SECURITIES ISSUED BY THE COMPANY ITSELF OR BY RELATED PARTIES MUST NOT EXCEED 10% OF THE OVERALL RESERVE FOR THESE FUNDS, PROVIDED THE SECURITIES IN QUESTION ARE APPROVED BY THE NATIONAL BANKING AND SECURITIES COMMISSION. SHOULD THIS PERCENTAGE EXCEED THE LIMIT, THERE IS TERM EXPIRING DECEMBER 31, 2006 IN WHICH TO ADJUST THE PERCENTAGE IN COMPLIANCE WITH THE AFOREMENTIONED 10% LIMIT.

B) THERE IS AN UNMEASURED LIABILITY FOR THE SEVERANCE PAYMENTS THAT WOULD HAVE TO BE PAID TO PERSONNEL, IN THE CASES PROVIDED FOR IN THE MEXICAN FEDERAL LABOR LAW AND THE COLLECTIVE LABOR CONTRACT. DURING THE PERIOD SEVERANCE PAYMENTS HAVE BEEN MADE FOR \$125,440 (\$48,260 IN 2003).

C) THERE ARE LAWSUITS FILED BEFORE THE AUTHORITIES FOR DIFFERENT REASONS. IN THE OPINION OF THE GROUP'S OFFICERS AND LAWYERS, THESE MATTERS WILL BE RESOLVED FAVORABLY. IN ANY CASE, THE RESULT OF THE LAWSUITS WILL NOT SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL SITUATION OR THE CONSOLIDATED RESULTS OF ITS OPERATIONS.

D) AS OF THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS, THERE ARE PURCHASING COMMITMENTS FOR THE PURCHASE OF INVENTORIES, MACHINERY AND EQUIPMENT IN THE AMOUNT OF APPROXIMATELY 205,325 THOUSAND U.S. DOLLARS (71,282 THOUSAND U.S. DOLLARS IN 2003) APROXIMATELY.

E) IN 2000 AND 2001, STRAIGHT-LEASING AGREEMENTS WERE SIGNED FOR AIR TRANSPORTATION EQUIPMENT, ESTABLISHING MANDATORY TERMS OF 10 AND 7 YEARS AND MONTHLY RENT OF 170 THOUSAND U.S. DOLLARS AND 24 THOUSAND U.S. DOLLARS, RESPECTIVELY.

9. COMMON STOCK:

AS OF JUNE 30, 2004 COMMON STOCK IS COMPRISED OF 3,251,759,632 SHARES, WITH NO PAR VALUE, DIVIDED AS FOLLOWS:

DESCRIPTION	AMOUNT
-------------	--------

FIXED CAPITAL:

SERIES A CLASS I SHARES - WITHOUT WITHDRAWAL RIGHTS, REPRESENTED BY 1,459,389,728 FULLY SUBSCRIBED AND PAID-IN COMMON VOTING SHARES; THESE SHARES MUST ALWAYS REPRESENT 56.10% OF THE TOTAL SHARES OF THE COMMON STOCK WITH

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 10
CONSOLIDATED
Final Printing

VOTING RIGHTS; AND MAY BE ACQUIRED DIRECTLY
OR INDIRECTLY ONLY BY MEXICAN INDIVIDUALS OR
CORPORATIONS (HISTORICAL VALUE). \$ 785,996

VARIABLE CAPITAL:

SERIES B CLASS II SHARES - REPRESENTED BY
1,142,017,984 FULLY SUBSCRIBED AND PAID-IN
COMMON VOTING SHARES, WHICH IN NO CASE MAY
REPRESENT MORE THAN 43.90% OF THE TOTAL
VOTING SHARES OF THE COMMON STOCK, AND WILL
BE SUBJECT TO NO SUBSCRIPTION LIMITATIONS
(HISTORICAL VALUE). 1,085,855

SERIES C CLASS II SHARES - REPRESENTED BY
650,351,920 FULLY SUBSCRIBED AND PAID-IN
NONVOTING SHARES; WHICH IN NO CASE MAY
REPRESENT MORE THAN 20% OF THE COMMON
STOCK (HISTORICAL VALUE). 967,801

EFFECT OF RESTATEMENT 2,839,652
11,337,261
\$14,176,913

B) COMPOSITION OF UPDATING OF SOME SHAREHOLDER'S EQUITY ACCOUNTS:

ITEM	CIFRAS HISTORICAS	EFFECTOS DE ACTUALIZACION	CIFRAS ACTUALIZADAS
CAPITAL	\$ 2,839,652	\$11,337,621	\$14,176,913
SHARE PREMIUM	193,388	750,762	944,150
ACCUMULATED PROFITS:			
LEGAL RESERVE	1,306,623	458,402	1,765,025
RESERVE FOR ACQUISITION OF OWN SHARES	150,000	446,358	596,358
TO BE APPLIED	17,954,697	8,930,960	26,885,657
PROFIT FOR THE PERIOD	2,895,294	7,728	2,903,022
TOTAL	\$25,339,654	\$21,931,471	\$47,271,125

10. COMPREHENSIVE INCOME:

GROUP'S COMPREHENSIVE INCOME OF THE PERIOD IS MADE UP AS FOLLOWS:

DESCRIPTION	2004	2003
PROFIT FOR THE YEAR	\$3,813,528	\$3,403,855
RESULT FROM HOLDING NON-MONETARY ASSETS	10,992	(52,229)
COMPREHENSIVE INCOME	\$3,824,520	\$3,351,626

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 11
CONSOLIDATED
Final Printing

11. INCOME TAX, ASSET TAX, EMPLOYEES' PROFIT SHARING AND RESTRICTIONS ON PROFITS:

A) THE INCOME TAX AND ASSET TAX PROVISION AS OF JUNE 30 IS MADE UP AS FOLLOWS:

ITEM	2004	2003
INCOME TAX INCURRED	\$2,606,419	\$2,174,586
ASSET TAX	14,965	9,281
DEFERRED INCOME TAX	(147,401)	48,271
	-----	-----
	\$2,473,983	\$2,232,138
	=====	=====

B) AS A RESULT OF THE AMENDMENTS TO THE INCOME TAX LAW APPROVED ON JANUARY 1, 2002, THE INCOME TAX RATE HAS BEEN REDUCED ANNUALLY AS FROM 2003 UNTIL IT REACHES THE NOMINAL RATE OF 32% IN 2005. THE INCOME TAX CAUSED IN THE PERIOD WAS DETERMINED APPLYING THE RATE FROM 33% TO THE FISCAL RESULT.

C) DEFERRED TAXES -THE MAIN TEMPORARY ITEMS GIVING RISE TO THE DEFERRED TAX LIABILITY AT THE DATE OF THESE CONSOLIDATED FINANCIAL STATEMENTS ARE ANALYZED AS FOLLOWS:

ITEM	2004	2003
FIXED ASSETS AND OTHER ASSETS	\$5,473,557	\$5,528,256
INVENTORIES	1,267,980	1,371,935
STOCKHOLDERS' EQUITY	397,350	
LABOR OBLIGATIONS UPON RETIREMENT	250,269	1,197,929
TRADE ACCOUNTS RECEIVABLE	(183,341)	(145,877)
LIABILITY PROVISIONS	(45,478)	(51,504)
	-----	-----
SUBTOTAL	7,160,337	6,901,009

TAX CREDITS CORRESPONDING TO:

TAX LOSSES	(75,300)	(70,556)
ASSET TAX RECOVERABLE	(69,278)	(113,293)
	-----	-----
TOTAL DEFERRED TAX LIABILITY	\$7,015,759	\$6,717,160
	=====	=====

D) AT THE DATE OF THE CONSOLIDATED BALANCE SHEET, THERE ARE TAX LOSSES THAT WILL AFFECT THE CONSOLIDATED TAX RESULT BY \$5,449(\$49,081 IN 2003), THAT CAN BE AMORTIZED AGAINST FUTURE TAX PROFITS, AFTER RESTATEMENT. IN THE PERIOD, PRIOR YEARS' TAX LOSSES IN THE AMOUNT OF \$5,280(\$14,372 IN 2003), AT HISTORICAL VALUES, HAVE BEEN AMORTIZED.

E) ASSET TAX IS CALCULATED BY APPLYING THE RATE OF 1.8% OVER THE NET AMOUNT OF CERTAIN ASSETS AND LIABILITIES AND IS PAID ONLY WHEN ASSET TAX EXCEEDS INCOME TAX.

F) EMPLOYEES' PROFIT SHARING IS CALCULATED BY APPLYING THE RATE OF 10% OVER THE AMOUNT DETERMINED IN ACCORDANCE WITH THE SPECIAL RULES SET FORTH IN THE

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 12
CONSOLIDATED
Final Printing

INCOME TAX LAW.

G) AT THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS, THERE IS ASSET TAX IN THE AMOUNT OF \$180,974 (\$167,788 IN 2003), WHICH CAN BE REFUNDED IN THE FOLLOWING TEN YEARS, AFTER RESTATEMENT, PROVIDED INCOME TAX EXCEEDS ASSET TAX IN ANY OF THOSE PERIODS.

- CERTAIN COMPANIES INCURRED NO INCOME TAX, AND THEREFORE, THE ASSET TAX FOR THE PERIOD IS CONSIDERED AS AN ACCOUNT RECEIVABLE FOR THOSE COMPANIES WHEN THERE IS CERTAINTY THAT SAID AMOUNT CAN BE CREDITED AGAINST INCOME TAX IN FUTURE PERIODS; THIS IS SHOWN IN THE BALANCE SHEET, TOGETHER WITH DEFERRED TAX, AS PROVIDED FOR IN STATEMENT D-4. THE ACCRUED EFFECT AT THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS AMOUNTS TO \$69,278 (\$113,293 IN 2003).

- ASSET TAX INCURRED BY THE CONTROLLED COMPANIES, WHERE THERE IS NO CERTAINTY THAT THE TAX CAN BE RECOVERED AND IT EXCEEDS INCOME TAX, WAS CHARGED DIRECTLY TO RESULTS FOR THE PERIOD, AND AMOUNTED TO \$14,879 (\$8,848 IN 2003), AT HISTORICAL VALUE.

H) GRUPO MODELO S.A. DE C.V., TOGETHER WITH ITS DIRECT AND INDIRECT SUBSIDIARIES, IS AUTHORIZED TO DETERMINE INCOME TAX AS PER THE TAX CONSOLIDATION REGIME, AS SPECIFIED IN THE INCOME TAX LAW. THE MAIN POINTS OF THE CONSOLIDATED TAX RESULT ARE AS FOLLOWS:

- THE CONSOLIDATION PERCENTAGE OF SHAREHOLDING IN THE SUBSIDIARIES IS DETERMINED BY MULTIPLYING THE REAL PARTICIPATION OF THE CONTROLLING COMPANY IN THE CONTROLLED COMPANIES BY A FACTOR OF 0.60. CONTROLLED COMPANIES' UNAMORTIZED PRIOR YEARS' TAX LOSSES INCLUDE IN THE DETERMINATION OF THE CONSOLIDATED TAX RESULT, AND WHICH ARE TO BE AMORTIZED AGAINST TAX PROFITS GENERATED IN THE PERIOD, ARE CONSIDERED AT THE SHAREHOLDING PERCENTAGE.

- IN DETERMINING THE CONSOLIDATED TAX RESULT, THE CONTROLLING COMPANY'S TAX PROFIT MUST BE INCLUDED, MULTIPLIED BY A FACTOR OF 0.60.

- THOSE COMPANIES, IN WHICH THE DIRECT OR INDIRECT PARTICIPATION THROUGH ANOTHER CONTROLLED COMPANY DOES NOT EXCEED 50%, MUST NOT BE INCLUDED IN THE CONSOLIDATION PROCESS.

- TAX LOSSES OF THE CONTROLLING OR CONTROLLED COMPANIES ARISING ON AN INDIVIDUAL BASIS MAY NOT BE AMORTIZED UNDER CURRENT TAX DISPOSITIONS, BUT MUST BE ADDED TO THE CONSOLIDATED PROFIT OR SUBTRACTED FROM THE CONSOLIDATED TAX LOSSES OF THE PERIOD IN WHICH THE RIGHT IS LOST.

I) IN THE EVENT OF CAPITAL DISTRIBUTION (IN CASH OR ASSETS), RETAINED EARNINGS ARE SUBJECT TO INCOME TAX PAYABLE BY THE COMPANY WHICH IS CONSIDERED TO BE A FINAL PAYMENT, ON THE BASIS OF THE FOLLOWING:

- DIVIDENDS PAID OUT FROM THE NET TAX INCOME ACCOUNT (CUFIN) ARE NOT SUBJECT TO INCOME TAX. ANY AMOUNT PAID IN EXCESS IS SUBJECT TO 33% INCOME TAX IN 2004, ON THE RESULT OF MULTIPLYING THE DIVIDEND PAID BY THE FACTOR OF 1.4925; THE CORRESPONDING TAX MAY BE CREDITED AGAINST THE COMPANY'S INCOME TAX DETERMINED IN THE CURRENT YEAR OR OVER THE FOLLOWING TWO YEARS. DIVIDENDS PAID ARE NOT SUBJECT TO ANY WITHHOLDING TAX.

- DIVIDENDS ARISING FROM THE NET REINVESTED TAX INCOME ACCOUNT (CUFINRE) ARE

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 13
CONSOLIDATED
Final Printing

SUBJECT TO A 5% INCOME TAX RATE. THE RATE IS 3% FOR NET REINVESTED TAX PROFIT RAISED IN 1999.

- IN 1999, THE INCOME TAX RATE WAS CHANGED, WITH THE GENERAL RATE ESTABLISHED AT 35%, IMPLEMENTING A DEFERRAL PROGRAM FOR PROFIT REINVESTMENT, AND APPLYING THE 30% RATE TO REINVESTED TAX PROFITS. THE REMAINING 5% TAX BECOMES PAYABLE IN THE PERIOD IN WHICH SAID REINVESTED TAX PROFITS ARE DECREED AS DIVIDENDS. THE APPLICABLE RATE FOR PROFITS REINVESTED IN 1999 WAS 32%; THEREFORE, DIVIDENDS PAID OUT FROM THE CURINRE SET UP IN 1999 ARE SUBJECT TO 3% TAX. THESE PROCEDURES REMAINED IN EFFECT UP TO 2001, AND THIS TAX DEFERRAL WILL NOT BE APPLIED UNTIL DIVIDENDS ARE PAID IN FUTURE YEARS.

- IN THIS PERIOD DIVIDENDS IN THE AMOUNT OF \$2,771,475 (\$1,759,852 IN 2003) AT HISTORICAL VALUE, HAVE BEEN DECREED. THE AMOUNT OF \$2,496,777 COMES FROM THE CUFINRE AND CAUSED INCOME TAX FOR DISTRIBUTION OF REINVESTED EARNINGS IN THE AMOUNT OF \$91,939 (FIGURE THAT WAS RESERVED IN PRIOR YEARS), AND THE AMOUNT OF \$274,698 WAS DISTRIBUTED FROM CUFIN.

- AS OF THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS, THE BALANCES OF CUFIN AMOUNTS \$15,745,328 (\$12,622,023 IN 2003).

ITEM	2004	2003
CUFIN	\$15,745,328 =====	\$12,622,023 =====
CUFINRE	\$ - =====	\$ 2,485,228 =====

J) IN THE EVENT OF A CAPITAL REDUCTION, THE EXCESS OF STOCKHOLDERS' EQUITY OVER CAPITAL CONTRIBUTIONS, THE LATTER RESTATED IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED IN THE INCOME TAX LAW, IS ACCORDED THE SAME TAX TREATMENT AS DIVIDENDS.

K) DURING THE PERIOD, MINORITY INTEREST WAS PURCHASED IN SOME SUBSIDIARIES, WHICH REPRESENT 0.02% OF IT. IN ADDITION CONTRIBUTIONS WERE RECEIVED FROM MINORITY STOCKHOLDERS' RELATED TO CHANGES IN PRIOR YEARS, WHICH REPRESENT 2.06%.

12. TRANSACTIONS WITH NON-CONSOLIDATED RELATED COMPANIES:

THE MAIN TRANSACTIONS ENTERED INTO WITH NON-CONSOLIDATED RELATED COMPANIES ARE ANALYZED AS FOLLOWS:

DESCRIPTION

PURCHASE OF:	2004	2003
CONTAINERS AND PACKAGING	\$2,166,969	\$1,989,687
RAW MATERIALS	153,382	177,088
MACHINERY	34,200	52,993
	-----	-----
	\$2,356,551	\$2,219,768
	=====	=====

SALES OF:

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

PAGE 14
CONSOLIDATED
Final Printing

ANNEX 2

RECYCLABLE MATERIALS	\$ 53,869	\$ 64,262
MACHINERY AND MAINTENANCE SERVICES	1,506	5,682
FREIGHT COLLECTED		1,068
SERVICES COLLECTED		329
	-----	-----
	\$ 55,375	\$ 71,341
	=====	=====

13. FOREIGN-CURRENCY POSITION AND TRANSACTIONS:

A) AS OF THE CONSOLIDATED BALANCE-SHEET DATE, THE GROUP HAS THE FOLLOWING POSITION IN THOUSAND OF U.S. DOLLARS:

DESCRIPTION	2004	2003
ASSETS	140,760	113,210
	=====	=====
LIABILITIES	32,756	25,705
	=====	=====

B) THESE CURRENCIES ARE VALUED AT THE FOLLOWING EXCHANGE RATES:

	ASSETS	LIABILITIES
AT THE MARKET EXCHANGE RATE OF \$11.40 PESOS FOR ASSETS AND \$11.54 PESOS FOR LIABILITIES PER U.S. DOLLAR	\$1,604,434	\$377,966
	=====	=====

C) AT THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS, THERE WERE INVENTORIES AMOUNTING TO 41,986 THOUSAND U.S. DOLLARS (45,483 THOUSAND U.S. DOLLARS IN 2003), WHICH, FOR THE MOST PART CAN ONLY BE ACQUIRED ABROAD.

D) DURING THE PERIOD, THE FOLLOWING OPERATIONS WERE CARRIED OUT IN THOUSAND OF U.S. DOLLARS:

DESCRIPTION	2004	2003
EXPORTATIONS OF FINISHED GOODS	568,181	490,438
COLLECTION OF ROYALTIES	69,481	64,861
EXPORTATIONS OF PACKAGING AND OTHER MATERIALS	8,266	6,259
	-----	-----
	645,928	561,558
	-----	-----
PURCHASE OF INVENTORIES	42,616	37,280
FREIGHTS, ADVERTISING, TAXES AND DUTIES, AND OTHER ITEMS	85,921	81,508
PURCHASE OF MACHINERY AND PAYMENT OF OTHER SERVICES	68,031	14,492
PURCHASE OF SPARE PARTS	13,104	8,163
	-----	-----

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

FINANCIAL STATEMENT NOTES (1)

ANNEX 2

PAGE 15
CONSOLIDATED
Final Printing

	209,672	141,443
	-----	-----
NET	436,256	420,115
	=====	=====

14. INFORMATION PER SEGMENT:

SEGMENT DATA IS ANALYZED AS FOLLOWS:

DESCRIPTION	2004		
	INCOME	CONSOLIDATED NET PROFIT	IDENTIFICABLE ASSETS
DOMESTIC	\$15,101,223	\$ 2,494,047	\$64,824,392
EXPORTS	6,446,770	1,319,481	1,085,848
	-----	-----	-----
	\$21,547,993	\$ 3,813,528	\$65,910,240
	=====	=====	=====

DESCRIPTION	2003		
	INCOME	CONSOLIDATED NET PROFIT	IDENTIFICABLE ASSETS
DOMESTIC	\$14,925,051	\$ 2,566,507	\$60,843,902
EXPORTS	5,480,506	837,348	903,937
	-----	-----	-----
	\$20,405,557	\$3,403,855	\$61,747,839
	=====	=====	=====

15. FINANCIAL INSTRUMENTS:

FINANCIAL INSTRUMENTS POTENTIALLY SUBJECT TO RISK CONCENTRATION CONSIST MAINLY OF ACCOUNTS RECEIVABLE AND TEMPORARY INVESTMENTS. THE GROUP PLACES CASH SURPLUSES AT PRESTIGIOUS CREDIT INSTITUTIONS. CREDIT RISK CONCENTRATION CONCERNING ACCOUNTS RECEIVABLE IS LIMITED, DUE MAINLY TO THE LARGE NUMBER OF CUSTOMERS AND THEIR GEOGRAPHIC DISTRIBUTION. THE GROUP CONSIDERS THAT THE ALLOWANCE FOR DOUBTFUL ACCOUNTS PROPERLY COVERS THOSE THAT COULD REPRESENT A RISK OF RECOVERY, AND CONTINUALLY MONITORS THEIR BEHAVIOR. WHEN NECESSARY, THE ESTIMATION IS ADJUSTED.

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

RELATIONS OF SHARES INVESTMENTS

ANNEX 3

CONSOLIDATED
Final Printing

COMPANY NAME (1)	MAIN ACTIVITIES	NUMBER OF SHARES	OWNERS (2)	TOTAL AMOUNT (Thousands of Pesos)	
				ACQUISITI COST	PRESENT VALUE (3)
SUBSIDIARIES					
2 DIBLO, S.A. DE C.V.		243,229,213	76.75	2,912,876	40,538,613
TOTAL INVESTMENT IN SUBSIDIARIES				2,912,876	40,538,613
ASSOCIATEDS					
1 DIRECCION DE FABRICAS, S.A. DE C.V.	HOLDING	165,000,000	41.05	65,824	2,146,152
2 EXTRACTOS Y MALTAS, S.A. DE C.V.	TRANSFORMATION OF BARLEY INTO MALT	1,050,000	26.30	87	109,157
3 GONDI, S.A. DE C.V.	HOLDING	202,489,721	7.16	195	190,239
4 SEEGER INDUSTRIAL, S.A. DE C.V.	MACHINERY MANUFACTURES	248,000	81.30	9,274	41,144
5 RESERVE FOR IMPAIRMENT		1	0.00	0	(85,802)
		0	0.00	0	0
TOTAL INVESTMENT IN ASSOCIATEDS				75,380	2,400,890
OTHER PERMANENT INVESTMENTS					137,906
TOTAL					43,077,409

NOTES

GRUPO MODELO, S.A. DE C.V. IS A HOLDING COMPANY THAT OWNS 76.75% OF THE CAPITAL STOCK OF DIBLO, S.A. DE C.V., WHOSE MAIN BUSINESS IS REAL STATE AND INVESTMENT IN SHARES OF SUBSIDIARIES RELATED TO THE PRODUCTION, DISTRIBUTION AND SALE OF BEER IN MEXICO AND ABROAD, THE MOST IMPORTANT COMPANIES ARE LISTED IN ANNEX 2 "COMPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS"

TRANSLATION FOR INFORMATION
PURPOSES ONLY

MEXICAN STOCK EXCHANGE
SIFIC / ICS

QUARTER 2

YEAR 2004

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A DE C.V.

MONETARY POSITION IN FOREIGN EXCHANGE
(Thousands of Pesos)
ANNEX 6

CONSOLIDATED
Final Printing

TRADE BALANCE	DOLARS (1)		OTHER CURRENCIES		TOTAL THOUSANDS OF PESOS
	THOUSANDS OF DOLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLARS	THOUSANDS OF PESOS	
TOTAL ASSETS	140,191	1,598,169	569	6,265	1,604,434
LIABILITIES POSITION	31,652	365,163	1,104	12,803	377,966
NET BALANCE	108,539	1,233,006	-535	-6,538	1,226,468

NOTES:

THE U.S. DOLAR IS VALUED AT THE EXCHANGE RATE OF \$11.40 PESOS FOR ASSETS AND \$ 11.54 PESOS FOR LIABILITIES PER U.S. DÓLAR

THE POSITION IN FOREIGN CURRENCY HELD IN OTHER CURRENCIES WITH ITS EQUIVALENT IN DOLLARS, IN THE ASSETS AND LIABILITIES
CORRESPONDS TO EUROS

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

INTEGRATION AND INCOME
CALCULATION BY MONETARY POSITION (1)
(Thousands of Pesos)

ANNEX 7

CONSOLIDATED
Final Printing

MONTH	MONETARY ASSETS	MONETARY LIABILITIES	(ASSET) LIABILITIES MONETARY POSITION	MONTHLY INFLATION	MONTHLY (PROFIT) AND LOSS
JANUARY	16,926,466	4,299,505	(12,626,961)	0.01	(78,479)
FEBRUARY	16,587,595	3,873,270	(12,714,325)	0.01	(76,054)
MARCH	14,232,442	4,112,225	(10,120,217)	0.00	(34,293)
APRIL	15,354,633	4,471,869	(10,882,764)	0.00	(16,423)
MAY	9,116,202	4,879,575	(4,236,627)	0.00	(4,673)
JUNE	12,014,802	4,396,878	(7,617,924)	0.00	1,615
ACTUALIZATION:	0	0	0	0.00	(743)
CAPITALIZATION:	0	0	0	0.00	0
FOREIGN CORP.:	0	0	0	0.00	0
OTHER	0	0	0	0.00	0
TOTAL					(209,050)

NOTES

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

BONDS AND MEDIUM TERM NOTES LISTING IN STOCK MARKET (1)

ANNEX 8

CONSOLIDATED
Final Printing

FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

=====NOT APPLY=====

ACTUAL SITUATION OF FINANCIAL LIMITED

=====NOT APPLY=====

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PERIODICALLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

ANNEX 9

CONSOLIDATED
Final Printing

PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT CAPACITY (1)	UTILIZATION (%)
CERVECERIA MODELO, S.A. DE C.	BREWERY	11,100	91
CERVECERIA MODELO GUADALAJARA	BREWERY	5,050	98
CIA CERVECERA DEL TROPICO, S.	BREWERY	7,000	100
CERVECERIA DEL PACIFICO, S.A.	BREWERY	2,000	86
CEVECERIA MODELO DE TORREON,	BREWERY	2,850	100
CERVECERIA MODELO DEL NOROEST	BREWERY	3,000	97
CIA CERVECERA DE ZACATECAS, S	BREWERY	20,000	62
CEBADAS Y MALTAS, S.A. DE C.	TRANSFORMATION OF BARLEY INTO MALT	150	100

NOTES

THE INSTALLED CAPACITY IN THE BREWERIES IS MEASURED IN THOUSANDS OF HECTOLITERS
AND FOR THE TRANSFORMATOR OF BARLEY INTO MALT, IN THOUSANDS OF TONS.

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A DE C.V.

QUARTER: 2 YEAR: 2004

MAIN RAW MATERIALS

ANNEX 10

CONSOLIDATED
Final Printing

DOMESTIC	MAIN SUPLIERS	FOREIGN	MAIN SUPLIERS	DOM. SUBST.	COST PRODUCTION
MALT	CEBADAS Y MALTAS, S.A. DE C.V.	MALT	CARGILL MALT	SI	
MALT	EXTRACTOS Y MALTAS, S.A. DE C.V.	MALT MALT	PRAIRIE MALT LIMITED INTERNATIONAL MALTING CO	SI SI	7.54
CORN	ARANCIA COC, S.A. DE C.V.				3.71
RICE	IPACPA, S.A. DE C.V.	HOPS	JOHN I.HASS, INC S.S.STEINER INC	NO	0.63 0.90

MEXICAN STOCK EXCHANGE
SIFC /ICS

QUARTER 2 YEAR 2004

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A DE C.V.

SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

DOMESTIC SELLS

CONSOLIDATED
Final Printing

MAIN PRODUCTS	TOTAL PRODUCTION		NET SELLS		MARKET SHARE (%)	MAIN	
	VOLUME	AMOUNT	VOLUME	AMOUNT		TRADEMARKS	COSTUMERS
BEER	21,292	8,114,024	14,552	13,072,572		NEGRA MODELO CORONA MODELO ESPECIAL VICTORIA PACIFICO ESTRELLA MODELO LIGHT LEON MONTEJO	CONSUMER
OTHER INCOME				2,028,651			
TOTAL		8,114,024		15,101,223			

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE GMODELO
GRUPO MODELO, S.A DE C.V.

SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

FOREIGN SELLS

MAIN PRODUCTS	TOTAL PRODUCTION		NET SELLS		DESTINATION	MAIN	
	VOLUME	AMOUNT	VOLUME	AMOUNT		TRADEMARKS	CUSTOMERS
BEER	0	0	6,439	6,446,770	U.S.A. CANADA EUROPA ASIA LATINOAMERICA	CORONA MODELO ESPECIAL NEGRA MODELO CORONA LIGHT PACIFICO	CONSUMER
TOTAL				6,446,770			

NOTES

THE VOLUME IS PRESENTED IN THOUSAND OF HECTOLITERS
THE AMOUNT IS PRESENTED IN THOUSAND OF PESOS
IN THE ANNEX 11 "DOMESTIC SELLS" THE TOTAL PRODUCTION IS 21,292 THOUSAND
HECTOLITERS AND INCLUDES THE PRODUCTION FOR THE DOMESTIC AND EXPORT MARKETS,
BECAUSE THE EXPORT PRODUCTION CAN NOT BE CAPTURED

MEXICAN STOCK EXCHANGE
SIFIC / ICS

TRANSLATION FOR INFORMATION
PURPOSES ONLY

STOCK EXCHANGE CODE: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

CONSOLIDATED
Final Printing

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK

CHARACTERISTICS OF THE SHARES

SERIES	NOMINAL VALUE	VALID CUPON	NUMBER OF SHARES				CAPITAL STOCK (Thousands of Pesos)	
			PORTION	PORTION MEXICAN	SUSSCRIPTION	FIXED	VARIABLE	
A		13	1,459,389,728		1,459,389,728		785,996	
B		13		1,142,017,984		1,142,017,984		1,085,855
C		13		650,351,920		650,351,920		967,801
TOTAL			1,459,389,728	1,792,369,904	1,459,389,728	1,792,369,904	785,996	2,053,656

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF SENDING THE INFORMATION :
3,251,759,632

SHARES PROPORTION BY :

CPO'S :
UNITS :
ADRS's :
GDRS's :
ADS's :
GDS's :

REPURCHASED OWN SHARES

SERIES	NUMBER OF SHARES	MARKET VALUE OF THE SHARE	
		AT REPURCHASE	AT QUARTER

TRANSLATION FOR INFORMATION
PURPOSES ONLY

BOLSA MEXICANA DE VALORES, S.A. DE C.V.
SIFIC / ICS

TICKER NAME: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

Information on Projects
(Project, Amount Spent and Percentaje of Completion)

ANNEX 13

CONSOLIDATED
Final Printing

THE AMOUNT OF PS. 6,449,180 OF WORK IN PROGRESS AND ADVANCES TO SUPPLIERS, SHOWN IN NOTE 6 TO THE FINANCIAL STATEMENTS INCLUDED IN ANNEX 2, CORRESPONDS TO INVESTMENTS FOR THE CONSTRUCTION OF WAREHOUSES, ADMINISTRATIVE OFFICERS, REPLACEMENT AND INSTALLATION OF BOTTLING LINES AND EXPANSION OF PRODUCTION CAPACITY. TO COMPLETE THE INDICATED WORK AND ADDITIONAL INVESTMENT OF APPROXIMATELY PS. 3,085,939 IS REQUIRED AND IT IS ESTIMATED THAT THE WORK WILL BE COMPLETED DURING THE SECOND SEMESTER OF 2004 AND THE YEAR 2005.

TICKER NAME: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

Transactions in Foreign Currency and Conversi3n of Financial Statements of Foreign Operations
(Information related to Bulletin B-15)

ANNEX 14

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THE CONVERSION TO MEXICAN PESOS OF THE FINANCIAL INFORMATION OF FOREIGN SUBSIDIARIES, REQUIRED FOR CONSOLIDATION, WAS MADE IN ACCORDANCE WITH THE GUIDELINES OF BULLETIN B-15 "TRANSACTIONS IN FOREIGN CURRENCY AND CONVERSION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS", ISSUED BY THE IMCP, FOLLOWING THE METHOD OF INTEGRATED FOREIGN OPERATION; FOR THE CONVERSION OF MONETARY ENTRIES, THE FREE BUYING EXCHANGE RATE OF PS. 11.40 PER UNITED STATES DOLLAR WAS USED; NON-MONETARY ENTRIES AND THE PROFIT AND LOSS STATEMENT WERE CONVERTED TO MEXICAN CURRENCY IN ACCORDANCE WITH THE EXCHANGE RATE IN EFFECT ON THE DATE ON WHICH THE TRANSACTIONS GIVING RISE TO THEM WERE EFFECTUATED. THE RESULTS OF THIS CONVERSION ARE PRESENTED WITHIN THE INTEGRAL RESULT OF FINANCING.

ON THE OTHER HAND THERE IS NO RESTRICTION ON TRANSFER OF CURRENCIES IN THE COUNTRIES WHERE THE FOREIGN SUBSIDIARIES ARE LOCATED.

THE AMOUNT OF FINANCIAL ASSETS AND LIABILITIES OF THE FOREIGN SUBSIDIARIES IS:

(THOUSANDS OF DOLLARS)

DESCRIPTION	2004
ASSETS	81,566
LIABILITIES	12,758
NET ASSETS	68,808

TRANSLATION FOR INFORMATION
PURPOSES ONLY

MEXICAN STOCK EXCHANGE
SIFIC / ICS

STOCK EXCHANGE CODE: GMODELO
GRUPO MODELO, S.A. DE C.V.

QUARTER: 2 YEAR: 2004

CONSOLIDATED
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DECLARATION FROM THE COMPANY OFFICIALS RESPONSABLE FOR THE INFORMATION.

I HEREBY SWEAR THAT THE FINANCIAL INFORMATION HERE IN SUPPLIED TO THIS STOCK EXCHANGE, CORESSPONDING TO THE PERIOD FROM 1 JANUARY TO 31 JUNE 2004 AND 2003 IS THAT OBTAINED FROM OUR AUTHORIZED ACCOUNTING REGISTERS AND IS THE RESULT OF THE RESULTS OF THE APPLICATION OF THE ACCOUNTING PRINCIPLES AND NORMS ACCEPTED AND STARTED BY THE MEXIACN INSTITUE OF PUBLI ACCOUNTANTS AND IN THE PROVISIONS OF MEXICAN NATIONAL BANK AND STOCK COMMISSION (COMISION NACIONAL BANCARIA Y DE VALORES)

THE ACCOUNTING PRINCIPLES USED BY THIS COMPAÑY AND THE PROCESSING OF DATAD THE PERIOD TO WHICH THE SAID INFORMATION REFERS WERE APPLIED USING THE SAME BASES AS FOR THE SIMILAIR PERIOD OF THE PREVIOUS YEAR.

C.P. EMILIO FULLAONDO BOTELLA
SUBDIRECTOR DE FINANZAS

C.P. NARCISO GALVEZ PEÑA
CONTADOR GENERAL CORPORATIVO

MÉXICO, D.F., AT JULY 22 OF 2004

STOCK EXCHANGE CODE:
GRUPO MODELO, S.A. DE C.V.

GMODELO

DATE: 17/07/2004

ADMINISTRATION MEMBER

CHAIRMAN

ANTONINO FERNANDEZ RODRÍGUEZ

DIRECTORS

MA. ASUNCION ARAMBURUZABALA LARREGUI
MARK BOBAK
AUGUST A. BUSCH III
EMILIO CARRILLO GAMBOA
VELENTIN DIEZ MORODO
ANTONINO FERNANDEZ RODRIGUEZ
CARLOS FERNANDEZ GONZALEZ
LUIS JAVIER GONZALEZ CIMADEVILLA
PABLO GONZALEZ DIEZ
THOMAS HEATHER R.
ROBERTO HERNÁNDEZ RAMÍREZ
JAMES R. JONES
ROGELIO RAMÍREZ DE LA O.
ANNE RICHARDS
JUAN SÁNCHEZ-NAVARRO Y PEON
THOMAS W.SANTEL
JAIME SERRA PUCHE
PEDRO SOARES
ALEJANDRO STRAUCH

ALTERNATE DIRECTOS

LUIS MIGUEL ALVAREZ PEREZ
MARIO ALVAREZ YATES
LUCRECIA ARAMBURUZABALA LARREGUI DE F.
RANDOLPH BAKER
STEPHEN J. BURROWS
AUGUST A. BUSCH IV
ALFONSO CERVANTES RIBA
JUAN CINTRON PATTERSON
FERNANDO DEL CASTILLO ELORZA
LAURENTINO GARCIA GONZALEZ
CESAREO GONZALEZ DIEZ
JOHN F. KELLY
WILLIAM J. KIMMINS
STEPHEN K. LAMBRIGHT
JOHN PURNELL
LUIS MANUEL SANCHEZ CARLOS
JOAQUIN SORDO BARBA
LUIS GERARDO SORDO SORDO
PATRICK STOKES

STATUTORY EXAMINERS

MIGUEL ORTIZ AGUILAR
ALBERTO TIBURCIO CELORIO

TRANSLATION FOR INFORMATION
PURPOSES ONLY

BOLSA MEXICANA DE VALORES, S.A. DE C.V.

STOCK EXCHANGE CODE:
GRUPO MODELO, S.A. DE C.V.

GMODELO

DATE: 17/07/2004

ADMINISTRATION MEMBER

ALTERNATE STATUTORY EXAMINERS

AGUSTÍN AGUILAR LAURENTS
RAFAEL MAYA UROSA

SECRETARY

JORGE SIEGRIST PRADO

ALTERNATE SECRETARY

JUAN SÁNCHEZ-NAVARRO REDO