Walmart México y Centroamérica

*Our Vision is "Contributing towards improving the quality of life for families in Mexico and Central America"*

# WALMART DE MÉXICO Y CENTROAMÉRICA REPORTS RESULTS FOR THE SECOND QUARTER 2015

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, July 21st, 2015

Today **Wal-Mart de México, S.A.B. de C.V. (BMV: WALMEX)** reported financial results for the second quarter 2015. Net sales increased **9.9%**. EBITDA for the year amounted to **$10.3 billion pesos**, which represented **9.0%** of total revenues, a growth of **6.7%** over last year's levels.

Main figures are:

| **Second Quarter Results** | **2015** | | **2014** | | **Growth** |
|---|---|---|---|---|---|
| **April – June** | ***Million $*** | **%** | ***Million $*** | **%** | **%** |
| Net Sales | 113,550 | | 103,300 | | 9.9 |
| Other Income | 848 | | 823 | | 3.0 |
| Total Revenues | **114,398** | 100.0 | **104,123** | 100.0 | **9.9** |
| Cost of Sales | 89,510 | 78.2 | 81,544 | 78.3 | 9.8 |
| Gross Profit | **24,888** | 21.8 | **22,579** | 21.7 | **10.2** |
| General Expenses | 17,218 | 15.1 | 15,172 | 14.6 | 13.5 |
| Earnings before other income | **7,670** | 6.7 | **7,407** | 7.1 | **3.6** |
| Other Income (Expenses) – Net | 151 | 0.1 | (75) | (0.1) | 301.3 |
| Operating Income | **7,821** | 6.8 | **7,332** | 7.0 | **6.7** |
| Financial Income (Expenses) - Net | 9 | 0.0 | (56) | (0.1) | 116.2 |
| Taxes | 2,429 | 2.1 | 2,148 | 2.1 | 13.1 |
| Income before Discontinued Op. | **5,401** | 4.7 | **5,128** | 4.9 | **5.3** |
| Discontinued Operations | 1,410 | 1.2 | 5,290 | 5.1 | (73.3) |
| Net Income | **6,811** | 6.0 | **10,418** | 10.0 | **(34.6)** |
| EBITDA | 10,293 | 9.0 | 9,646 | 9.3 | **6.7** |
| EPS (pesos) | 0.389 | | 0.592 | | **(34.3)** |

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## *Year to Date Results*

| Results January – June | 2015 Million $ | 2015 % | 2014 Million $ | 2014 % | Growth % |
|---|---|---|---|---|---|
| Net Sales | 224,425 | | 204,705 | | 9.6 |
| Other Income | 1,696 | | 1,647 | | 2.9 |
| Total Revenues | 226,121 | 100.0 | 206,352 | 100.0 | **9.6** |
| Cost of Sales | 177,083 | 78.3 | 161,519 | 78.3 | 9.6 |
| Gross Profit | 49,038 | 21.7 | 44,833 | 21.7 | **9.4** |
| General Expenses | 34,078 | 15.1 | 30,716 | 14.9 | 10.9 |
| Earnings before other income | 14,960 | 6.6 | 14,117 | 6.8 | 6.0 |
| Other Income – Net | 201 | 0.1 | 129 | 0.1 | 55.8 |
| Operating Income | 15,161 | 6.7 | 14,246 | 6.9 | **6.4** |
| Financial Income (Expenses) - Net | 50 | 0.0 | -104 | -0.1 | 147.3 |
| Taxes | 4,668 | 2.1 | 4,233 | 2.1 | 10.3 |
| Income before Discontinued Op. | 10,543 | 4.7 | 9,909 | 4.8 | **6.4** |
| Discontinued Operations | 1,442 | 0.6 | 5,258 | 2.5 | -72.6 |
| Net Income | 11,985 | 5.3 | 15,167 | 7.4 | -21.0 |
| EBITDA | 20,109 | 8.9 | 18,882 | 9.2 | **6.5** |

## *Conference Call*

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CDT), regarding second quarter 2015 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 15 minutes before the conference begins:

- For English: Access code 4010 9209
- For Spanish: Access code 4010 9210

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

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## *2015 Openings*

As of June 30, 2015, we opened **19 units**:

**Mexico:** 15 units

14 Bodegas Aurrerá

1 Bodega
2 Mi Bodega
11 Bodegas Express

1 Sam's Club

**Central America:** 4 units

1 Discount Store
1 Supermarket
2 Bodegas

## *Installed Capacity*

| Sales Area (June 30th, 2015) | | | | |
|---|---|---|---|---|
| **Format** | **Mexico** | | **Central America** | |
| | **Sq.mt.** | **Sq.ft.** | **Sq.mt.** | **Sq.ft.** |
| Bodegas and Discount Stores | 2,561,852 | 27,575,775 | 365,799 | 3,937,243 |
| Walmarts | 1,962,068 | 21,119,686 | 127,270 | 1,369,935 |
| Clubs | 1,130,026 | 12,163,600 | 3,793 | 40,833 |
| Supermarkets | 151,707 | 1,632,973 | 134,206 | 1,444,591 |
| Suburbia | 446,313 | 4,804,109 | | |
| Pharmacies | 2,665 | 28,686 | | |
| **Total** | **6,254,631** | **67,324,829** | **631,068** | **6,792,602** |

## *Company Description*

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **June 30, 2015**, it operated **2,993** units, broken down as follows:

| **2,300** | **Mexico** | |
|---|---|---|
| 1,671 | Bodegas Aurrerá: | |
| | 462 | Bodegas |
| | 310 | Mi Bodegas |
| | 899 | Bodegas Express |
| 251 | Walmarts | |
| 159 | Sam's Clubs | |
| 93 | Superamas | |
| 116 | Suburbias | |
| 10 | Medimart Pharmacies | |

| **693** | **Central America** |
|---|---|
| 477 | Discount Stores |
| 97 | Supermarkets |
| 22 | Walmarts |
| 96 | Bodegas |
| 1 | Club |

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## *Ticker Symbols*

| Mexican Stock Exchange: | Bloomberg: | Reuters: | ADR's sponsored program: |
|---|---|---|---|
| Walmex | Walmex* MM<br>WMMVY US | Walmex.Mx<br>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

## *Contact us*

| Investor Relations | Corporate Communication |
|---|---|
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# *Appendix 1: Quarterly Income Statements (millions of pesos)*

| | I Quarter | | | | | II Quarter | | | | | III Quarter | | | | IV Quarter | | | | Year to Date | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | | 2014 | | % of | 2015 | | 2014 | | % of | 2015 | | 2014 | | 2015 | | 2014 | | 2015 | | 2014 | |
| | $ | % | $ | % | Growth | $ | % | $ | % | Growth | $ | % | $ | % | $ | % | $ | % | $ | % | $ | % |
| Net Sales | 110,875 | | 101,405 | | 9.3 | 113,550 | | 103,300 | | 9.9 | | | 104,367 | | | | 128,586 | | | | 437,659 | |
| Other Income | 848 | | 824 | | 2.8 | 848 | | 823 | | 3.0 | | | 829 | | | | 854 | | | | 3,329 | |
| Total Revenues | 111,723 | 100.0 | 102,229 | 100.0 | 9.3 | 114,398 | 100.0 | 104,123 | 100.0 | 9.9 | | | 105,196 | 100.0 | | | 129,440 | 100.0 | | | 440,988 | 100.0 |
| Cost of Sales | 87,572 | 78.4 | 79,974 | 78.2 | 9.5 | 89,510 | 78.2 | 81,544 | 78.3 | 9.8 | | | 82,231 | 78.2 | | | 99,620 | 77.0 | | | 343,369 | 77.9 |
| **Gross Profit** | **24,151** | **21.6** | **22,255** | **21.8** | **8.5** | **24,888** | **21.8** | **22,579** | **21.7** | **10.2** | | | **22,965** | **21.8** | | | **29,820** | **23.0** | | | **97,619** | **22.1** |
| General Expenses | 16,860 | 15.1 | 15,543 | 15.2 | 8.5 | 17,218 | 15.1 | 15,172 | 14.6 | 13.5 | | | 16,166 | 15.4 | | | 17,128 | 13.2 | | | 64,010 | 14.5 |
| **Earnings before other income Other Income** | **7,291** | **6.5** | **6,712** | **6.6** | **8.6** | **7,670** | **6.7** | **7,407** | **7.1** | **3.6** | | | **6,799** | **6.5** | | | **12,692** | **9.8** | | | **33,609** | **7.6** |
| Other Income (expenses) – Net | 50 | 0.0 | 204 | 0.2 | (75.2) | 151 | 0.1 | (75) | (0.1) | 301.3 | | | (20) | (0.0) | | | 999 | 0.8 | | | 1,107 | 0.3 |
| **Operating Income** | **7,341** | **6.6** | **6,916** | **6.8** | **6.2** | **7,821** | **6.8** | **7,332** | **7.0** | **6.7** | | | **6,779** | **6.4** | | | **13,691** | **10.6** | | | **34,716** | **7.9** |
| Financial Income (Expenses) - Net | 40 | 0.0 | (49) | (0.0) | 182.3 | 9 | 0.0 | (56) | (0.1) | 116.2 | | | (41) | (0.0) | | | (9) | (0.0) | | | (154) | (0.0) |
| **Income before taxes on profits** | **7,381** | **6.6** | **6,867** | **6.7** | **7.5** | **7,830** | **6.8** | **7,276** | **7.0** | **7.6** | | | **6,738** | **6.4** | | | **13,682** | **10.6** | | | **34,562** | **7.8** |
| Taxes on profits | 2,238 | 2.0 | 2,086 | 2.0 | 7.4 | 2,429 | 2.1 | 2,148 | 2.1 | 13.1 | | | 1,907 | 1.8 | | | 3,382 | 2.6 | | | 9,521 | 2.2 |
| **Income before Discontinued Operations** | **5,143** | **4.6** | **4,781** | **4.7** | **7.6** | **5,401** | **4.7** | **5,128** | **4.9** | **5.3** | | | **4,831** | **4.6** | | | **10,300** | **8.0** | | | **25,041** | **5.7** |
| Discontinued Operations | 32 | 0.0 | (31) | (0.0) | 200.2 | 1,410 | 1.2 | 5,290 | 5.1 | (73.3) | | | 40 | 0.0 | | | 95 | 0.1 | | | 5,394 | 1.2 |
| **Consolidated Net Income** | **5,175** | **4.6** | **4,750** | **4.6** | **8.9** | **6,811** | **6.0** | **10,418** | **10.0** | **(34.6)** | | | **4,871** | **4.6** | | | **10,395** | **8.0** | | | **30,435** | **6.9** |
| Noncontrolling interest | 1 | 0.0 | - | | 100.0 | 1 | 0.0 | - | | 100.0 | | | - | | | | 8 | 0.0 | | | 9 | 0.0 |
| **Net income attributable to Owners of the Parent** | **5,174** | **4.6** | **4,750** | **4.6** | **8.9** | **6,810** | **6.0** | **10,418** | **10.0** | **(34.6)** | | | **4,871** | **4.6** | | | **10,387** | **8.0** | | | **30,426** | **6.9** |
| ***EBITDA*** | ***9,816*** | ***8.8*** | ***9,237*** | ***9.0*** | ***6.3*** | ***10,293*** | ***9.0*** | ***9,646*** | ***9.3*** | ***6.7*** | | | ***9,083*** | ***8.6*** | | | ***14,889*** | ***11.5*** | | | ***42,854*** | ***9.7*** |
| **Earnings per share (in pesos):** | | | | | | | | | | | | | | | | | | | | | | |
| Quarterly | 0.296 | | 0.270 | | 9.6 | 0.389 | | 0.592 | | (34.3) | | | 0.278 | | | | 0.593 | | | | 0.593 | |

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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

| | June 30, 2015 | December 31, 2014 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | Ps. 18,819,039 | Ps. 28,047,848 |
| Accounts receivable, net | 7,567,198 | 6,382,321 |
| Inventories | 44,850,821 | 47,175,311 |
| Prepaid expenses and other assets | 865,623 | 858,363 |
| Assets held for sale | - | 7,988,358 |
| Total current assets | 72,102,681 | 90,452,201 |
| Non-current assets: | | |
| Property and equipment, net | 126,357,409 | 125,996,056 |
| Intangible assets | 31,017,997 | 29,115,019 |
| Other non-current assets | 427,150 | 517,280 |
| Total assets | Ps. 229,905,237 | Ps. 246,080,556 |
| **Liabilities and equity** | | |
| Current liabilities: | | |
| Accounts payable to suppliers | Ps. 44,691,797 | Ps. 52,710,227 |
| Other accounts payable | 29,497,511 | 13,640,563 |
| Taxes payable | 2,421,280 | 3,406,529 |
| Liabilities relating to assets held for sale | - | 5,770,732 |
| Total current liabilities | 76,610,588 | 75,528,051 |
| Long-term liabilities: | | |
| Other long-term liabilities | 13,149,047 | 13,179,933 |
| Deferred tax | 6,204,554 | 5,821,848 |
| Employee benefits | 1,486,981 | 1,304,904 |
| Total liabilities | 97,451,170 | 95,834,736 |
| Equity: | | |
| Capital stock | 45,537,457 | 45,523,723 |
| Legal reserve | 9,104,745 | 8,085,178 |
| Retained earnings | 72,780,913 | 94,265,950 |
| Other comprehensive income items | 8,482,638 | 5,481,982 |
| Premium on sale of shares | 2,663,227 | 2,464,001 |
| Employee stock option plan fund | ( 6,138,042) | ( 5,598,259) |
| Equity attributable to owners of the parent | 132,430,938 | 150,222,575 |
| Non-controlling interests | 23,129 | 23,245 |
| Total equity | 132,454,067 | 150,245,820 |
| Total liabilities and equity | Ps. 229,905,237 | Ps. 246,080,556 |

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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-month period ended at June 30 | |
|---|---|---|
| | **2015** | **2014** |
| Net sales | Ps. 113,549,713 | Ps. 103,299,993 |
| Other revenues | 847,770 | 822,775 |
| Total revenues | 114,397,483 | 104,122,768 |
| Cost of sales | ( 89,509,561) | ( 81,544,192) |
| Gross profit | 24,887,922 | 22,578,576 |
| General expenses | ( 17,217,810) | ( 15,172,692) |
| Income before other income (expenses), net | 7,670,112 | 7,405,884 |
| Other income (expenses), net | 150,408 | ( 74,700) |
| Operating income | 7,820,520 | 7,331,184 |
| Financial income (expenses), net | 8,983 | ( 55,374) |
| Income before taxes on profits | 7,829,503 | 7,275,810 |
| Taxes on profits | ( 2,428,847) | ( 2,147,646) |
| Net Income from continuing operations | 5,400,656 | 5,128,164 |
| Net income from discontinued operations | 1,410,091 | 5,290,071 |
| Consolidated net income | Ps. 6,810,747 | Ps. 10,418,235 |
| Other comprehensive income items: | | |
| Items that may be reclassified subsequently to profit and loss: | | |
| Cumulative translation adjustment | Ps. 2,336,290 | Ps. ( 121,098) |
| Comprehensive income | 9,147,037 | 10,297,137 |
| Net income attributable to: | | |
| Owners of the parent | Ps. 6,810,197 | Ps. 10,417,856 |
| Non-controlling interests | 550 | 379 |
| | Ps. 6,810,747 | Ps. 10,418,235 |
| Comprehensive income attributable to: | | |
| Owners of the parent | Ps. 9,146,487 | Ps. 10,296,758 |
| Non-controlling interests | 550 | 379 |
| | Ps. 9,147,037 | Ps. 10,297,137 |
| Basic earnings per share from continuing operations attributable to owners of the parent of the period (in pesos) | Ps. 0.309 | Ps. 0.292 |
| Basic earnings per share attributable to owners of the parent of the period (in pesos) | Ps. 0.389 | Ps. 0.592 |

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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

| | Six-month period ended at June 30 | |
|---|---|---|
| | **2015** | **2014** |
| Net sales | Ps. 224,425,059 | Ps. 204,705,029 |
| Other revenues | 1,695,568 | 1,647,194 |
| Total revenues | 226,120,627 | 206,352,223 |
| Cost of sales | ( 177,082,192) | ( 161,518,650) |
| Gross profit | 49,038,435 | 44,833,573 |
| General expenses | ( 34,078,011) | ( 30,716,089) |
| Income before other income, net | 14,960,424 | 14,117,484 |
| Other income, net | 200,814 | 128,900 |
| Operating income | 15,161,238 | 14,246,384 |
| Financial income (expenses), net | 49,376 | ( 104,465) |
| Income before taxes on profits | 15,210,614 | 14,141,919 |
| Taxes on profits | ( 4,667,391) | ( 4,232,511) |
| Net Income from continuing operations | 10,543,223 | 9,909,408 |
| Net income from discontinued operations | 1,441,862 | 5,258,350 |
| Consolidated net income | Ps. 11,985,085 | Ps. 15,167,758 |
| Other comprehensive income items: | | |
| Items that may be reclassified subsequently to profit and loss: | | |
| Cumulative translation adjustment | Ps. 3,000,656 | Ps. ( 688,981) |
| Comprehensive income | 14,985,741 | 14,478,777 |
| Net income attributable to: | | |
| Owners of the parent | Ps. 11,983,776 | Ps. 15,167,445 |
| Non-controlling interests | 1,309 | 313 |
| | Ps. 11,985,085 | Ps. 15,167,758 |
| Comprehensive income attributable to: | | |
| Owners of the parent | Ps. 14,984,432 | Ps. 14,478,464 |
| Non-controlling interests | 1,309 | 313 |
| | Ps. 14,985,741 | Ps. 14,478,777 |
| Basic earnings per share from continuing operations attributable to owners of the parent of the period (in pesos) | Ps. 0.602 | Ps. 0.563 |
| Basic earnings per share attributable to owners of the parent of the period (in pesos) | Ps. 0.685 | Ps. 0.862 |

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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

| | Six-month period ended at June 30 | |
|---|---|---|
| | **2015** | **2014** |
| **Operating activities** | | |
| Income before taxes on profits | Ps. 15,210,614 | Ps. 14,141,919 |
| Items related to investing activities: | | |
| Depreciation and amortization | 4,947,762 | 4,648,596 |
| Loss from disposal of property, equipment and impairment | 105,400 | 163,326 |
| Stock option compensation expense | 162,306 | 178,011 |
| Interest earned | ( 310,167) | ( 256,558) |
| Items related to financing activities: | | |
| Interest payable under finance leases | 619,453 | 592,838 |
| Accrued interest on contingent liability | - | 20,373 |
| Cash flow from results of operations | 20,735,368 | 19,488,505 |
| Variances in: | | |
| Accounts receivable | ( 1,219,803) | 1,199,333 |
| Inventories | 2,507,799 | 1,930,182 |
| Prepaid expenses and other assets | 100,213 | 268,823 |
| Accounts payable to suppliers | ( 8,228,093) | ( 5,717,474) |
| Other accounts payable | 1,002,903 | 857,399 |
| Taxes on profits | ( 5,912,951) | ( 5,444,156) |
| Employee benefits | 169,890 | 112,537 |
| Net cash flow from operating activities | 9,155,326 | 12,695,149 |
| **Investing activities** | | |
| Purchase of property, equipment and software | ( 4,610,674) | ( 4,360,382) |
| Employee stock option plan fund | ( 502,863) | ( 905,568) |
| Interest collected | 310,167 | 256,558 |
| Purchase of shares of non-controlling interests | ( 157) | ( 17,035) |
| Proceeds from sale of property and equipment | 54,779 | 53,047 |
| Business disposal | 3,726,761 | 8,716,753 |
| Discontinued operations | - | ( 120,575) |
| Net cash flow used in investing activities | ( 1,021,987) | 3,622,798 |
| **Financing activities** | | |
| Dividends paid | ( 15,700,151) | ( 13,869,118) |
| Repurchase of shares | ( 763,770) | ( 2,090,651) |
| Payment of finance leases | ( 793,629) | ( 748,652) |
| Net cash flow used in financing activities | ( 17,257,550) | ( 16,708,421) |
| Effect of changes in the value of cash | ( 104,598) | ( 241,326) |
| Net decrease in cash and cash equivalents | ( 9,228,809) | ( 631,800) |
| Cash and cash equivalents at beginning of period | 28,047,848 | 21,129,491 |
| Cash and cash equivalents at end of period | Ps. 18,819,039 | Ps. 20,497,691 |

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