

WALMART DE MÉXICO Y CENTROAMÉRICA REPORTS RESULTS FOR THE THIRD QUARTER 2014

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, October 17, 2014

Today **Wal-Mart de México, S.A.B. de C.V. (BMV: WALMEX)** reported financial results for the third quarter of 2014. Net sales increased **4.2%**. EBITDA for the quarter amounted to **\$9.1 billion pesos**.

Main figures are:

Results July – September	2014		2013		Growth
	Million \$	%	Million \$	%	%
Net Sales	104,367		100,116		4.2
Other Income	1,276		1,155		10.4
Total Revenues	105,643	100.0	101,271	100.0	4.3
Cost of Sales	82,449	78.0	78,729	77.7	4.7
Gross Profit	23,194	22.0	22,542	22.3	2.9
General Expenses	16,346	15.5	15,137	14.9	8.0
Other (Income) Expenses - Net	13	0.0	31	0.0	
Operating Income	6,835	6.5	7,374	7.3	-7.3
Financial Expenses - Net	40	0.0	22	0.0	86.7
Taxes	1,924	1.8	2,233	2.2	-13.9
Net Income Before Discontinued Operations	4,871	4.6	5,119	5.1	-4.8
Discontinued Operations*	-		176	0.2	
Net Income	4,871	4.6	5,295	5.2	-8.0
EBITDA	9,146	8.7	9,551	9.4	-4.2
EPS (pesos)	0.278		0.300		-7.3

*Includes the restaurant operation

Banco Walmart Quarterly Results

During the quarter, total revenues amounted to \$447 million pesos, operating income to -\$32 million and net income to -\$23 million.

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Year to Date Results

Results January – September	2014		2013		Growth
	Million \$	%	Million \$	%	%
Net Sales	309,073		297,319		4.0
Other Income	3,742		3,377		10.8
Total Revenues	312,815	100.0	300,696	100.0	4.0
Cost of Sales	244,452	78.1	234,692	78.0	4.2
Gross Profit	68,363	21.9	66,004	22.0	3.6
General Expenses	47,522	15.2	44,875	14.9	5.9
Other (Income) Expenses - Net	-119	-0.0	34	0.0	
Operating Income	20,960	6.7	21,095	7.0	-0.6
Financial Expenses (Income) - Net	144	0.0	-15	-0.0	-10.8v
Taxes	6,259	2.0	6,162	2.0	1.6
Net Income Before Discontinued Operations	14,557	4.7	14,948	5.0	-2.6
Discontinued Operations*	5,482	1.8	465	0.2	
Net Income	20,039	6.4	15,413	5.1	30.0
EBITDA	27,919	8.9	27,548	9.2	1.3

*Includes the restaurant operation

Banco Walmart Year to Date Results

During the first nine months of the year, total revenues amounted to \$1,267 million pesos, operating income to -342 million and net income to -\$380 million.

Conference Call

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CDT), regarding third quarter 2014 results. Access to the webcast is through the investor relations website www.walmex.mx

You can join the audio only by dialing +1 (847) 585-4405 for English or +1 (514) 841-2157 for Spanish 15 minutes before the conference begins:

- For English: Access code 3825 1678
- For Spanish: Access code 3772 0032

The presentation and the transcript will be available both in English and in Spanish at our website.

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2014 Openings

As of September 30, 2014, we have opened **54 units**:

Mexico: 35 units.

- 30 Bodegas Aurrerá
 - 8 Bodegas
 - 8 Mi Bodegas
 - 14 Bodegas Express
- 2 Walmarts
- 2 Sam's Club
- 1 Suburbia

Central America: 19 units.

- 12 Bodegas
- 7 Discount Stores

Installed Capacity

Sales Area (as of September 30, 2014)				
Format	Mexico		Central America	
	Sq.mt.	Sq.ft.	Sq.mt.	Sq.ft.
Bodegas and Discount Stores	2,466,827	26,552,921	351,639	3,785,043
Walmarts	1,922,050	20,688,932	117,244	1,262,015
Clubs	1,125,301	12,112,739	3,793	40,833
Supermarkets	149,698	1,611,349	131,847	1,419,199
Suburbia	435,109	4,683,513		
Pharmacies	2,665	28,686		
Total	6,101,650	65,678,140	604,523	6,507,090

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Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **September 30**, 2014, it operated **2,904** units, broken down as follows:

2,225 Mexico	679 Central America
1,611 Bodegas Aurrerá:	476 Discount Stores
443 Bodegas	95 Supermarkets
298 Mi Bodegas	20 Walmarts
870 Bodegas Express	87 Bodegas
245 Walmarts	1 Club
158 Sam's Clubs	
92 Superamas	
109 Suburbias	
10 Medimart Pharmacies	

As of today, Walmex operates **2,911** units, including the stores we have opened in October 2014.

Ticker Symbols

Mexican Stock Exchange:	Bloomberg:	Reuters:	ADR's sponsored program:
Walmex	WalmexV MM WMMVY US	WalmexV.Mx WMMVY.Pk	WMMVY

Websites

Investor Relations: www.walmex.mx

Corporate: www.walmartmexicoycam.com.mx

From the different formats:

www.walmart.com.mx

www.sams.com.mx

www.superama.com.mx

www.suburbia.com.mx

www.bancowalmart.com

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Appendix 1: Quarterly Income Statements (millions of pesos)

INCOME STATEMENTS BY QUARTER (Million of pesos)

	I Quarter					II Quarter					III Quarter					IV Quarter				Year to date			
	2014		2013		% of Growth	2014		2013		% of Growth	2014		2013		% of Growth	2014		2013		2014		2013	
	\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%	\$	%	\$	%
Net Sales	101,405		99,368		2.1	103,300		97,835		5.6	104,367		100,116		4.2			123,258				420,577	
Other Income	1,215		1,080		12.5	1,252		1,142		9.6	1,276		1,155		10.4			1,207				4,584	
Total Revenues	102,620	100.0	100,448	100.0	2.2	104,552	100.0	98,977	100.0	5.6	105,643	100.0	101,271	100.0	4.3			124,465	100.0			425,161	100.0
Cost of Sales	80,227	78.2	78,842	78.5	1.8	81,775	78.2	77,122	77.9	6.0	82,449	78.0	78,729	77.7	4.7			96,845	77.8			331,537	78.0
Gross Profit	22,393	21.8	21,606	21.5	3.6	22,777	21.8	21,855	22.1	4.2	23,194	22.0	22,542	22.3	2.9			27,620	22.2			93,624	22.0
General Expenses	15,803	15.4	14,856	14.8	6.4	15,373	14.7	14,880	15.0	3.3	16,346	15.5	15,137	14.9	8.0			17,227	13.8			62,102	14.6
Other expenses (income), net	(203)	(0.2)	24	0.0		72	0.1	(21)	(0.0)		13	0.0	31	0.0				(43)	(0.0)			(10)	(0.0)
Operating Income	6,793	6.6	6,726	6.7	1.0	7,332	7.0	6,996	7.1	4.8	6,835	6.5	7,374	7.3	(7.3)			10,436	8.4			31,532	7.4
Financial (Income) Expenses, net	48	0.0	(62)	(0.1)	177.1	56	0.1	26	0.0	109.1	40	0.0	22	0.0	86.7			29	0.0			15	0.0
Income before taxes on profits	6,745	6.6	6,788	6.8	(0.6)	7,276	7.0	6,970	7.0	4.4	6,795	6.4	7,352	7.3	(7.6)			10,407	8.4			31,517	7.4
Taxes on profits	2,199	2.1	1,974	2.0	11.4	2,136	2.0	1,955	2.0	9.3	1,924	1.8	2,233	2.2	(13.9)			3,355	2.7			9,517	2.2
Income before Discontinued Operations	4,546	4.4	4,814	4.8	(5.6)	5,140	4.9	5,015	5.1	2.5	4,871	4.6	5,119	5.1	(4.8)			7,052	5.7			22,000	5.2
Discontinued Operations	204	0.2	156	0.2	30.8	5,278	5.0	133	0.1		-		176	0.2				248	0.2			713	0.2
Consolidated Net Income	4,750	4.6	4,970	4.9	(4.4)	10,418	10.0	5,148	5.2	102.4	4,871	4.6	5,295	5.2	(8.0)			7,300	5.9			22,713	5.3
Noncontrolling interest	0		(1)	(0.0)	100.0	-		(1)	(0.0)	(100.0)	-		-					(4)	(0.0)			(4)	(0.0)
Net Income attributable to Owners of the Parent	4,750	4.6	4,971	4.9	(4.5)	10,418	10.0	5,147	5.2	102.4	4,871	4.6	5,295	5.2	(8.0)			7,304	5.9			22,717	5.3
EBITDA	9,120	8.9	8,856	8.8	3.0	9,653	9.2	9,141	9.2	5.6	9,146	8.7	9,551	9.4	(4.2)			12,674	10.2			40,222	9.5
Earning per share (in pesos):																							
Quarterly	0.270		0.281		(3.9)	0.592		0.291		103.4	0.278		0.300		(7.3)			0.414				1.284	

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WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in thousands of Mexican pesos

	<u>September 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	Ps. 20,593,549	Ps. 21,129,491
Accounts receivable, net	9,988,202	12,778,413
Inventories	43,440,197	43,794,897
Prepaid expenses and others	625,745	1,013,525
Assets held for sale	-	3,932,746
Total current assets	<u>74,647,693</u>	<u>82,649,072</u>
Non-current assets:		
Property and equipment, net	122,233,755	121,082,727
Intangible assets	25,787,134	25,957,186
Other non-current assets	490,935	573,148
Total assets	<u>Ps. 223,159,517</u>	<u>Ps. 230,262,133</u>
<u>Liabilities and equity</u>		
Current liabilities:		
Accounts payable to suppliers	Ps. 41,141,984	Ps. 47,609,438
Other accounts payable	24,256,258	15,549,473
Taxes payable	966,850	1,596,262
Liabilities relating to assets held for sale	-	966,227
Total current liabilities	<u>66,365,092</u>	<u>65,721,400</u>
Long-term liabilities:		
Other long-term liabilities	14,031,158	13,766,917
Deferred tax	6,298,731	6,851,658
Employee benefits	1,177,178	971,577
Total liabilities	<u>87,872,159</u>	<u>87,311,552</u>
Equity:		
Capital stock	45,578,192	45,777,573
Legal reserve	8,085,178	6,949,333
Retained earnings	84,467,878	92,551,723
Other comprehensive income items	380,583	397,799
Premium on sale of shares	2,447,070	2,314,940
Employee stock option plan fund	(5,686,549)	(5,061,161)
Equity attributable to owners of the parent	<u>135,272,352</u>	<u>142,930,207</u>
Non-controlling interests	15,006	20,374
Total equity	<u>135,287,358</u>	<u>142,950,581</u>
Total liabilities and equity	<u>Ps. 223,159,517</u>	<u>Ps. 230,262,133</u>

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WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in thousands of Mexican pesos

	Three-months period ended at September 30	
	2014	2013
Net sales	Ps. 104,367,429	Ps. 100,116,083
Other revenues	1,275,337	1,155,256
Total revenues	105,642,766	101,271,339
Cost of sales	(82,448,467)	(78,729,297)
Gross profit	23,194,299	22,542,042
General expenses	(16,345,787)	(15,136,933)
Income before other expenses, net	6,848,512	7,405,109
Other expenses, net	(13,273)	(30,889)
Operating income	6,835,239	7,374,220
Financial expenses, net	(40,496)	(21,690)
Income before taxes on profits	6,794,743	7,352,530
Taxes on profits	(1,923,427)	(2,232,929)
Net income from continuing operations	4,871,316	5,119,601
Net income from discontinued operations	-	175,618
Consolidated net income	<u>Ps. 4,871,316</u>	<u>Ps. 5,295,219</u>
Other comprehensive income items:		
<u>Items that maybe reclassified subsequently to profit and loss:</u>		
Cumulative translation adjustment	671,765	55,359
Comprehensive income	<u>Ps. 5,543,081</u>	<u>Ps. 5,350,578</u>
<u>Net income attributable to:</u>		
Owners of the parent	Ps. 4,870,934	Ps. 5,294,851
Non-controlling interests	382	368
	<u>Ps. 4,871,316</u>	<u>Ps. 5,295,219</u>
<u>Comprehensive income attributable to:</u>		
Owners of the parent	Ps. 5,542,699	Ps. 5,350,210
Non-controlling interests	382	368
	<u>Ps. 5,543,081</u>	<u>Ps. 5,350,578</u>
Basic earnings per share from continuing operations attributable to owners of the parent of the period (in pesos)	<u>Ps. 0.278</u>	<u>Ps. 0.290</u>
Basic earnings per share attributable to owners of the parent of the period (in pesos)	<u>Ps. 0.278</u>	<u>Ps. 0.300</u>

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WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in thousands of Mexican pesos

	Nine-months period ended at September 30	
	2014	2013
Net sales	Ps. 309,072,458	Ps. 297,318,935
Other revenues	3,742,918	3,377,310
Total revenues	312,815,376	300,696,245
Cost of sales	(244,451,674)	(234,692,755)
Gross profit	68,363,702	66,003,490
General expenses	(47,522,219)	(44,874,164)
Income before other income (expenses), net	20,841,483	21,129,326
Other income (expenses), net	118,219	(33,415)
Operating income	20,959,702	21,095,911
Financial (expenses) income, net	(143,615)	14,604
Income before taxes on profits	20,816,087	21,110,515
Taxes on profits	(6,259,359)	(6,162,047)
Net income from continuing operations	14,556,728	14,948,468
Net income from discontinued operations	5,482,346	464,963
Consolidated net income	<u>Ps. 20,039,074</u>	<u>Ps. 15,413,431</u>
Other comprehensive income items:		
<u>Items that maybe reclassified subsequently to profit and loss:</u>		
Cumulative translation adjustment	(17,216)	316,507
Comprehensive income	<u>Ps. 20,021,858</u>	<u>Ps. 15,729,938</u>
<u>Net income attributable to:</u>		
Owners of the parent	Ps. 20,038,379	Ps. 15,413,218
Non-controlling interests	695	213
	<u>Ps. 20,039,074</u>	<u>Ps. 15,413,431</u>
<u>Comprehensive income attributable to:</u>		
Owners of the parent	Ps. 20,021,163	Ps. 15,729,725
Non-controlling interests	695	213
	<u>Ps. 20,021,858</u>	<u>Ps. 15,729,938</u>
Basic earnings per share from continuing operations attributable to owners of the parent basis twelve months (in pesos)	<u>Ps. 1.228</u>	<u>Ps. 1.306</u>
Basic earnings per share attributable to owners of the parent basis twelve months (in pesos)	<u>Ps. 1.554</u>	<u>Ps. 1.342</u>

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WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Amounts in thousands of Mexican pesos

	Nine-months period ended at September 30	
	2014	2013
<u>Operating activities</u>		
Income before taxes on profits	Ps. 20,816,087	Ps. 21,110,515
<u>Items related to investing activities:</u>		
Depreciation and amortization	6,959,311	6,451,548
Loss from disposal of property and equipment	174,850	132,292
Stock option compensation expense	263,518	278,358
Interest earned	(372,256)	(442,743)
<u>Items related to financing activities:</u>		
Interest payable under finance leases	890,138	829,699
Accrued interest on contingent liability	30,554	31,439
Cash flow from results operations	28,762,202	28,391,108
<u>Variances in:</u>		
Accounts receivable	3,304,468	1,090,883
Inventories	349,095	(2,378,441)
Prepaid expenses and other assets	471,140	133,793
Accounts payable to suppliers	(6,456,687)	(5,069,821)
Other accounts payable	903,283	(952,776)
Taxes on profits	(8,006,104)	(7,610,146)
Employee benefits	165,988	57,586
Net cash flow from operating activities	19,493,385	13,662,186
<u>Investing activities</u>		
Purchase of property, equipment and software	(7,766,817)	(9,103,780)
Employee stock option plan fund	(756,776)	(752,112)
Interest collected	372,256	442,743
Purchase of shares of non-controlling interests	(17,334)	(327,002)
Proceeds from sale of property and equipment	86,202	93,608
Business disposes	8,716,753	522,703
Net cash flow used in investing activities	634,284	(9,123,840)
<u>Financing activities</u>		
Dividends paid	(16,116,752)	(13,099,825)
Repurchase of shares	(3,347,973)	(2,432,457)
Payment of finance leases	(1,097,576)	(1,044,944)
Net cash flow used in financing activities	(20,562,301)	(16,577,226)
Effect of changes in the value of cash	(101,310)	(534,174)
Net decrease in cash and cash equivalents	(535,942)	(12,573,054)
Cash and cash equivalents at beginning of period	21,129,491	28,163,229
Cash and cash equivalents at end of period	Ps. 20,593,549	Ps. 15,590,175

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