MEXICAN ECONOMIC DEVELOPMENT INC
Form 6-K
April 24, 2013

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER

THE SECURITIES EXCHANGE ACT OF 1934

For the month of April 2013

FOMENTO ECONÓMICO MEXICANO, S.A.B. DE C.V.

(Exact name of Registrant as specified in its charter)

Mexican Economic Development, Inc.

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

General Anaya No. 601 Pte.
Colonia Bella Vista

Monterrey, Nuevo León 64410
México

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports

under cover of Form 20-F or Form 40-F:

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as

permitted by Regulation S-T Rule 101(b)(1): _______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as

permitted by Regulation S-T Rule 101(b)(7): _______

Indicate by check mark whether by furnishing the information contained in this

Form, the registrant is also thereby furnishing the information to the

Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

If "Yes" is marked, indicate below the file number assigned to the registrant in

connection with Rule 12g3-2(b): 82-_____________

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the undersigned, thereunto duly authorized.

FOMENTO ECONÓMICO
MEXICANO, S.A. DE C.V.

By: /s/ Javier Astaburuaga
Javier Astaburuaga
Chief Financial Officer

Date: April 24, 2013

FEMSA Delivers Moderate Revenue Growth in 1Q13

Monterrey, Mexico, April 24, 2013 — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) announced today its operational and financial results for the first quarter of 2013.

First Quarter 2013 Highlights:

- **FEMSA consolidated total revenues increased 4.6%** compared to the first quarter of 2012, driven by strong results at FEMSA Comercio that offset mixed results at Coca-Cola FEMSA. On an organic basis total revenues increased 3.2%.

- **Coca-Cola FEMSA total revenues remained stable** and organically decreased 2.2% as compared to the first quarter of 2012, mainly as a result of high single-digit revenue growth in our Mexico & Central America Division which compensated for a mid-single-digit contraction in our South America Division. This contraction was largely driven by the negative translation effect from the devaluation of several local currencies as well as a volume decline in Brazil, coupled with increased marketing spending and labor cost pressures in certain markets. On a currency-neutral basis and excluding the non-comparable effect of Grupo Fomento Queratano in Mexico, total revenues increased 10.8%.

- **FEMSA Comercio achieved total revenues growth of 14.0% and income from operations growth of 21.5%** compared to the first quarter of 2012, driven by new store openings and 4.8% growth in same-store sales.

José Antonio Fernández Carbajal, Chairman and CEO of FEMSA, commented: “We operate across many different markets, and sometimes the diverse economic environments we face manifest themselves with particular clarity in our results. This was the case during the first quarter, with our operations in Mexico performing solidly –both Coca-Cola FEMSA and especially FEMSA Comercio- but some of our operations in South America reflecting not only challenging operating conditions, but also the impact of currencies that weakened significantly against the US dollar and, importantly, against a strong Mexican peso.

We cannot influence the way currencies move or economies grow, but our objectives for the year remain in place and we will strive to achieve them. And so, we continue to push forward with great expectations. We share the optimism that surrounds Mexico, our most important market, and we fully expect the business trends in the rest of our territories to continue to support long-term value creation."

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FEMSA Consolidated

Total revenues increased 4.6% compared to 1Q12, to Ps. 56.203 billion in 1Q13. FEMSA Comercio drove the growth in consolidated revenues. On an organic basis total revenues increased 3.2% compared to 1Q12.

Gross profit increased 6.0% compared to 1Q12, to Ps. 23.255 billion in 1Q13. Gross margin in 1Q13 increased 60 basis points compared to the same period in 2012 to 41.4% of total revenues, driven by margin expansion at Coca-Cola FEMSA and FEMSA Comercio.

Income from operations decreased 1.8% as compared to 1Q12, to Ps. 5.119 billion in 1Q13 as growth at FEMSA Comercio was offset by higher expenses at Coca-Cola FEMSA. On an organic basis, income from operations decreased 3.4% in 1Q13 compared to the same period in 2012. Consolidated operating margin decreased 60 basis points compared to 1Q12, to 9.1% of total revenues, driven by margin contraction at Coca-Cola FEMSA.

Net consolidated income increased 5.1% compared to 1Q12 to Ps. 3.939 billion in 1Q13, driven by an increase in FEMSA's 20% participation in Heineken's 1Q13 net income combined with lower financing expenses which more than compensated lower income from operations. The effective income tax rate was 32.7% in 1Q13 compared to 31.7% in 1Q12.

Net majority income for 1Q13 resulted in Ps. 0.73 per FEMSA Unit1. Net majority income per FEMSA ADS was US$ 0.59 for the quarter.

Capital expenditures amounted to Ps. 3.213 billion in 1Q13, driven by incremental capacity-driven investments in Colombia by Coca-Cola FEMSA.

Our consolidated balance sheet as of March 31, 2013, recorded a cash balance of Ps. 28.855 billion (US$ 2.343 billion), a decrease of Ps. 9.261 billion (US$ 752.0 million) compared to December 31, 2012. Short-term debt was Ps. 8.365 billion (US$ 679.2 million), while long-term debt was Ps. 26.610 billion (US$ 2.161 billion). Our consolidated net debt balance was Ps. 6.120 billion (US$ 496.9 million).

Soft Drinks – Coca-Cola FEMSA

Coca-Cola FEMSA's financial results and discussion are incorporated by reference from Coca-Cola FEMSA's press release, which is attached to this press release and available at www.coca-colafemsa.com.

FEMSA Comercio

Total revenues increased 14.0% compared to 1Q12, to Ps. 21.703 billion in 1Q13 mainly driven by the opening of 135 net new stores in the quarter, reaching 1,037 total net new store openings for the last twelve months. As of March 31, 2013, FEMSA Comercio had a total of 10,736 convenience stores. Same-store sales increased an average of 4.8% for the first quarter of 2013 over 1Q12, reflecting a 6.1% increase in average customer ticket that offset a 1.2% decrease in store traffic.

Gross profit increased by 17.3% in 1Q13 compared to 1Q12, resulting in a 100 basis point gross margin expansion to 33.3% of total revenues. This increase reflects (i) a positive mix shift due to the growth of higher margin categories, including services, (ii) a more efficient use of promotion-related marketing resources, and (iii) a better execution of segmented pricing strategies across markets.

Income from operations increased 21.5% over 1Q12 to Ps. 971 million in 1Q13. Operating expenses increased 16.7% to Ps. 6.253 billion, reflecting the growing number of stores and distribution centers as well as incremental expenses relating to, among other things, the continued strengthening of FEMSA Comercio's organizational and IT structure, and the development of specialized distribution routes aimed at enabling our prepared food initiatives. Operating margin expanded 30 basis points compared to 1Q12, to 4.5% of total revenues in 1Q13.

[1] FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of March 31, 2013 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

Recent Developments

- Given the prevailing low-rate environment in global capital markets, FEMSA will explore market conditions for potential issuance of long-term debt securities.

CONFERENCE CALL INFORMATION:

Our First Quarter of 2013 Conference Call will be held on: Wednesday April 24, 2013, 1:00 PM Eastern Time (12:00 PM Mexico City Time). To participate in the conference call, please dial: Domestic US: (888) 438-5535; International: (719) 325-2315; Conference Id 4004256. The conference call will be webcast live through streaming audio. For details please visit www.femsa.com/investor.

If you are unable to participate live, the conference call audio will be available at http://ir.FEMSA.com/results.cfm.

FEMSA is a leading company that participates in the beverage industry through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world; in the retail industry through FEMSA Comercio, operating OXXO, the largest and fastest-growing chain of small-format stores in Latin America, and in the beer industry, through its ownership of the second largest equity stake in Heineken, one of the world's leading brewers with operations in over 70 countries.

The translations of Mexican pesos into US dollars are included solely for the convenience of the reader, using the noon day buying rate for Mexican Pesos as published by the U.S. Federal Reserve Board in its H.10 weekly Release of Foreign Exchange Rates for March 31, 2013, which was 12.3155 Mexican pesos per US dollar.

FORWARD-LOOKING STATEMENTS

This report may contain certain forward-looking statements concerning our future performance that should be considered as good faith estimates made by us. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could *materially impact our actual performance.*

Five pages of tables and Coca-Cola FEMSA's press release to follow.

FEMSA
Consolidated
Income
Statement
Millions of
Pesos

	For the first quarter of:					
	2013 (A)	% of rev.	2012	%ofrev.	% Var.	% Org (B)
Total revenues	56,203	100.0	53,746	100.0	4.6	3.2
Cost of sales	32,948	58.6	31,810	59.2	3.6	
Gross profit	23,255	41.4	21,936	40.8	6.0	
Administrative expenses	2,259	4.0	2,329	4.3	(3.0)	
Selling expenses	15,617	27.8	14,471	26.9	7.9	
Other Operating expenses (income), net (1)	260	0.5	(79)	(0.1)	N.A.	
Income from operations(2)	5,119	9.1	5,215	9.7	(1.8)	(3.4)
Other Non-Operating expenses (income)	(6)		(225)		(97.3)	
Interest expense	651		613		6.2	
Interest income	176		175		0.6	
Foreign exchange loss (gain)	40		458		(91.3)	
Other financial expenses (income), net.	106		(25)		N.A.	
Financing expenses, net	621		871		(28.7)	
Income before income tax and Participation in Heineken results	4,504		4,569		(1.4)	
Income tax	1,475		1,447		1.9	
Participation in Heineken results(3)	910		627		45.1	
Net consolidated income	3,939		3,749		5.1	
Net majority income	2,613		2,318		12.7	
Net minority income	1,326		1,431		(7.3)	

	2013 (A)	% of rev.	2012	%ofrev.	% Var.	% Org (B)
Operative Cash Flow & CAPEX						
Income from operations	5,119	9.1	**5,215**	9.7	(1.8)	(3.4)
Depreciation	1,976	3.5	**1,706**	3.2	15.8	
Amortization & other non-cash charges	366	0.7	**237**	0.4	54.4	
Operative Cash Flow (EBITDA)	7,461	13.3	**7,158**	13.3	4.2	2.6
CAPEX	3,213		**2,141**		50.1	

Financial Ratios	**2013 (A)**	**2012**	**Var. p.p.**
Liquidity(4)	**1.15**	**1.56**	(0.41)
Interest coverage(5)	**15.71**	**16.34**	(0.64)
Leverage(6)	**0.47**	**0.41**	0.06
Capitalization(7)	**15.84** %	**15.26** %	0.58

(A) We integrated the beverage divisions of FOQUE in Coca-Cola FEMSA´s operations since May 2012.

(B) **%** Org. represents the variation in a given measure excluding the effects of mergers, acquisitions and divestitures. We believe this measure allows us to provide investors and other market participants with a better representation of the performance of our business. In preparing this measure, management has used its best judgment, estimates and assumptions in order to maintain comparability.

(1) Other Operating expenses (income), net = Other Operating expenses (income) +(-) Equity method from operated associates.

(2) Income from operations = Gross profit - Administrative and selling expenses - Other operating expenses (income), net.

(3) Represents the equity method participation in Heineken´s results, net.

(4 Total current assets / total current liabilities.

(5) Income from operations + depreciation + amortization & other / interest expense, net.

(6 Total liabilities / total stockholders' equity.

(7) Total debt / long-term debt + stockholders' equity.
Total debt = short-term bank loans + current maturities of long-term debt + long-term bank loans.

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FEMSA
Consolidated Balance Sheet
Millions of Pesos

ASSETS	Mar-13	Dec-12	% Var.
Cash and cash equivalents	28,855	38,116	(24.3)
Accounts receivable	9,145	11,812	(22.6)
Inventories	14,557	16,345	(10.9)
Other current assets	10,233	9,182	11.4
Total current assets	62,790	75,455	(16.8)
Investments in shares	87,302	83,840	4.1
Property, plant and equipment, net	59,413	61,649	(3.6)
Intangible assets (1)	66,076	67,893	(2.7)
Other assets	9,795	7,105	37.9
TOTAL ASSETS	285,376	295,942	(3.6)
LIABILITIES & STOCKHOLDERS´ EQUITY			
Bank loans	4,021	4,213	(4.6)
Current maturities of long-term debt	4,344	4,489	(3.2)
Interest payable	197	207	(4.8)
Operating liabilities	46,186	39,607	16.6
Total current liabilities	54,748	48,516	12.8
Long-term debt (2)	26,610	27,574	(3.5)
Labor liabilities	3,529	3,675	(4.0)
Other liabilities	6,242	6,016	3.8
Total liabilities	91,129	85,781	6.2
Total stockholders’ equity	194,247	210,161	(7.6)
LIABILITIES AND STOCKHOLDERS’ EQUITY	285,376	295,942	(3.6)

	March 31, 2013	
DEBT MIX [2]	% of Total	Average Rate
Denominated in:		
Mexican pesos	45.7 %	5.9 %
Dollars	48.2 %	3.0 %
Colombian pesos	2.9 %	6.2 %
Argentine pesos	2.0 %	20.3 %
Brazilian Reais	1.2 %	7.1 %
Total debt	100.0 %	4.8 %
Fixed rate[2]	39.9 %	
Variable rate[2]	60.1 %	

% of Total Debt	2013	2014	2015	2016	2017	2018+
DEBT MATURITY PROFILE	23.4 %	15.0 %	22.3 %	7.4 %	6.9 %	24.7 %

(1) Includes mainly the intangible assets generated by acquisitions.
(2) Includes the effect of derivative financial instruments on long-term debt.

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Coca-Cola FEMSA Results of Operations Millions of Pesos

For the first quarter of:

2013 (A)

% of rev.