Walmart México y Centroamérica

"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 2016

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, July 26, 2016

Today **Wal-Mart de México, S.A.B. de C.V. (BMV: WALMEX)** reported financial results for the second quarter of 2016. Net sales increased **11.5%**. EBITDA for the quarter amounted to **$11.6 billion pesos**, which represented **9.1%** of total revenues, a growth of **12.3%** over last year's levels.

Main figures are:

Results	2016		2015		Growth
April – June	*Million MXN*	%	*Million MXN*	%	%
Net Sales	126,608		113,550		11.5
Other Income	939		848		10.8
Total Revenues	**127,547**	100.0	**114,398**	100.0	**11.5**
Cost of Sales	99,187	77.8	89,510	78.2	10.8
Gross Profit	**28,360**	22.2	**24,888**	21.8	**14.0**
General Expenses	19,532	15.3	17,218	15.1	13.4
Income before other income-net	**8,828**	6.9	**7,670**	6.7	**15.1**
Other income (expenses)-net	47	0.0	151	0.1	-68.6
Operating Income	**8,875**	7.0	**7,821**	6.8	**13.5**
Financial Income (Expenses) - Net	-259	-0.2	9	0.0	-29.9t
Taxes	2,430	1.9	2,429	2.1	0.1
Income from Continuing Operations	**6,186**	4.9	**5,401**	4.7	**14.5**
Discontinued Operations	0	0.0	1,410	1.2	-100.0
Net Income	6,186	4.9	6,811	6.0	-9.2
EBITDA	**11,555**	9.1	**10,293**	9.0	**12.3**
EPS (pesos)	0.354		0.389		-9.0

t= times

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Results January – June	2016 *Million MXN*	%	2015 *Million MXN*	%	Growth %
Net Sales	252,122		224,425		12.3
Other Income	1,873		1,696		10.5
Total Revenues	**253,995**	100.0	**226,121**	100.0	**12.3**
Cost of Sales	197,537	77.8	177,083	78.3	11.6
Gross Profit	**56,458**	22.2	**49,038**	21.7	**15.1**
General Expenses	38,150	15.0	34,078	15.1	11.9
Income before other income-net	**18,308**	7.2	**14,960**	6.6	**22.4**
Other income (expenses)-net	136	0.1	201	0.1	-32.5
Operating Income	**18,444**	7.3	**15,161**	6.7	**21.6**
Financial Income (Expenses) - Net	-277	-0.1	50	0.0	-6.6t
Taxes	5,262	2.1	4,668	2.1	12.7
Income from Continuing Operations	**12,905**	5.1	**10,543**	4.7	**22.4**
Discontinued Operations	0	0.0	1,442	0.6	-100.0
Net Income	12,905	5.1	11,985	5.3	7.7
EBITDA	**23,786**	9.4	**20,109**	8.9	**18.3**
EPS 12 months (pesos)	1.563		1.555		0.5

2016 Openings

Mexico: 12 units

- 10 Bodegas Aurerrá
  - 6 Bodegas Aurrerá Express
  - 4 Mi Bodegas
- 2 Suburbias

Central America: 10 units

- 5 Discount Stores
- 3 Bodegas
- 1 Walmart
- 1 Supermarket

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Installed Capacity

Sales Area (June 30th, 2016)				
Format	**Mexico**		**Central America**	
	Sq.mt.	**Sq.ft.**	**Sq.mt.**	**Sq.ft.**
Bodegas and Discount Stores	2,620,682	28,209,032	380,012	4,090,449
Walmarts	1,987,917	21,397,930	137,716	1,482,375
Sam's Clubs	1,139,667	12,267,373		
Supermarkets	154,624	1,664,372	133,552	1,437,554
Suburbias	452,029	4,865,637		
Pharmacies	2,665	28,686		
Total	**6,357,584**	**68,443,030**	**651,280**	**7,010,378**

Conference Call

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CDT), regarding its second quarter 2016 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 4288 1682
- For Spanish: Access code 4288 1670

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

Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **June 30, 2016**, it operated **3,071** units, broken down as follows:

2,362	**Mexico**	
1,722	Bodegas Aurrerá:	
	475	Bodegas
	324	Mi Bodegas
	923	Bodegas Express
256	Walmarts	
160	Sam's Clubs	
95	Superamas	
119	Suburbias	
10	Medimart Pharmacies	

709	**Central America**
482	Discount Stores
96	Supermarkets
25	Walmarts
106	Bodegas

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Ticker Symbols

Mexican Stock Exchange:	Bloomberg:	Reuters:	ADR's sponsored program:
Walmex	Walmex* MM WMMVY US	Walmex.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.suburbia.com.mx
www.superama.com.mx

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Appendix 1: Quarterly Income Statements (millions of pesos)

	I Quarter					II Quarter					III Quarter				IV Quarter				Year to Date			
	2016		2015		% of	2016		2015		% of	2016		2015		2016		2015		2016		2015	
	$	%	$	%	Growth	$	%	$	%	Growth	$	%	$	%	$	%	$	%	$	%	$	%
Net Sales	125,514		110,875		13.2	126,608		113,550		11.5			116,458				144,981				485,864	
Other Revenues	934		848		10.2	939		848		10.8			875				933				3,503	
Total Revenues	126,448	100.0	111,723	100.0	13.2	127,547	100.0	114,398	100.0	11.5			117,333	100.0			145,914	100.0			489,367	100.0
Cost of Sales	98,350	77.8	87,572	78.4	12.3	99,187	77.8	89,510	78.2	10.8			91,286	77.8			113,619	77.9			381,987	78.1
Gross Profit	**28,098**	**22.2**	**24,151**	**21.6**	**16.3**	**28,360**	**22.2**	**24,888**	**21.8**	**14.0**			**26,047**	**22.2**			**32,295**	**22.1**			**107,380**	**21.9**
General Expenses	18,618	14.7	16,860	15.1	10.4	19,532	15.3	17,218	15.1	13.4			17,729	15.1			20,428	14.0			72,235	14.8
Income before other income(expenses)-net	**9,480**	**7.5**	**7,291**	**6.5**	**30.0**	**8,828**	**6.9**	**7,670**	**6.7**	**15.1**			**8,318**	**7.1**			**11,867**	**8.1**			**35,145**	**7.2**
Other Income (expenses) - Net	88	0.1	50	0.0	75.3	47	0.0	151	0.1	(68.6)			67	0.1			(444)	(0.3)			(176)	(0.0)
Operating Income	**9,568**	**7.6**	**7,341**	**6.6**	**30.3**	**8,875**	**7.0**	**7,821**	**6.8**	**13.5**			**8,385**	**7.1**			**11,423**	**7.8**			**34,969**	**7.1**
Financial Income (Expenses) - Net	(17)	(0.0)	40	0.0	(142.2)	(259)	(0.2)	9	0.0	-29.9t			30	0.0			(25)	(0.0)			55	0.0
Income before taxes of profits	**9,551**	**7.6**	**7,381**	**6.6**	**29.4**	**8,616**	**6.8**	**7,830**	**6.8**	**10.0**			**8,415**	**7.2**			**11,398**	**7.8**			**35,024**	**7.2**
Taxes on profits	2,832	2.2	2,238	2.0	26.5	2,430	1.9	2,429	2.1	0.1			2,485	2.1			2,934	2.0			10,087	2.1
Income from Continuing Operations	**6,719**	**5.3**	**5,143**	**4.6**	**30.7**	**6,186**	**4.9**	**5,401**	**4.7**	**14.5**			**5,930**	**5.1**			**8,464**	**5.8**			**24,937**	**5.1**
Discontinued Operations	-		32	0.0	(100.0)	-		1,410	1.2	(100.0)			**(9)**	(0.0)			9	0.0			1,442	0.3
Consolidated Net Income	**6,719**	**5.3**	**5,175**	**4.6**	**29.9**	**6,186**	**4.9**	**6,811**	**6.0**	**(9.2)**			**5,921**	**5.0**			**8,473**	**5.8**			**26,379**	**5.4**
Noncontrolling interest	1	0.0	1	0.0	-	1	0.0	1	0.0	-			1	0.0			1	0.0			3	0.0
Net income attributable to Owners of the Parent	**6,718**	**5.3**	**5,174**	**4.6**	**29.9**	**6,185**	**4.8**	**6,810**	**6.0**	**(9.2)**			**5,920**	5.0			**8,472**	**5.8**			**26,376**	**5.4**
EBITDA	***12,230***	***9.7***	***9,816***	***8.8***	***24.6***	***11,555***	***9.1***	***10,293***	***9.0***	***12.3***			***10,906***	***9.3***			***13,978***	***9.6***			***44,993***	***9.2***
Earnings per share (in pesos)																						
Quarterly	0.385		0.296		30.1	0.354		0.389		(9.0)			0.339				0.485				1.508	

t=times

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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, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	Ps. 17,764,036	Ps. 24,790,838
Accounts receivable, net	8,811,500	9,758,720
Inventories	50,618,015	49,748,874
Prepaid expenses and other assets	1,067,280	550,253
Total current assets	78,260,831	84,848,685
Non-current assets:		
Property and equipment, net	130,705,788	130,222,356
Intangible assets	36,709,533	34,456,219
Deferred tax assets	3,418,279	3,461,109
Other non-current assets	797,421	661,750
Total assets	Ps. 249,891,852	Ps. 253,650,119
Liabilities and equity		
Current liabilities:		
Accounts payable to suppliers	Ps. 52,618,757	Ps. 56,395,523
Other accounts payable	28,354,263	16,682,373
Taxes payable	5,146,506	4,231,457
Total current liabilities	86,119,526	77,309,353
Long-term liabilities:		
Other long-term liabilities	13,654,179	13,104,120
Deferred tax liabilities	9,334,073	9,786,893
Employee benefits	1,866,146	1,629,103
Total liabilities	110,973,924	101,829,469
Equity:		
Capital stock	45,468,428	45,468,428
Legal reserve	9,104,745	9,104,745
Retained earnings	70,123,861	86,188,284
Other comprehensive income items	17,088,342	13,827,795
Premium on sale of shares	3,005,431	2,830,646
Employee stock option plan fund	(5,899,353)	(5,625,092)
Equity attributable to owners of the parent	138,891,454	151,794,806
Non-controlling interests	26,474	25,844
Total equity	138,917,928	151,820,650
Total liabilities and equity	Ps. 249,891,852	Ps. 253,650,119

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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	
	2016	**2015**
Net sales	Ps. 126,607,795	Ps. 113,549,713
Other revenues	939,078	847,770
Total revenues	127,546,873	114,397,483
Cost of sales	(99,186,779)	(89,509,561)
Gross profit	28,360,094	24,887,922
General expenses	(19,531,736)	(17,217,810)
Income before other income and expenses	8,828,358	7,670,112
Other income	198,243	189,933
Other expenses	(150,969)	(39,525)
Operating income	8,875,632	7,820,520
Financial income	191,467	320,815
Financial expenses	(450,819)	(311,832)
Income before taxes on profits	8,616,280	7,829,503
Taxes on profits	(2,430,175)	(2,428,847)
Net Income from continuing operations	6,186,105	5,400,656
Net income from discontinued operations	-	1,410,091
Consolidated net income	Ps. 6,186,105	Ps. 6,810,747
Other comprehensive income items:		
Items that do not reclassify to profit and loss of the year:		
Cumulative translation adjustment	3,774,578	2,336,290
Comprehensive income	Ps. 9,960,683	Ps. 9,147,037
Net income attributable to:		
Owners of the parent	Ps. 6,185,151	Ps. 6,810,197
Non-controlling interests	954	550
	Ps. 6,186,105	Ps. 6,810,747
Comprehensive income attributable to:		
Owners of the parent	Ps. 9,959,729	Ps. 9,146,487
Non-controlling interests	954	550
	Ps. 9,960,683	Ps. 9,147,037
Basic earnings per share from continuing operations attributable to owners of the parent (in pesos)	Ps. 0.354	Ps. 0.309
Basic earnings per share attributable to owners of the parent (in pesos)	Ps. 0.354	Ps. 0.389

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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	
	2016	**2015**
Net sales	Ps. 252,121,927	Ps. 224,425,059
Other revenues	1,873,098	1,695,568
Total revenues	253,995,025	226,120,627
Cost of sales	(197,537,472)	(177,082,192)
Gross profit	56,457,553	49,038,435
General expenses	(38,149,578)	(34,078,011)
Income before other income and expenses	18,307,975	14,960,424
Other income	350,772	300,545
Other expenses	(215,132)	(99,731)
Operating income	18,443,615	15,161,238
Financial income	559,860	673,969
Financial expenses	(836,272)	(624,593)
Income before taxes on profits	18,167,203	15,210,614
Taxes on profits	(5,261,753)	(4,667,391)
Net Income from continuing operations	12,905,450	Ps. 10,543,223
Net income from discontinued operations	-	1,441,862
Consolidated net income	Ps. 12,905,450	Ps. 11,985,085
Other comprehensive income items:		
Items that do not reclassify to profit and loss of the year:		
Cumulative translation adjustment	3,260,547	3,000,656
Comprehensive income	Ps. 16,165,997	Ps. 14,985,741
Net income attributable to:		
Owners of the parent	Ps. 12,903,453	Ps. 11,983,776
Non-controlling interests	1,997	1,309
	Ps. 12,905,450	Ps. 11,985,085
Comprehensive income attributable to:		
Owners of the parent	Ps. 16,164,000	Ps. 14,984,432
Non-controlling interests	1,997	1,309
	Ps. 16,165,997	Ps. 14,985,741
Basic earnings per share from continuing operations attributable to owners of the parent (in pesos)	Ps. 0.739	Ps. 0.602
Basic earnings per share attributable to owners of the parent (in pesos)	Ps. 0.739	Ps. 0.685

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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	
	2016	**2015**
Operating activities		
Income before taxes on profits	Ps. 18,167,203	Ps. 15,210,614
Items related to investing activities:		
Depreciation and amortization	5,341,891	4,947,762
Loss from disposal of property, equipment and impairment	(232,644)	105,400
Stock option compensation expense	144,508	162,306
Interest earned	(292,431)	(310,167)
Items related to financing activities:		
Interest payable under finance leases	631,251	619,453
Cash flow from results of operations	23,759,778	20,735,368
Variances in:		
Accounts receivable	(467,707)	(1,219,803)
Inventories	(454,920)	2,507,799
Prepaid expenses and other assets	(629,517)	100,213
Accounts payable to suppliers	(4,177,490)	(8,228,093)
Other accounts payable	(1,511,738)	1,002,903
Taxes on profits paid	(2,691,254)	(5,912,951)
Employee benefits	159,609	169,890
Net cash flow from operating activities	13,986,761	9,155,326
Investing activities		
Purchase of property, equipment and software	(4,911,534)	(4,610,674)
Employee stock option plan fund	(243,984)	(502,863)
Interest collected	292,431	310,167
Purchase of shares of non-controlling interests	(1,127)	(157)
Proceeds from sale of property and equipment	153,747	54,779
Discontinued operations	-	3,726,761
Net cash flow used in investing activities	(4,710,467)	(1,021,987)
Financing activities		
Dividends paid	(15,859,119)	(15,700,151)
Repurchase of shares	-	(763,770)
Payment of finances leases	(787,130)	(793,629)
Net cash flow used in financing activities	(16,646,249)	(17,257,550)
Effect of changes in the value of cash	343,153	(104,598)
Net decrease in cash and cash equivalents	(7,026,802)	(9,228,809)
Cash and cash equivalents at beginning of period	24,790,838	28,047,848
Cash and cash equivalents at end of period	Ps. 17,764,036	Ps. 18,819,039

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