

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

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, July 23, 2014

Today **Wal-Mart de México, S.A.B. de C.V. (BMV: WALMEX)** reported financial results for the second quarter of 2014. Net sales increased **5.6%**. EBITDA for the quarter amounted to **\$9.7 billion pesos**, which represented **9.2%** of total revenues, a growth of **5.6%** over last year's levels.

Main figures are:

Results April – June	2014		2013		Growth
	Million \$	%	Million \$	%	%
Net Sales	103,300		97,835		5.6
Other Income	1,252		1,142		9.6
Total Revenues	104,552	100.0	98,977	100.0	5.6
Cost of Sales	81,775	78.2	77,122	77.9	6.0
Gross Profit	22,777	21.8	21,855	22.1	4.2
General Expenses	15,373	14.7	14,880	15.0	3.3
Other (Income) Expenses - Net	72	0.1	-21	-0.0	N/C
Operating Income	7,332	7.0	6,996	7.1	4.8
Financial Income - Net	56	0.1	26	0.0	109.1
Taxes	2,136	2.0	1,955	2.0	9.3
Net Income Before Discontinued Operations	5,140	4.9	5,015	5.1	2.5
Discontinued Operations*	5,278	5.0	133	0.1	N/C
Net Income	10,418	10.0	5,148	5.2	102.4
EBITDA	9,653	9.2	9,141	9.2	5.6
EPS (pesos)	0.592		0.291		103.4

*Includes the restaurant operation

N/C = Not comparable

Banco Walmart Quarterly Results

During the quarter, total revenues amounted to \$430 million pesos, operating income to -\$97 million and net income to -\$56 million.

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Year to Date Results

Results January – June	2014		2013		Growth
	Million \$	%	Million \$	%	%
Net Sales	204,705		197,203		3.8
Other Income	2,468		2,222		11.0
Total Revenues	207,173	100.0	199,425	100.0	3.9
Cost of Sales	162,003	78.2	155,963	78.2	3.9
Gross Profit	45,170	21.8	43,462	21.8	3.9
General Expenses	31,177	15.0	29,737	14.9	4.8
Other (Income) Expenses - Net	-131	-0.1	4	0.0	N/C
Operating Income	14,124	6.8	13,721	6.9	2.9
Financial (Expenses) Income - Net	-103	-0.0	37	0.0	-384.1
Taxes	4,335	2.1	3,929	2.0	10.4
Net Income Before Discontinued Operations	9,686	4.7	9,829	4.9	-1.5
Discontinued Operations*	5,482	2.6	289	0.1	N/C
Net Income	15,168	7.3	10,118	5.1	49.9
EBITDA	18,773	9.1	17,996	9.0	4.3

*Includes the restaurant operation

N/C = Not comparable

Banco Walmart Year to Date Results

During the first half of the year, total revenues amounted to \$820 million pesos, operating income to -\$310 million and net income to -\$356 million.

eCommerce

We are celebrating the first anniversary of our walmart.com.mx website. It has been a year of significant investment: we launched the online platform with seven categories and now we have 18; we have installed 116 kiosks in our stores to facilitate the purchase experience for those clients who prefer buying and paying at the store and we have launched our new app for iOS and Android. We will also continue investing in distribution, doubling the capacity within our existing distribution center by the end of the year.

Additionally, we are accelerating the growth of our grocery home delivery service with the launch, during the third quarter of the year, of Walmart Supercenter's "Directo a tu Hogar". Gradually each one of the Walmart Supercenters will be incorporated, thus reaching national coverage. Furthermore, during the fourth quarter we will open our second distribution center dedicated to grocery home delivery.

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Conference Call

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CDT), regarding second 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 3772 0034
- For Spanish: Access code 3772 0032

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

2014 Openings

As of June 30, 2014, we have opened **29 units**:

Mexico: 13 units.

- 12 Bodegas Aurrerá
 - 4 Bodegas
 - 5 Mi Bodegas
 - 3 Bodegas Express
- 1 Sam's Club

Central America: 16 units.

- 9 Bodegas
- 7 Discount Stores

Installed Capacity

Sales Area (as of June 30, 2014)				
Format	Mexico		Central America	
	Sq.mt.	Sq.ft.	Sq.mt.	Sq.ft.
Bodegas and Discount Stores	2,448,506	26,355,714	346,674	3,731,600
Walmarts	1,907,823	20,535,806	117,244	1,262,015
Clubs	1,118,306	12,037,487	3,793	40,833
Supermarkets	149,698	1,611,349	131,847	1,419,199
Suburbia	432,142	4,651,578		
Pharmacies	2,665	28,686		
Total	6,059,140	65,220,620	599,558	6,453,647

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Corporate Social Responsibility

Walmart de México Foundation has sent tons of food through the Mexican Red Cross to over 30 thousand people impacted by tropical storms and rains in the states of Chiapas, Tabasco and Coahuila. Furthermore, over two thousand kilos of food have been channeled in Nicaragua through the *SINAPRED* (National System to Prevent, Mitigate and Respond to Disasters) to families impacted by the earthquake last April.

Walmart de México y Centroamérica associates volunteered to plant over five thousand trees and ornate plants at schools, media strips and parks throughout the region.

Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **June 30**, 2014, it operated **2,879** units, broken down as follows:

2,203	Mexico	676	Central America
1,593	Bodegas Aurrerá:	476	Discount Stores
	439 Bodegas	95	Supermarkets
	295 Mi Bodegas	20	Walmarts
	859 Bodegas Express	84	Bodegas
243	Walmarts	1	Club
157	Sam's Clubs		
92	Superamas		
108	Suburbias		
10	Medimart Pharmacies		

As of today, Walmex operates **2,885** units, including the stores we have opened in July 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		2014		2013		2014		2013	
	\$	%	\$	%		\$	%	\$	%		\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Net Sales	101,405		99,368		2.1	103,300		97,835		5.6			100,116				123,258				420,577	
Other Income	1,215		1,080		12.5	1,252		1,142		9.6			1,155				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			101,271	100.0			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			78,729	77.7			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			22,542	22.3			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			15,137	14.9			17,227	13.8			62,102	14.6
Other expenses (income), net	(203)	(0.2)	24	0.0	NC	72	0.1	(21)	(0.0)	NC			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			7,374	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			22	0.0			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			7,352	7.3			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			2,233	2.2			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			5,119	5.1			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	NC			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			5,295	5.2			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			5,295	5.2			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			9,551	9.4			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			0.300				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

	June 30, 2014	December 31, 2013
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	Ps. 20,497,691	Ps. 21,129,491
Accounts receivable, net	11,697,445	12,778,413
Inventories	41,593,212	43,794,897
Prepaid expenses and others	742,770	1,013,525
Assets held for sale	-	3,932,746
Total current assets	74,531,118	82,649,072
Non-current assets:		
Property and equipment, net	120,062,890	121,082,727
Intangible assets	25,765,424	25,957,186
Other non-current assets	572,658	573,148
Total assets	Ps. 220,932,090	Ps. 230,262,133
<u>Liabilities and equity</u>		
Current liabilities:		
Accounts payable to suppliers	Ps. 41,614,743	Ps. 47,609,438
Other accounts payable	26,246,741	15,549,473
Taxes payable	1,071,887	1,596,262
Liabilities relating to assets held for sale	-	966,227
Total current liabilities	68,933,371	65,721,400
Long-term liabilities:		
Other long-term liabilities	13,582,631	13,766,917
Deferred tax	6,589,884	6,851,658
Employee benefits	1,083,102	971,577
Total liabilities	90,188,988	87,311,552
Equity:		
Capital stock	45,673,577	45,777,573
Legal reserve	8,085,178	6,949,333
Retained earnings	80,734,562	92,551,723
Other comprehensive income items	(291,182)	397,799
Premium on sale of shares	2,392,556	2,314,940
Employee stock option plan fund	(5,866,334)	(5,061,161)
Equity attributable to owners of the parent	130,728,357	142,930,207
Non-controlling interests	14,745	20,374
Total equity	130,743,102	142,950,581
Total liabilities and equity	Ps. 220,932,090	Ps. 230,262,133

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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 June 30	
	2014	2013
Net sales	Ps. 103,299,993	Ps. 97,835,086
Other revenues	1,252,301	1,142,111
Total revenues	104,552,294	98,977,197
Cost of sales	<u>(81,775,678)</u>	<u>(77,121,620)</u>
Gross profit	22,776,616	21,855,577
General expenses	<u>(15,373,548)</u>	<u>(14,880,849)</u>
Income before other (expenses) income, net	7,403,068	6,974,728
Other (expenses) income, net	<u>(71,636)</u>	<u>21,193</u>
Operating income	7,331,432	6,995,921
Financial expenses, net	<u>(54,882)</u>	<u>(26,249)</u>
Income before taxes on profits	7,276,550	6,969,672
Taxes on profits	<u>(2,136,658)</u>	<u>(1,955,185)</u>
Net income from continuing operations	5,139,892	5,014,487
Net income from discontinued operations	<u>5,278,343</u>	<u>133,350</u>
Consolidated net income	<u>Ps. 10,418,235</u>	<u>Ps. 5,147,837</u>
Other comprehensive income items:		
<u>Items that maybe reclassified subsequently to profit and loss:</u>		
Cumulative translation adjustment	<u>(121,098)</u>	<u>460,309</u>
Comprehensive income	<u>Ps. 10,297,137</u>	<u>Ps. 5,608,146</u>
<u>Net income attributable to:</u>		
Owners of the parent	Ps. 10,417,856	Ps. 5,147,102
Non-controlling interests	379	735
	<u>Ps. 10,418,235</u>	<u>Ps. 5,147,837</u>
<u>Comprehensive income attributable to:</u>		
Owners of the parent	Ps. 10,296,758	Ps. 5,607,411
Non-controlling interests	379	735
	<u>Ps. 10,297,137</u>	<u>Ps. 5,608,146</u>
Basic earnings per share from continuing operations attributable to owners of the parent of the period (in pesos)	<u>Ps. 0.292</u>	<u>Ps. 0.283</u>
Basic earnings per share attributable to owners of the parent of the period (in pesos)	<u>Ps. 0.592</u>	<u>Ps. 0.291</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

	Six-months period ended at June 30	
	2014	2013
Net sales	Ps. 204,705,029	Ps. 197,202,852
Other revenues	2,467,581	2,222,054
Total revenues	207,172,610	199,424,906
Cost of sales	(162,003,207)	(155,963,458)
Gross profit	45,169,403	43,461,448
General expenses	(31,176,432)	(29,737,231)
Income before other income (expenses), net	13,992,971	13,724,217
Other income (expenses), net	131,492	(2,526)
Operating income	14,124,463	13,721,691
Financial expenses income, net	(103,119)	36,294
Income before taxes on profits	14,021,344	13,757,985
Taxes on profits	(4,335,932)	(3,929,118)
Net income from continuing operations	9,685,412	9,828,867
Net income from discontinued operations	5,482,346	289,345
Consolidated net income	<u>Ps. 15,167,758</u>	<u>Ps. 10,118,212</u>
Other comprehensive income items:		
<u>Items that maybe reclassified subsequently to profit and loss:</u>		
Cumulative translation adjustment	(688,981)	261,148
Comprehensive income	<u>Ps. 14,478,777</u>	<u>Ps. 10,379,360</u>
<u>Net income attributable to:</u>		
Owners of the parent	Ps. 15,167,445	Ps. 10,118,367
Non-controlling interests	313	(155)
	<u>Ps. 15,167,758</u>	<u>Ps. 10,118,212</u>
<u>Comprehensive income attributable to:</u>		
Owners of the parent	Ps. 14,478,464	Ps. 10,379,515
Non-controlling interests	313	(155)
	<u>Ps. 14,478,777</u>	<u>Ps. 10,379,360</u>
Basic earnings per share from continuing operations attributable to owners of the parent basis twelve months (in pesos)	<u>Ps. 1.240</u>	<u>Ps. 1.302</u>
Basic earnings per share attributable to owners of the parent basis twelve months (in pesos)	<u>Ps. 1.575</u>	<u>Ps. 1.339</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

	Six-months period ended at June 30	
	2014	2013
<u>Operating activities</u>		
Income before taxes on profits	Ps. 14,021,344	Ps. 13,757,985
<u>Items related to investing activities:</u>		
Depreciation and amortization	4,648,596	4,461,893
Loss from disposal of property and equipment	163,326	51,018
Stock option compensation expense	178,011	183,993
Interest earned	(256,558)	(355,040)
<u>Items related to financing activities:</u>		
Interest payable under finance leases	592,838	562,379
Accrued interest on contingent liability	20,373	20,769
Cash flow from results operations	19,367,930	18,682,997
<u>Variances in:</u>		
Accounts receivable	1,199,333	957,708
Inventories	1,930,182	3,141,932
Prepaid expenses and other assets	268,823	(234,723)
Accounts payable to suppliers	(5,717,474)	(2,542,733)
Other accounts payable	857,399	(923,196)
Taxes on profits	(5,444,156)	(5,551,332)
Employee benefits	112,537	91,091
Net cash flow from operating activities	12,574,574	13,621,744
<u>Investing activities</u>		
Purchase of property, equipment and software	(4,360,382)	(5,305,731)
Employee stock option plan fund	(905,568)	(887,611)
Interest collected	256,558	355,040
Purchase of shares of non-controlling interests	(17,035)	(314,962)
Proceeds from sale of property and equipment	53,047	66,519
Business disposes	8,716,753	413,175
Net cash flow used in investing activities	3,743,373	(5,673,570)
<u>Financing activities</u>		
Dividends paid	(13,869,118)	(13,099,825)
Repurchase of shares	(2,090,651)	(1,021,417)
Payment of finance leases	(748,652)	(697,409)
Net cash flow used in financing activities	(16,708,421)	(14,818,651)
Effect of changes in the value of cash	(241,326)	(153,236)
Net decrease in cash and cash equivalents	(631,800)	(7,023,713)
Cash and cash equivalents at beginning of period	21,129,491	28,163,229
Cash and cash equivalents at end of period	Ps. 20,497,691	Ps. 21,139,516

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