MEXICAN ECONOMIC DEVELOPMENT INC
Form 6-K
February 28, 2012

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 February 2012

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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: February 27, 2012

FEMSA Closes 2011 with Double-Digit Revenue and

Operating Income Growth Across Operations

Monterrey, Mexico, February 27, 2012 — Fomento Económico Mexicano, S.A.B. de C.V. ("FEMSA") announced today its operational and financial results for the fourth quarter and full year 2011.

Fourth Quarter 2011 Highlights:

- **FEMSA consolidated total revenues and income from operations grew 24.5% and 24.9%, respectively,** compared to the fourth quarter of 2010.
- **Coca-Cola FEMSA income from operations increased 27.9%** driven by double-digit operating income growth in the South America and Mexico & Central America divisions, including the integration of Grupo Tampico and CIMSA in Mexico.
- **FEMSA Comercio achieved total revenues growth of 16.9% and income from operations growth of 15.7%** driven by new store openings and 8.0% growth in same-store sales.

2011 Full Year Highlights:

- **FEMSA consolidated total revenues and income from operations grew 19.6% and 19.4%, respectively,** compared to 2010 driven by Coca-Cola FEMSA and FEMSA Comercio.

- **Coca-Cola FEMSA income from operations increased 18.0%.** Strong growth in the South America division was the main driver, combined the integration of Grupo Tampico and CIMSA in Mexico.

- **FEMSA Comercio continued its pace of strong floor space growth by opening 1,135 net new stores in 2011.** Income from operations increased 20.7%.

- **Ordinary dividend of Ps. 6.200 billion** proposed by FEMSA's Board of Directors, to be paid in 2012 subject to approval at the annual shareholders meeting in March 2012, representing an increase of 34.8% over the prior year and 138.5% over the dividend paid in 2010.

José Antonio Fernández Carbajal, Chairman and CEO of FEMSA, commented: "2011 was a strong year for our company. Despite a volatile economic environment, demand for our products remained healthy, and we stayed the course and managed to convert that demand into robust financial results by focusing our time, efforts and resources on the extraordinary opportunities for Coca-Cola FEMSA and OXXO.

For Coca-Cola FEMSA, this was a historic year. We leveraged our financial and operating flexibility to firmly advance on our strategy to grow through accretive mergers and acquisitions—from our incursion into the dairy category through our joint acquisition of Grupo Industrias Lacteas in Panama to our mergers with the beverage divisions of Grupo Tampico, Grupo CIMSA, and Grupo Fomento Queretano in Mexico. And at FEMSA Comercio, our robust top-line growth in 2011 was driven by our continuing store expansion and our comparable same-store sales growth of 9.2 percent, ahead of trend and reinforcing our position as an industry benchmark. Our progress in mapping and understanding consumers' needs and adjusting our value proposition to better fulfill those needs significantly contributed to our same store sales growth. We also made great strides in our sustainability efforts, from launching joint watershed-conservation initiatives with the Inter-American Development Bank, the Global Environment Facility and the Nature Conservancy, to making significant progress in our renewable energy projects, particularly wind power, to ensuring that every one of our managers now incorporates sustainability objectives in their annual performance metrics.

And so we look at 2012 with optimism and renewed energy, ready to keep moving our company forward by pursuing and overcoming new challenges."

FEMSA Consolidated

On April 30, 2010, FEMSA announced the closing of the strategic transaction pursuant to which FEMSA agreed to exchange 100% of its beer operations for a 20% economic interest in the Heineken Group ("the transaction"). For more information regarding this acquisition, please refer to the transaction filings available at www.femsa.com/investor. FEMSA's consolidated results for the fourth quarter and for the full year of 2011 reflect the transaction effects.

Total revenues increased 24.5% compared to 4Q10 to Ps. 56.834 billion. Coca-Cola FEMSA accounted for the majority of the incremental consolidated revenues.

For the full year of 2011, consolidated total revenues increased 19.6% to Ps. 203.044 billion. This growth resulted mainly from double-digit growth at Coca-Cola FEMSA and FEMSA Comercio.

Gross profit increased 25.8% compared to 4Q10 to Ps. 24.478 billion in 4Q11. Gross margin increased 50 basis points compared to the same period in 2010 to 43.1% of total revenues.

For the full year of 2011, gross profit increased 19.8% to Ps. 85.035 billion. Gross margin increased 10 basis points compared to the same period in 2010 to 41.9% of total revenues.

Income from operations increased 24.9% to Ps. 8.884 billion in 4Q11 as compared to the same period in 2010. Consolidated operating margin remained at 15.6% of total revenues, compared to 4Q10.

For the full year of 2011, income from operations increased 19.4% to Ps. 26.904 billion. Our consolidated operating margin in 2011 remained at 13.3% as a percentage of total revenues compared to the same period of 2010.

Net income from continuing operations increased 9.3% to Ps. 7.111 billion in 4Q11 compared to 4Q10, including the fact that this line incorporates FEMSA's implied 20% participation in Heineken's fourth quarter 2011 net income. The figure reflects growth in income from operations and the variation in FEMSA's 20% participation in Heineken's net income which more than compensated the effect of non-recurring items. These include the tough comparison base caused by the income from the sale of our flexible packaging business in 4Q10, as well as write offs of certain non-productive assets at Coca-Cola FEMSA during 4Q11. The effective income tax rate on continuing operations was 25.6% in 4Q11.

For the full year of 2011, net income from continuing operations increased 15.2% to Ps. 20.684 billion compared to the same period of 2010, mainly due to the growth in income from operations which more than compensated for an increase in the other expenses line largely driven by the net effect of non-recurring items. These include the tough comparison base caused by income from the sale of our flexible packaging business and the sale of the *Mundet* brand to The Coca-Cola Company during 2010. The full-year effective income tax rate on continuing operations was 27.1%.

Net consolidated income increased 9.3% compared to 4Q10 to Ps. 7.111 billion in 4Q11, reflecting the increase in FEMSA's net income from continuing operations. **Net majority income** for 4Q11 resulted in Ps. 1.50 per FEMSA Unit[1]. Net majority income per FEMSA ADS was US$ 1.08 for the quarter. For the full year of 2011, net majority income per FEMSA Unit[1] was Ps. 4.23 (US$ 3.03 per ADS).

Capital expenditures increased to Ps. 5.239 billion in 4Q11, driven by back-end loaded capacity-related investments at Coca-Cola FEMSA and incremental investments at FEMSA Comercio mainly related to store expansion. For the full year of 2011, capital expenditures increased to Ps. 12.515 billion, for the reasons described above.

Our **consolidated balance sheet** as of December 31, 2011, recorded a cash balance of Ps. 27.658 billion (US$ 1.983 billion), an increase of Ps. 0.495 billion (US$ 35.5 million) compared to the same period in 2010. Short-term debt was Ps. 5.573 billion (US$ 399.5 million), while long-term debt was Ps. 23.194 billion (US$ 1.663 billion). Our consolidated net debt balance was Ps. 1.109 billion (US$ 79.5 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 or visit www.coca-colafemsa.com.

FEMSA Comercio

Total revenues increased 16.9% compared to 4Q10 to Ps. 19.619 billion in 4Q11 mainly driven by the opening of 413 net new stores in the quarter, reaching 1,135 total net new store openings for the year. As of December 31, 2011, FEMSA Comercio had a total of 9,561 convenience stores, above target relative to the objective for 2011. Same-store sales increased an average of 8.0% for the quarter over 4Q10, reflecting a 4.1% increase in store traffic and a 3.8% increase in average customer ticket.

For the full year of 2011, total revenues increased 19.0% to Ps. 74.112 billion. FEMSA Comercio's same-store sales increased an average of 9.2%, driven by a 4.6% increase in store traffic and a 4.3% increase in average customer ticket.

Gross profit increased by 19.2% in 4Q11 compared to 4Q10, resulting in a 70 basis point gross margin expansion to 37.4% of total revenues. This increase reflects (i) a positive mix shift due to the growth of higher margin categories, (ii) a more effective collaboration and execution with our key supplier partners combined with a more efficient use of promotion-related marketing resources. For the full year of 2011, gross margin expanded by 60 basis points to 34.4% of total revenues.

Income from operations increased 15.7% over 4Q10 to Ps. 2.289 billion in 4Q11. Operating expenses increased 20.8% to Ps. 5.049 billion, largely driven by the growing number of stores as well as by incremental expenses such as the strengthening of FEMSA Comercio's organizational structure, mainly IT-related and targeted marketing programs. Operating expense growth above gross profit growth resulted in a 10 basis point contraction of operating margins to 11.7% of total revenues in 4Q11.

For the full year of 2011, income from operations increased 20.7% to Ps. 6.276 billion, resulting in an operating margin of 8.5%, which represents a 10 basis point expansion from the prior year.

[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 December 31, 2011 was 3,578,226,270 equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

Recent Developments

- In accordance with Mexican regulations, FEMSA is adopting International Financial Reporting Standards (IFRS) beginning January 1, 2012. The Company will release its quarterly and full year results for 2011 under IFRS prior to the release of its 1st quarter 2012 results.

- Financing has been secured from a consortium of banks to build the largest wind power farm in Latin America, to be located in the state of Oaxaca, which will provide FEMSA's operating subsidiaries as well as Heineken's operations in Mexico with almost 400 megawatts of clean, renewable energy for the next 20 years. FEMSA and Macquarie Capital participated during the development phase of the project as short-term investors in order to enable the project to move forward, and have now sold their ownership stakes to Mitsubishi Corporation, with ample experience in energy-generation projects, and PPGM, a Netherlands-based pension fund service provider. Macquarie Mexico Infrastructure Fund also participated during the development phase and remains as a long-term investor. Going forward FEMSA's role will be solely as energy off-taker. This news underscores FEMSA's long-term objective to derive as much as 85% of its electrical energy needs from clean, renewable sources, while representing an economically attractive solution.

CONFERENCE CALL INFORMATION:

Our Fourth Quarter and Full Year 2011 Conference Call will be held on: Tuesday February 28, 2011, 12:00 PM Eastern Time (11:00 AM Mexico City Time). To participate in the conference call, please dial: Domestic US: (877) 718-5099 International: (719) 325-4937, Conference Id 7481125. 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 on http://ir.FEMSA.com/results.cfm.

FEMSA is a leading company that participates in the non-alcoholic beverage industry through Coca-Cola FEMSA, the largest independent bottler of Coca-Cola products in the world in terms of sales volume; in the retail industry through FEMSA Comercio, operating the largest and fastest-growing chain of convenience 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 pesos as published by the Federal Reserve Bank of New York at December 31, 2011, which was 13.9510 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.

FEMSA

Consolidated Income Statement

Millions of Pesos

	For the fourth quarter of:					For the twelve months of:				
	2011 (A)	% of rev.	2010	% of rev.	% Increase	2011 (A)	% of rev.	2010	% of rev.	% Increase
Total revenues	56,834	100.0	45,664	100.0	24.5	203,044	100.0	169,702	100.0	19.6
Cost of sales	32,356	56.9	26,200	57.4	23.5	118,009	58.1	98,732	58.2	19.5
Gross profit	24,478	43.1	19,464	42.6	25.8	85,035	41.9	70,970	41.8	19.8
Administrative expenses	2,237	3.9	2,055	4.5	8.9	8,249	4.1	7,766	4.6	6.2
Selling expenses	13,357	23.6	10,294	22.5	29.8	49,882	24.5	40,675	24.0	22.6
Operating expenses	15,594	27.5	12,349	27.0	26.3	58,131	28.6	48,441	28.5	20.0
Income from operations	8,884	15.6	7,115	15.6	24.9	26,904	13.3	22,529	13.3	19.4
Other (expenses) income	(1,369)		248		N.S	(2,830)		(63)		N.S
Interest expense	(772)		(993)		(22.3)	(2,934)		(3,265)		(10.1)
Interest income	220		418		(47.4)	999		1,104		(9.5)
Interest expense, net	(552)		(575)		(4.0)	(1,935)		(2,161)		(10.5)
Foreign exchange (loss) gain	246		(7)		N.S	1,165		(614)		N.S
(Loss) gain on monetary position	57		122		(53.3)	146		410		(64.4)
Gain (loss) on financial instrument[1]	75		61		23.0	(159)		212		N.S
Integral result of financing	(174)		(399)		(56.4)	(783)		(2,153)		(63.6)
Participation in Heineken results[2]	2,222		597		N.S	5,080		3,319		53.1
Income before income tax	9,563		7,561		26.5	28,371		23,632		20.1
Income tax	2,452		1,058		N.S	7,687		5,671		35.5
Net income from continuing operations	7,111		6,503		9.3	20,684		17,961		15.2
Gain from transaction with Heineken, net of taxes[3]	-		-		-	-		26,623		N.S
Net Income from FEMSA's former beer operations[4]	-		-		-	-		706		N.S

Net consolidated income	7,111	6,503	9.3	20,684	45,290	(54.3)
Net majority income	5,367	4,939	8.7	15,133	40,251	(62.4)
Net minority income	1,744	1,564	11.5	5,551	5,039	10.2

(A) We integrated Grupo Tampico and Grupo CIMSA to Coca Cola FEMSA operations since October, 2011 and December, 2011 respectively.

EBITDA & CAPEX										
Income from operations	8,884	15.6	7,115	15.6	24.9	26,904	13.3	22,529	13.3	19.4
Depreciation	1,261	2.2	1,058	2.3	19.2	4,604	2.3	3,827	2.3	20.3
Amortization & other	627	1.2	553	1.2	13.4	2,450	1.1	2,061	1.2	18.9
EBITDA	10,772	19.0	8,726	19.1	23.4	33,958	16.7	28,417	16.7	19.5
CAPEX	5,239		3,771		38.9	12,515		11,171		12.0

FINANCIAL RATIOS	2011	2010	Var. p.p
Liquidity[5]	1.53	1.69	(0.16)
Interest coverage[6]	19.51	15.18	4.34
Leverage[7]	0.44	0.46	(0.02)
Capitalization[8]	13.42 %	14.22%	(0.79)

(1) Includes solely derivative instruments that do not meet hedging criteria for accounting purposes.

(2) Represents the equity-method participation in Heineken´s results.

(3) Represents the difference between the market value of the Heineken shares (20% equity interest) and the book value of FEMSA's former beer operations, net of transaction tax, as of April 30, 2010.

(4) Represents the net income of FEMSA's former beer operations for the period ended April 30, 2010.

(5) Total current assets / total current liabilities.

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

(7) Total liabilities / total stockholders' equity.

(8) Total debt / long-term debt + stockholders' equity.

Total debt = short-term bank loans + current maturities long-term debt + long-term bank loans.

FEMSA

Consolidated Balance Sheet

Millions of Pesos

As of December 31:

ASSETS	2011 (A)	2010	%Increase
Cash and cash equivalents	27,658	27,163	1.8
Accounts receivable	10,499	7,702	36.3
Inventories	14,385	11,314	27.1
Other current assets	6,425	5,281	21.7
Total current assets	58,967	51,460	14.6
Investments in shares	78,972	68,793	14.8
Property, plant and equipment, net	53,402	41,911	27.4
Intangible assets[1]	71,608	52,340	36.8
Other assets	11,755	9,074	29.5
TOTAL ASSETS	274,704	223,578	22.9
LIABILITIES & STOCKHOLDERS´ EQUITY			
Bank loans	638	1,578	(59.6)
Current maturities long-term debt	4,935	1,725	N.S
Interest payable	216	165	30.9
Operating liabilities	32,841	27,048	21.4
Total current liabilities	38,630	30,516	26.6
Long-term debt [2]	23,194	21,510	7.8
Labor liabilities	2,258	1,883	19.9
Other liabilities	19,508	16,656	17.1
Total liabilities	83,590	70,565	18.5
Total stockholders' equity	191,114	153,013	24.9
LIABILITIES AND STOCKHOLDERS' EQUITY	274,704	223,578	22.9

(A) Grupo Tampico and CIMSA were integrated to FEMSA´s Balance Sheet.

[1] Includes mainly the intangible assets generated by acquisitions.

[2] Includes the effect of derivative financial instruments on long-term debt.

DEBT MIX ***(2)***	December 31, 2011 % Integration		Average Rate	
Denominated in:				
Mexican pesos	63.1	%	6.6	%
Dollars	26.7	%	4.3	%
Colombian pesos	5.6	%	6.4	%
Argentinan pesos	3.6	%	17.3	%
Brazilian Reals	1.0	%	8.8	%
Total debt	100.0	%	6.3	%
Fixed rate(2)	59.4	%		
Variable rate(2)	40.6	%		

% of Total Debt	2012	2013	2014	2015	2016	2017	2018+
DEBT MATURITY PROFILE	19.7 %	14.9 %	5.0 %	10.0 %	8.8 %	8.7 %	32.9 %

Coca-Cola FEMSA

Results of Operations

Millions of Pesos

	For the fourth quarter of:					For the twelve months of:				
	2011 (A)	% of rev.	2010	% of rev.	% Increase	**2011 (A)**	% of rev.	2010	% of rev.	% Increase
Total revenues	36,187	100.0	27,991	100.0	29.3	124,715	100.0	103,456	100.0	20.5
Cost of sales	19,696	54.4	15,017	53.6	31.2	67,488	54.1	55,534	53.7	21.5
Gross profit	16,491	45.6	12,974	46.4	27.1	57,227	45.9	47,922	46.3	19.4
Administrative expenses	1,342	3.7	1,260	4.5	6.5	5,185	4.2	4,451	4.3	16.5
Selling expenses	8,652	23.9	6,634	23.7	30.4	31,890	25.6	26,392	25.5	20.8
Operating expenses	9,994	27.6	7,894	28.2	26.6	37,075	29.7	30,843	29.8	20.2
Income from operations	6,497	18.0	5,080	18.1	27.9	20,152	16.2	17,079	16.5	18.0
Depreciation	879	2.4	683	2.4	28.7	3,269	2.6	2,633	2.5	24.2
Amortization & other	380	1.1	346	1.2	9.8	1,577	1.2	1,310	1.3	20.4
EBITDA	7,756	21.4	6,109	21.8	27.0	24,998	20.0	21,022	20.3	18.9
Capital expenditures	3,446		2,516		37.1	7,826		7,478		4.6

Average Mexican Pesos of each year.

(A) We integrated Grupo Tampico and Grupo CIMSA to Coca Cola FEMSA operations since October, 2011 and December, 2011 respectively.

Sales volumes										
(Millions of unit cases)										
Mexico and Central America	410.3	56.0	348.3	52.8	17.8	1,510.8	57.0	1,379.3	55.2	9.5
South America	322.0	44.0	311.6	47.2	3.4	1,137.9	43.0	1,120.2	44.8	1.6
Total	732.3	100.0	659.9	100.0	11.0	2,648.7	100.0	2,499.5	100.0	6.0