

Quarterly Financial Information

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[105000] Management commentary**Management commentary [text block]**

We are now halfway through this year, and we have delivered strong and quality sales growth throughout the entire business. This has allowed us to invest in developing the capabilities required to maintain an efficient and competitive business for the future. At the same time, we have been able to grow EBITDA at a higher rate than revenues.

During the first half of the year, we achieved total revenue growth of 12.3%, while EBITDA grew 18.3% and earnings from continuing operations grew 22.4%.

In the second quarter of 2016, total revenues grew 11.5%, EBITDA grew 12.3%, and earnings from continuing operations grew 14.5%.

The value proposition from our different formats remains clear and differentiated, which is translating into market share gains throughout the business.

Our solid cash generation is growing above revenues.

Disclosure of nature of business [text block]

Walmart de México y Centroamérica is a leading retail sector companies in the region.

As of June 30, 2016, it operated 3,071 units, throughout 6 countries (Costa Rica, Guatemala, Honduras, El Salvador, México, and Nicaragua), including self-service stores, membership clubs, pharmacies, and apparel stores.

Walmart shares trade in the Mexican Stock Exchange since 1977; the ticker symbol is **WALMEX**.

Disclosure of management's objectives and its strategies for meeting those objectives [text block]

The objective of the Company is to double total sales in 10 years and to grow earning at a faster pace than sales by leveraging expenses.

Sales growth will come from:

- Same store sales
- Sales from new stores
- eCommerce

Disclosure of entity's most significant resources, risks and relationships [text block]

The Company is exposed to the effects of future events that could affect the purchasing power and/or buying habits of its population. These events may be economic, political or social in nature and some of the most important are described below:

I. Employment and salary. Positive or negative changes in employment and/or real salary levels could affect Mexico's per capita income and, consequently, the Company's business performance.

II. Changes in interest rates and exchange rates. Historically, Walmart has generated cash surpluses in Mexico and Central America on which it earns financial income. A reduction in interest rates could cause a decrease in the Company's financial income, which would affect its earnings growth. However, the Company believes that a reduction in interest rates would actually have a positive effect on its business in the medium and long-term, since it would help improve the purchasing power of its customers. On the other hand, exchange rate fluctuations tend to put upward pressure on inflation and reduce the population's purchasing power, which could ultimately hinder the Company's sales, in particular, due to the purchase of import goods.

III. Competition. The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company's market share at risk. Other factors affecting the Company's market share could be the business expansion of its competitors and the possible entrance of new competitors into the market.

IV. Inflation. Over the last few years, inflation rates in Mexico and Central America have remained at low levels. A significant increase in inflation rates could have a direct effect on the purchasing power of the Company's customers and the demand for its products and services.

V. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, they could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities has greatly increased. Mexican courts have changed their position favoring those authorities ignoring violations of form and procedure.

Disclosure of results of operations and prospects [text block]

WALMEX total sales for the second quarter of the year grew 11.5% or 8.6% on a constant currency basis. Mexico grew 9.0% and Central America 6.9% on a constant currency basis.

During the first six months of the year, total sales grew 12.3% or 9.2% on a constant currency basis. Mexico achieved a 9.6% growth and Central America 7.2%.

While we are pleased with the strength of our same store sales growth, we place equal importance on its quality and consistency across all markets, formats and categories.

In spite of a difficult comparison and a more promotional environment, Mexico same store sales grew a strong 7.9% during the second quarter of the year and 13.3% on a 2-year-stack basis. Growth for the first six months of the year was 8.6% and 13.8% on a 2-year-stack basis.

In Central America same store sales on a constant currency basis grew 4.1% for the second quarter and 7.3% on a 2-year-stack basis. During the first half of the year, growth was 4.5% and 9.9% on a 2-year-stack basis.

In Mexico, consumption continues to be favorable, but what is most important is the consistency of our execution and how we are delivering on each format's value proposition. This has translated into solid growth across all formats.

We drove very healthy same store sales across all different divisions. Grocery, which includes food and consumables, grew 7.9%, general merchandise 7.1%, and apparel 10.3%.

The quality and consistency of our same store sales is also reflected in the strong performance across all regions throughout Mexico.

We continue to significantly outpace our self-service competitors in Mexico.

During the second quarter, same store sales for ANTAD Self-service excluding **WALMEX** grew 3.8%, while same store sales for **WALMEX** Self-service and Sam's grew 7.8%, 400 basis points higher. Our growth on a 2-year-stack basis was 560 basis points higher.

Our year-to-date same store sales growth, has outperformed the industry by 380 basis points or 520 basis points on a 2-year-stack basis.

Now shifting to our Central America's business. Similar to the first quarter, constant currency, same store sales growth this quarter was positive across all formats, and across all divisions.

Our same store sales growth was positive in the five countries where we operate in Central America.

MEXICO RESULTS:

Total revenues increased 9%.

Gross margin increased from 21.5% last year to 21.9% this year, an increase of 40 basis points vs. last year, while at the same time we increased our price gap.

Additionally, there was a positive impact from in-sourcing our factoring program. The positive effect in gross margin was roughly 10 basis points, with the offsetting effect reflected on interest income.

Expenses were the greatest challenge during the quarter. They grew 11.0% and deleveraged 30 basis points vs. last year.

We continue making investments such as: reinforcing the organizational structure, remodels, maintenance, systems, and seasonal advertising. Our results were also impacted by two fires: one at a Bodega and another at a Bodega Aurrerá Express.

On a year-to-date basis, we reported 10 basis points of expense leverage.

EBITDA and operating income grew 7.5% and 8.1%, respectively.

CENTRAL AMERICA RESULTS:

Total revenue grew 24.8% in pesos or 6.8% on a constant currency basis.

Gross margin increased from 22.9% to 23.8%. We continued to benefit from the centralization of Merchandising, maintaining a strong price gap and perception in all markets. Also, as in

the case of Mexico, we reclassified factoring income, from the beginning of the year, increasing margin by roughly 50 basis points.

We also achieved 20 basis points of leverage.

As a result of the above mentioned improvements, Q2 EBITDA margin of 8.0% showed a significant improvement, compared to 6.8% last year.

CONSOLIDATED RESULTS:

On a consolidated basis, **WALMEX** total revenues grew 11.5%.

We had 40 basis points of improvement in gross margin while expenses grew 13.4%.

EBITDA grew 12.3%, higher than total revenue growth.

Earnings from continuing operations grew 14.5%, also higher than total revenue growth.

During the second quarter last year we concluded the sale of Banco Walmart. The earning amounted to \$1.4 billion pesos and is reflected on the income statement as discontinued operations.

Financial position, liquidity and capital resources [text block]

We have a strong balance sheet, one that allows us to continue investing in our business and at the same time to pay dividends to our shareholders.

We ended the quarter with approximately \$17.8 billion pesos in cash, 1 billion below last year's level.

During the last 12 months we invested \$12.8 billion pesos in fixed assets and we paid \$31.7 billion pesos in dividends.

Moving on, in the second quarter, total inventory increased 12.9%, faster than the rate of sales, mainly due to the currency effect from Central America.

Accounts payable to suppliers increased 17.7%, also with the same FX impact.

Cash generation as a percentage of revenues in the last 12 months to the second quarter went from 9.7% of revenues in 2015 to 10.2% in 2016.

Internal control [text block]

For the Company, having the highest regulation standards and the proper control environment is fundamental to meeting its objectives.

The existing internal controls are oriented towards guaranteeing the asset security, compliance with established policies, the accurate recording of operations, reliable and timely financial data, the prevention, identification and detection of fraud, as well as the fulfillment of the law and regulations.

We have an area devoted to ethics and regulatory compliance, which is in charge of disseminating and promoting our policies on ethical behavior, corporate governance and strict compliance with any and all legal provisions to which we are subject.

Disclosure of critical performance measures and indicators that management uses to evaluate entity's performance against stated objectives [text block]

- Total sales
 - Same store sales
 - Gross margin
 - Expenses
 - Operating earnings
 - EBITDA
 - Cash generation
 - ROI
 - Inventory
 - Financing
-

Ticker: WALMEX

Quarter: 2 Year: 2016

[110000] General information about financial statements

Ticker:	WALMEX
Period covered by financial statements:	2016-01-01 al 2016-06-30
Date of end of reporting period:	2016-06-30
Name of reporting entity or other means of identification:	Wal-Mart de México, S.A.B. de C.V.
Description of presentation currency:	MXN
Level of rounding used in financial statements:	THOUSANDS OF PESOS
Consolidated:	Yes
Number of quarter:	2
Type of issuer:	ICS
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period:	
Description of nature of financial statements:	

Disclosure of general information about financial statements [text block]

Wal-Mart de México, S.A.B. de C.V. (**WALMEX** or "the Company") is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Colonia Santa Cruz Acayucan, C.P. 02770, in Mexico City. The principal shareholder of **WALMEX** is Wal-Mart Stores, Inc., a U.S. corporation, through Intersalt, S. de R.L. de C.V., a Mexican company with a 70.51% shares ownership.

The accompanying consolidated financial statements include those of **WALMEX** and those of its subsidiaries in which it has control in Mexico and abroad, and are prepared for the same accounting period.

The functional and reporting currency used is the Mexican peso. The level of rounding used in financial statements is thousands of pesos, except where otherwise indicated.

Follow-up of analysis [text block]

Actinver - Carlos Hermosillo

Bank of America Merrill Lynch - Robert Ford

Banorte - IXE – Valentín Mendoza

Barclays Capital - Benjamin M. Theurer

BBVA Bancomer - Miguel Ulloa

BTG Pactual – Álvaro García

Citi - Accival – Alexander Robarts

Credit Suisse - Antonio González

Deutsche Bank - José Yordán

GBM - Luis Willard

Goldman Sachs - Irma Sgarz

HSBC – Rafael Shin

Intercom - Alejandra Marcos

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Itaú BBA - Joaquin Ley

J.P. Morgan - Andrea F. Teixeira

Morgan Stanley - Franco Abelardo

Punto Casa de Bolsa - Cristina Morales

Santander - Reinaldo Santana

Scotiabank - Rodrigo Echagaray

UBS - Gustavo Piras Oliveira

Vector Casa de Bolsa - Héctor Maya

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[210000] Statement of financial position, current/non-current

Concept	Close Current Quarter 2016-06-30	Close Previous Exercise 2015-12-31
Statement of financial position [abstract]		
Assets [abstract]		
Current assets [abstract]		
Cash and cash equivalents	17,764,036,000	24,790,838,000
Trade and other current receivables	7,615,480,000	6,993,555,000
Current tax assets, current	1,196,020,000	2,765,165,000
Other current financial assets	0	0
Current inventories	50,618,015,000	49,748,874,000
Current biological assets	0	0
Other current non-financial assets	1,067,280,000	550,253,000
Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners	78,260,831,000	84,848,685,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
Total current assets	78,260,831,000	84,848,685,000
Non-current assets [abstract]		
Trade and other non-current receivables	0	0
Current tax assets, non-current	0	0
Non-current inventories	0	0
Non-current biological assets	0	0
Other non-current financial assets	797,421,000	661,750,000
Investments accounted for using equity method	0	0
Investments in subsidiaries, joint ventures and associates	0	0
Property, plant and equipment	130,705,788,000	130,222,356,000
Investment property	0	0
Goodwill	35,151,269,000	33,057,328,000
Intangible assets other than goodwill	1,558,264,000	1,398,891,000
Deferred tax assets	3,418,279,000	3,461,109,000
Other non-current non-financial assets	0	0
Total non-current assets	171,631,021,000	168,801,434,000
Total assets	249,891,852,000	253,650,119,000
Equity and liabilities [abstract]		
Liabilities [abstract]		
Current liabilities [abstract]		
Trade and other current payables	81,942,051,000	74,158,039,000
Current tax liabilities, current	2,410,595,000	1,378,525,000
Other current financial liabilities	563,982,000	593,454,000
Other current non-financial liabilities	0	0
Current provisions [abstract]		
Current provisions for employee benefits	0	0
Other current provisions	1,202,898,000	1,179,335,000
Total current provisions	1,202,898,000	1,179,335,000
Total current liabilities other than liabilities included in disposal groups classified as held for sale	86,119,526,000	77,309,353,000
Liabilities included in disposal groups classified as held for sale	0	0
Total current liabilities	86,119,526,000	77,309,353,000
Non-current liabilities [abstract]		
Trade and other non-current payables	0	0
Current tax liabilities, non-current	0	0
Other non-current financial liabilities	13,654,179,000	13,104,120,000

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Concept	Close Current Quarter 2016-06-30	Close Previous Exercise 2015-12-31
Other non-current non-financial liabilities	0	0
Non-current provisions [abstract]		
Non-current provisions for employee benefits	1,866,146,000	1,629,103,000
Other non-current provisions	0	0
Total non-current provisions	1,866,146,000	1,629,103,000
Deferred tax liabilities	9,334,073,000	9,786,893,000
Total non-current liabilities	24,854,398,000	24,520,116,000
Total liabilities	110,973,924,000	101,829,469,000
Equity [abstract]		
Issued capital	45,468,428,000	45,468,428,000
Share premium	(2,893,922,000)	(2,794,446,000)
Treasury shares	0	0
Retained earnings	79,228,606,000	95,293,029,000
Other reserves	17,088,342,000	13,827,795,000
Total equity attributable to owners of parent	138,891,454,000	151,794,806,000
Non-controlling interests	26,474,000	25,844,000
Total equity	138,917,928,000	151,820,650,000
Total equity and liabilities	249,891,852,000	253,650,119,000

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[310000] Statement of comprehensive income, profit or loss, by function of expense

Concept	Accumulated Current Year 2016-01-01 - 2016- 06-30	Accumulated Previous Year 2015-01-01 - 2015- 06-30	Quarter Current Year 2016-04-01 - 2016- 06-30	Quarter Previous Year 2015-04-01 - 2015- 06-30
Profit or loss [abstract]				
Profit (loss) [abstract]				
Revenue	253,995,025,000	226,120,627,000	127,546,873,000	114,397,483,000
Cost of sales	197,537,472,000	177,082,192,000	99,186,779,000	89,509,561,000
Gross profit	56,457,553,000	49,038,435,000	28,360,094,000	24,887,922,000
Distribution costs	0	0	0	0
Administrative expenses	38,149,578,000	34,078,011,000	19,531,736,000	17,217,810,000
Other income	350,772,000	300,545,000	198,243,000	189,933,000
Other expense	215,132,000	99,731,000	150,969,000	39,525,000
Profit (loss) from operating activities	18,443,615,000	15,161,238,000	8,875,632,000	7,820,520,000
Finance income	559,860,000	673,969,000	191,467,000	320,815,000
Finance costs	836,272,000	624,593,000	450,819,000	311,832,000
Share of profit (loss) of associates and joint ventures accounted for using equity method	0	0	0	0
Profit (loss) before tax	18,167,203,000	15,210,614,000	8,616,280,000	7,829,503,000
Tax income (expense)	5,261,753,000	4,667,391,000	2,430,175,000	2,428,847,000
Profit (loss) from continuing operations	12,905,450,000	10,543,223,000	6,186,105,000	5,400,656,000
Profit (loss) from discontinued operations	0	1,441,862,000	0	1,410,091,000
Profit (loss)	12,905,450,000	11,985,085,000	6,186,105,000	6,810,747,000
Profit (loss), attributable to [abstract]				
Profit (loss), attributable to owners of parent	12,903,453,000	11,983,776,000	6,185,151,000	6,810,197,000
Profit (loss), attributable to non-controlling interests	1,997,000	1,309,000	954,000	550,000
Earnings per share [text block]				
Earnings per share [abstract]				
Earnings per share [line items]				
Basic earnings per share [abstract]				
Basic earnings (loss) per share from continuing operations	0.73	0.6	0.35	0.3
Basic earnings (loss) per share from discontinued operations	0	0.08	0	0.08
Total basic earnings (loss) per share	0.73	0.68	0.35	0.38
Diluted earnings per share [abstract]				
Diluted earnings (loss) per share from continuing operations	0.73	0.6	0.35	0.3
Diluted earnings (loss) per share from discontinued operations	0	0.08	0	0.08
Total diluted earnings (loss) per share	0.73	0.68	0.35	0.38

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[410000] Statement of comprehensive income, OCI components presented net of tax

Concept	Accumulated Current Year 2016-01-01 - 2016- 06-30	Accumulated Previous Year 2015-01-01 - 2015- 06-30	Quarter Current Year 2016-04-01 - 2016- 06-30	Quarter Previous Year 2015-04-01 - 2015- 06-30
Statement of comprehensive income [abstract]				
Profit (loss)	12,905,450,000	11,985,085,000	6,186,105,000	6,810,747,000
Other comprehensive income [abstract]				
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax [abstract]				
Other comprehensive income, net of tax, gains (losses) from investments in equity instruments	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on revaluation	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	0	0	0	0
Other comprehensive income, net of tax, change in fair value of financial liability attributable to change in credit risk of liability	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on hedging instruments that hedge investments in equity instruments	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	0	0	0	0
Components of other comprehensive income that will be reclassified to profit or loss, net of tax [abstract]				
Exchange differences on translation [abstract]				
Gains (losses) on exchange differences on translation, net of tax	3,260,547,000	3,000,656,000	3,774,578,000	2,336,290,000
Reclassification adjustments on exchange differences on translation, net of tax	0	0	0	0
Other comprehensive income, net of tax, exchange differences on translation	3,260,547,000	3,000,656,000	3,774,578,000	2,336,290,000
Available-for-sale financial assets [abstract]				
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	0	0	0	0
Reclassification adjustments on available-for-sale financial assets, net of tax	0	0	0	0
Other comprehensive income, net of tax, available-for-sale financial assets	0	0	0	0
Cash flow hedges [abstract]				
Gains (losses) on cash flow hedges, net of tax	0	0	0	0
Reclassification adjustments on cash flow hedges, net of tax	0	0	0	0
Amounts removed from equity and included in carrying amount of non-financial asset (liability) whose acquisition or incurrence was hedged highly probable forecast transaction, net of tax	0	0	0	0
Other comprehensive income, net of tax, cash flow hedges	0	0	0	0
Hedges of net investment in foreign operations [abstract]				
Gains (losses) on hedges of net investments in foreign operations, net of tax	0	0	0	0
Reclassification adjustments on hedges of net investments in foreign operations, net of tax	0	0	0	0
Other comprehensive income, net of tax, hedges of net investments in foreign operations	0	0	0	0
Change in value of time value of options [abstract]				
Gains (losses) on change in value of time value of options, net of	0	0	0	0

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Concept	Accumulated Current Year 2016-01-01 - 2016- 06-30	Accumulated Previous Year 2015-01-01 - 2015- 06-30	Quarter Current Year 2016-04-01 - 2016- 06-30	Quarter Previous Year 2015-04-01 - 2015- 06-30
tax				
Reclassification adjustments on change in value of time value of options, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of time value of options	0	0	0	0
Change in value of forward elements of forward contracts [abstract]				
Gains (losses) on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Reclassification adjustments on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of forward elements of forward contracts	0	0	0	0
Change in value of foreign currency basis spreads [abstract]				
Gains (losses) on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Reclassification adjustments on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of foreign currency basis spreads	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will be reclassified to profit or loss, net of tax	3,260,547,000	3,000,656,000	3,774,578,000	2,336,290,000
Total other comprehensive income	3,260,547,000	3,000,656,000	3,774,578,000	2,336,290,000
Total comprehensive income	16,165,997,000	14,985,741,000	9,960,683,000	9,147,037,000
Comprehensive income attributable to [abstract]				
Comprehensive income, attributable to owners of parent	16,164,000,000	14,984,432,000	9,959,729,000	9,146,487,000
Comprehensive income, attributable to non-controlling interests	1,997,000	1,309,000	954,000	550,000

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[520000] Statement of cash flows, indirect method

Concept	Accumulated Current Year 2016-01-01 - 2016- 06-30	Accumulated Previous Year 2015-01-01 - 2015- 06-30
Statement of cash flows [abstract]		
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	12,905,450,000	11,985,085,000
Adjustments to reconcile profit (loss) [abstract]		
Discontinued operations	0	(1,441,862,000)
Adjustments for income tax expense	5,261,753,000	4,667,391,000
Adjustments for finance costs	338,820,000	309,286,000
Adjustments for depreciation and amortisation expense	5,341,891,000	4,947,762,000
Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	6,408,000	0
Adjustments for provisions	0	0
Adjustments for unrealised foreign exchange losses (gains)	0	0
Adjustments for share-based payments	144,508,000	162,306,000
Adjustments for fair value losses (gains)	0	0
Adjustments for undistributed profits of associates	0	0
Adjustments for losses (gains) on disposal of non-current assets	(239,052,000)	105,400,000
Participation in associates and joint ventures	0	0
Adjustments for decrease (increase) in inventories	(454,920,000)	2,507,799,000
Adjustments for decrease (increase) in trade accounts receivable	(467,707,000)	(1,219,803,000)
Adjustments for decrease (increase) in other operating receivables	(629,517,000)	100,213,000
Adjustments for increase (decrease) in trade accounts payable	(4,177,490,000)	(8,228,093,000)
Adjustments for increase (decrease) in other operating payables	(1,352,129,000)	1,172,793,000
Other adjustments for non-cash items	0	0
Other adjustments for which cash effects are investing or financing cash flow	0	0
Straight-line rent adjustment	0	0
Amortization of lease fees	0	0
Setting property values	0	0
Other adjustments to reconcile profit (loss)	0	0
Total adjustments to reconcile profit (loss)	3,772,565,000	3,083,192,000
Net cash flows from (used in) operations	16,678,015,000	15,068,277,000
Dividends paid	0	0
Dividends received	0	0
Interest paid	0	0
Interest received	0	0
Income taxes refund (paid)	2,691,254,000	5,912,951,000
Other inflows (outflows) of cash	0	0
Net cash flows from (used in) operating activities	13,986,761,000	9,155,326,000
Cash flows from (used in) investing activities [abstract]		
Cash flows from losing control of subsidiaries or other businesses	0	3,726,761,000
Cash flows used in obtaining control of subsidiaries or other businesses	1,127,000	157,000
Other cash receipts from sales of equity or debt instruments of other entities	0	0
Other cash payments to acquire equity or debt instruments of other entities	0	0
Other cash receipts from sales of interests in joint ventures	0	0
Other cash payments to acquire interests in joint ventures	0	0
Proceeds from sales of property, plant and equipment	153,747,000	54,779,000
Purchase of property, plant and equipment	4,911,534,000	4,610,674,000
Proceeds from sales of intangible assets	0	0
Purchase of intangible assets	0	0
Proceeds from sales of other long-term assets	0	0

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Concept	Accumulated Current Year 2016-01-01 - 2016- 06-30	Accumulated Previous Year 2015-01-01 - 2015- 06-30
Purchase of other long-term assets	0	0
Proceeds from government grants	0	0
Cash advances and loans made to other parties	0	0
Cash receipts from repayment of advances and loans made to other parties	0	0
Cash payments for future contracts, forward contracts, option contracts and swap contracts	0	0
Cash receipts from future contracts, forward contracts, option contracts and swap contracts	0	0
Dividends received	0	0
Interest paid	0	0
Interest received	292,431,000	310,167,000
Income taxes refund (paid)	0	0
Other inflows (outflows) of cash	(243,984,000)	(502,863,000)
Net cash flows from (used in) investing activities	(4,710,467,000)	(1,021,987,000)
Cash flows from (used in) financing activities [abstract]		
Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
Payments from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
Proceeds from issuing shares	0	0
Proceeds from issuing other equity instruments	0	0
Payments to acquire or redeem entity's shares	0	763,770,000
Payments of other equity instruments	0	0
Proceeds from borrowings	0	0
Repayments of borrowings	0	0
Payments of finance lease liabilities	787,130,000	793,629,000
Proceeds from government grants	0	0
Dividends paid	15,859,119,000	15,700,151,000
Interest paid	0	0
Income taxes refund (paid)	0	0
Other inflows (outflows) of cash	0	0
Net cash flows from (used in) financing activities	(16,646,249,000)	(17,257,550,000)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(7,369,955,000)	(9,124,211,000)
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	343,153,000	(104,598,000)
Net increase (decrease) in cash and cash equivalents	(7,026,802,000)	(9,228,809,000)
Cash and cash equivalents at beginning of period	24,790,838,000	28,047,848,000
Cash and cash equivalents at end of period	17,764,036,000	18,819,039,000

Ticker: WALMEX

Quarter: 2 Year: 2016

[610000] Statement of changes in equity - Accumulated Current

Sheet 1 of 3	Components of equity [axis]								
	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	45,468,428,000	(2,794,446,000)	0	95,293,029,000	0	14,211,864,000	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	12,903,453,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	3,260,547,000	0	0	0
Total comprehensive income	0	0	0	12,903,453,000	0	3,260,547,000	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	28,966,904,000	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	(972,000)	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	(99,476,000)	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	(99,476,000)	0	(16,064,423,000)	0	3,260,547,000	0	0	0
Equity at end of period	45,468,428,000	(2,893,922,000)	0	79,228,606,000	0	17,472,411,000	0	0	0

Ticker: WALMEX

Quarter: 2 Year: 2016

Sheet 2 of 3	Components of equity [axis]								
	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]	Reserve for catastrophe [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	0	0	(384,069,000)	0	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	0	0	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	0	0	0	0	0
Equity at end of period	0	0	0	0	(384,069,000)	0	0	0	0

Ticker: WALMEX

Quarter: 2 Year: 2016

Sheet 3 of 3	Components of equity [axis]						Equity [member]
	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	
Statement of changes in equity [line items]							
Equity at beginning of period	0	0	0	13,827,795,000	151,794,806,000	25,844,000	151,820,650,000
Changes in equity [abstract]							
Comprehensive income [abstract]							
Profit (loss)	0	0	0	0	12,903,453,000	1,997,000	12,905,450,000
Other comprehensive income	0	0	0	3,260,547,000	3,260,547,000	0	3,260,547,000
Total comprehensive income	0	0	0	3,260,547,000	16,164,000,000	1,997,000	16,165,997,000
Issue of equity	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	28,966,904,000	0	28,966,904,000
Increase through other contributions by owners, equity	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	(972,000)	(1,367,000)	(2,339,000)
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	(99,476,000)	0	(99,476,000)
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	3,260,547,000	(12,903,352,000)	630,000	(12,902,722,000)
Equity at end of period	0	0	0	17,088,342,000	138,891,454,000	26,474,000	138,917,928,000

Ticker: WALMEX

Quarter: 2 Year: 2016

[610000] Statement of changes in equity - Accumulated Previous

Sheet 1 of 3	Components of equity [axis]								
	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	45,523,723,000	(3,134,258,000)	0	102,351,128,000	0	5,853,327,000	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	11,983,776,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	3,000,656,000	0	0	0
Total comprehensive income	0	0	0	11,983,776,000	0	3,000,656,000	0	0	0
Issue of equity	67,821,000	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	31,739,461,000	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	(54,087,000)	0	0	(709,683,000)	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	(102,000)	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	(340,557,000)	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	13,734,000	(340,557,000)	0	(20,465,470,000)	0	3,000,656,000	0	0	0
Equity at end of period	45,537,457,000	(3,474,815,000)	0	81,885,658,000	0	8,853,983,000	0	0	0

Ticker: WALMEX

Quarter: 2 Year: 2016

Sheet 2 of 3	Components of equity [axis]								
	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]	Reserve for catastrophe [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	0	0	(371,345,000)	0	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	0	0	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	0	0	0	0	0
Equity at end of period	0	0	0	0	(371,345,000)	0	0	0	0

Ticker: WALMEX

Quarter: 2 Year: 2016

Sheet 3 of 3	Components of equity [axis]						Equity [member]
	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	
Statement of changes in equity [line items]							
Equity at beginning of period	0	0	0	5,481,982,000	150,222,575,000	23,245,000	150,245,820,000
Changes in equity [abstract]							
Comprehensive income [abstract]							
Profit (loss)	0	0	0	0	11,983,776,000	1,309,000	11,985,085,000
Other comprehensive income	0	0	0	3,000,656,000	3,000,656,000	0	3,000,656,000
Total comprehensive income	0	0	0	3,000,656,000	14,984,432,000	1,309,000	14,985,741,000
Issue of equity	0	0	0	0	67,821,000	0	67,821,000
Dividends recognised as distributions to owners	0	0	0	0	31,739,461,000	0	31,739,461,000
Increase through other contributions by owners, equity	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	(763,770,000)	0	(763,770,000)
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	(102,000)	(1,425,000)	(1,527,000)
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	(340,557,000)	0	(340,557,000)
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	3,000,656,000	(17,791,637,000)	(116,000)	(17,791,753,000)
Equity at end of period	0	0	0	8,482,638,000	132,430,938,000	23,129,000	132,454,067,000

Ticker: WALMEX

Quarter: 2 Year: 2016

[700000] Informative data about the Statement of financial position

Concept	Close Current Quarter 2016-06-30	Close Previous Exercise 2015-12-31
Informative data of the Statement of Financial Position [abstract]		
Capital stock (nominal)	42,526,627,000	42,526,627,000
Restatement of capital stock	2,941,801,000	2,941,801,000
Plan assets for pensions and seniority premiums	705,404,000	730,709,000
Number of executives	232	229
Number of employees	232,760	231,767
Number of workers	0	0
Outstanding shares	17,461,402,631	17,461,402,631
Repurchased shares	0	44,304,712
Restricted cash	0	0
Guaranteed debt of associated companies	0	0

Ticker: WALMEX

Quarter: 2 Year: 2016

[700002] Informative data about the Income statement

Concept	Accumulated Current Year 2016-01-01 - 2016- 06-30	Accumulated Previous Year 2015-01-01 - 2015- 06-30	Quarter Current Year 2016-04-01 - 2016- 06-30	Quarter Previous Year 2015-04-01 - 2015- 06-30
Informative data of the Income Statement [abstract]				
Operating depreciation and amortization	5,341,891,000	4,947,762,000	2,679,735,000	2,472,431,000

Ticker: WALMEX

Quarter: 2 Year: 2016

[700003] Informative data - Income statement for 12 months

Concept	Current Year 2015-07-01 - 2016- 06-30	Previous Year 2014-07-01 - 2015- 06-30
Informative data - Income Statement for 12 months [abstract]		
Revenue	517,241,744,000	460,756,138,000
Profit (loss) from operating activities	38,250,931,000	35,631,050,000
Profit (loss)	27,299,453,000	27,252,220,000
Profit (loss), attributable to owners of parent	27,295,456,000	27,242,276,000
Operating depreciation and amortization	10,418,858,000	9,591,261,000

[800001] Breakdown of credits

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]												
					Domestic currency [member]						Foreign currency [member]						
					Time interval [axis]						Time interval [axis]						
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	
Banks [abstract]																	
Foreign trade																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Banks - secured																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Commercial banks																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Other banks																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Total banks																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Stock market [abstract]																	
Listed on stock exchange - unsecured																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Listed on stock exchange - secured																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Private placements - unsecured																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Private placements - secured																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Total listed on stock exchanges and private placements																	
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0	
Other current and non-current liabilities with cost [abstract]																	
Other current and non-current liabilities with cost																	
LIABILITIES WITH COST A1	NO				0	354,641,000	0	0	0	0	0	0	0	0	0	0	
LIABILITIES WITH COST A2	SI				0	0	0	0	0	0	0	179,428,000	0	0	0	0	
OTHER NON-CURRENT LIABILITIES WITH COST A1	NO				0	0	351,951,000	319,188,000	268,252,000	10,392,495,000	0	0	0	0	0	0	
OTHER NON-CURRENT LIABILITIES WITH COST A2	SI				0	0	0	0	0	0	0	176,241,000	124,201,000	129,595,000	820,909,000		
TOTAL	NO				0	354,641,000	351,951,000	319,188,000	268,252,000	10,392,495,000	0	179,428,000	176,241,000	124,201,000	129,595,000	820,909,000	
Total other current and non-current liabilities with cost																	
TOTAL	NO				0	354,641,000	351,951,000	319,188,000	268,252,000	10,392,495,000	0	179,428,000	176,241,000	124,201,000	129,595,000	820,909,000	
Suppliers [abstract]																	
Suppliers																	
SUPPLIERS SELF-SERVICES STORES B1	NO				41,213,064,000	0	0	0	0	0	0	0	0	0	0	0	
SUPPLIERS DEPARTMENT STORES B1	NO				1,274,337,000	0	0	0	0	0	0	0	0	0	0	0	
SUPPLIERS SELF-SERVICES STORES B2	SI				0	0	0	0	0	0	9,889,686,000	0	0	0	0	0	
SUPPLIERS DEPARTMENT STORES B2	SI				0	0	0	0	0	0	241,670,000	0	0	0	0	0	
TOTAL	NO				42,487,401,000	0	0	0	0	0	10,131,356,000	0	0	0	0	0	

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]											
					Domestic currency [member]						Foreign currency [member]					
					Time interval [axis]						Time interval [axis]					
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]
Total suppliers																
TOTAL	NO				42,487,401,000	0	0	0	0	0	10,131,356,000	0	0	0	0	0
Other current and non-current liabilities [abstract]																
Other current and non-current liabilities																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Total other current and non-current liabilities																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Total credits																
TOTAL	NO				42,487,401,000	354,641,000	351,951,000	319,188,000	268,252,000	10,392,495,000	10,131,356,000	179,428,000	176,241,000	124,201,000	129,595,000	820,909,000

[800003] Annex - Monetary foreign currency position

	Currencies [axis]				
	Dollars [member]	Dollar equivalent in pesos [member]	Other currencies equivalent in dollars [member]	Other currencies equivalent in pesos [member]	Total pesos [member]
Foreign currency position [abstract]					
Monetary assets [abstract]					
Current monetary assets	116,023,000	2,144,620,000	336,216,000	6,214,713,000	8,359,333,000
Non-current monetary assets	0	0	0	0	0
Total monetary assets	116,023,000	2,144,620,000	336,216,000	6,214,713,000	8,359,333,000
Liabilities position [abstract]					
Current liabilities	350,502,000	6,478,753,000	382,171,000	7,064,183,000	13,542,936,000
Non-current liabilities	15,743,000	291,003,000	138,926,000	2,567,938,000	2,858,941,000
Total liabilities	366,245,000	6,769,756,000	521,097,000	9,632,121,000	16,401,877,000
Net monetary assets (liabilities)	(250,222,000)	(4,625,136,000)	(184,881,000)	(3,417,408,000)	(8,042,544,000)

[800005] Annex - Distribution of income by product

	Income type [axis]			
	National income [member]	Export income [member]	Income of subsidiaries abroad [member]	Total income [member]
SALES GOODS				
SALES GOODS	206,713,304,000	0	45,408,623,000	252,121,927,000
LEASE				
LEASE	512,330,000	0	125,534,000	637,864,000
OTHER REVENUE				
OTHER REVENUE	1,093,803,000	0	141,431,000	1,235,234,000
TOTAL	208,319,437,000	0	45,675,588,000	253,995,025,000

[800007] Annex - Financial derivate instruments

Management discussion about the policy uses of financial derivate instruments, explaining if these policies are allowed just for coverage or for other uses like trading
[text block]

Disclosure of Wal-Mart de México, S.A.B. de C.V., ("**WALMEX**" or "the Company") concerning the use of derivative financial instruments (IFD, per its acronym in Spanish), in compliance with Mexican National Banking and Securities Commission (CNBV, per its acronym in Spanish) regulations so that investors have information regarding the significance of derivatives in the Company's financial position and results, and can fully assess the inherent risks.

Companies are generally exposed to constant financial risks in the normal course of operations. In recent years, these risks have increased due to market globalization, especially with regard to exchange rate behavior. As such, **WALMEX** has implemented the use of IFD to hedge currency exchange rates, with the sole purpose of protecting against currency exchange rate fluctuations.

The Company seeks to mitigate exchange rate fluctuation risk in accounts payable denominated in a foreign currency and related to goods to be held for sale. Currency hedging is only executed on the basis of documentation supporting these accounts payable commitments and it is subject to the Company's policy which limits the amount and use of IFD, and provides specific requirements for the purchase and payment thereof.

The IFD authorized to reduce exposure to foreign currency exchange rate risk is the FX-Forward contract. The FX-Forward is established through a contract that states simultaneously the purchase of foreign currency and selling of domestic currency, at a specific date and defined price. These contracts are specific agreements between **WALMEX** and the counterpart and are traded on the "over the counter" or OTC market. The FX-Forward transactions are executed on the OTC market pursuant to an ISDA contract (International Swap Dealers Association); ISDA contracts are standardized and formalized by **WALMEX** and the authorized financial institutions.

The Company only enters into IFD with counterparties that are solvent financial institutions with solid credit capacity, and that are licensed and regulated to perform this kind of

operation in the market. Walmart's finance committee authorizes all counterparties based on credit quality ratings determined by international rating agencies.

The Company's policy includes regular monitoring of the volume of operations executed with each authorized counterparty in order to reduce the risk of non-compliance and to ensure that the market value of open positions does not exceed the company's maximum exposure and credit limits.

FX-Forwards are contracted for the purpose of economic hedging. The Company has elected not to designate the FX-Forwards as hedge accounting; therefore changes to the fair value of these instruments are recorded directly to earnings during the period of the changes. Since the Company has not elected hedge accounting for the FX-Forwards, effectiveness testing is not required.

General description about valuation techniques, standing out the instruments valued at cost or fair value, just like methods and valuation techniques [text block]

Counterparties to the IFD instruments are the agents of calculation and valuation. However, the Company uses the Bloomberg platform to perform independent valuations which are compared with those reported by the counterparty to ensure reasonableness. It is important to note that IFD entered into with counterparties do not include collateral or margin calls. In addition, there are no negotiated lines of credit in connection with the IFD transactions.

The determination of the fair value of FX-Forwards includes standard valuation methodologies and widely accepted market variables that are endorsed internationally. The fair value is effectively the present value of the difference between the value of the underlying forward and value agreed to a contract initiation, multiplied by the number of units of the underlying. These estimates are reviewed and approved by the treasury department, which verifies the reasonableness of the results in relation to the valuations provided by authorized counterparties.

Management discussion about intern and extern sources of liquidity that could be used for attending requirements related to financial derivate instruments [text block]

The Company's operations provide resources to meet IFD contract requirements. The Company also has various lines of credit that could be used if necessary to meet its IFD obligations.

Changes and management explanation in principal risk exposures identified, as contingencies and events known by the administration that could affect future reports [text block]

The Company has identified the following main risks within its IFD portfolio:

- a) Market risk related to fluctuations in currency exchange rates
- b) Liquidity risk
- c) Counterparty credit risk
- d) Operational risk

a. Market risk: the Company is exposed to market risks related to variations in currency exchange rates resulting from changes in economic conditions at the local and international level, tax and monetary policies, liquidity, political events, disasters, etc. as a result, one of the primary objectives of the Company's IFD policy is to mitigate foreign exchange risk through the purchase of FX-Forwards in order to protect the Company against exchange rate fluctuation in accounts payable denominated in a foreign currency and related to the purchase of merchandise to be held for sale. The Company does not authorize the purchase of IFD instruments for the purpose of speculation.

b. Liquidity risk: resources available to administer hedge operations are generated by the Company's operations.

c. Counterparty Credit risk: credit risk related to IFD is mitigated and monitored through the established approval procedures of the financial institutions to be the counterparties which the Company is permitted to engage. The Treasury department regularly monitors and updates (annually or more frequently if necessary), the required credit quality assessment and ratings of financial institution counterparties. In addition, the Company has established limits to the amount of IFDs that can be executed with approved counterparties in order to further mitigate risk.

d. Operational risk. **WALMEX**'s Board of Directors specifically authorized the strategy for the use of IFD and the Finance Committee approved the related policy. The policy regarding the use of IFD describes the objective, allowed derivative instruments, limits and control mechanisms required to ensure that derivative transactions are properly conducted, and the management and minimization of market, liquidity, credit and operational risk. The level of risk tolerance defined for the FX-Forwards transactions is periodically reviewed by the Finance Committee, however, compliance with the established parameters is reviewed monthly in order to detect opportunities and, when appropriate, propose action plans.

Execution and compliance with the approved strategy is regularly monitored internally by the Treasury and Accounting departments according to the policy.

The results of that monitoring as well as identifications of inherent risks are periodically reported to the Treasury, Tax and Investor Relations Vicepresident, the Finance Committee, and, as necessary, to the Board of Directors. Additionally, the Treasury director is responsible for regular monitoring and reporting to Treasury, Tax and Investor Relations Vicepresident, any events that may affect current IFD operations and, where appropriate, for recommending to the Finance Committee actions to mitigate any events that may put the Company's results at risk.

The Company is also subject to periodic reviews of its IFD transactions by internal and external auditors who evaluate established processes and controls and the proper application thereof. The internal and external auditors also evaluate accounting records and the effect of IFD in the income statement and / or balance sheet accounts.

During the second quarter of 2016, we performed a total of 64 operations of IFDs exchange rate MXN/USD, for an amount of \$63.7 million of USD (MXN \$1,160.1 million). During the same period 65 operations expired for an amount of \$71.5 million of USD (MXN \$1,286.3 million) leaving 42 open IFDs as of June 30, 2016, in the amount of \$41.3 million of USD (MXN \$767.5 million). See table attached. The fair value of these instruments represents less than 3% of total consolidated sales for the last quarter or 5% of the assets. Therefore the potential risk that the Company's use of these instruments is not representative.

Additionally, at June 30, 2016, there are no instances of non-compliance with IFD contracts, nor are there any margin calls or collateral required for any contracts.

A summary of outstanding IFD is as follows:

Summary of Derivative Financial Instruments (Amount in thousand pesos as June 30, 2016)											
Type	Position	Purpose	Underlying Value asset		Notional Amount		Fair Value			Settlements (USD)	Collateral Credit Lines
			Current Quarter	Previous Quarter	Current Quarter	Previous Quarter	Current Quarter	Previous Quarter	Next 12 months	Next 12 months	
Forwards	Large	Economic	\$ 18,280.4 USDMXN	\$ 17,237.0 USDMXN	\$ 767,542	\$ 893,761	-\$ 10,407	-\$ 42,942	\$ 767,542	0	

Market risk

With respect to the sensitivity analysis of market risks to which the Company is exposed, the currency exchange rate of the Mexican peso against the US dollar would have impact as demonstrated in the table below. The effect would not be material and would be offset by currency exchange rate impacts in accounts payable, and as a result, there would be no net effect on net income.

Foreign currency purchases via IFD "Forwards" June 30, 2016		Scenarios of changes in currency exchange rate					
(Amount in thousand pesos)		Remote -50%	Possible -25%	Probable -5%	Remote 50%	Possible 25%	Probable 5%
Exchange rate	18.2804	9.1402	13.7103	17.3664	27.4206	22.8505	19.1944
		-377,517	-188,759	-37,752	377,517	188,759	37,752

Liquidity and credit risk

The Company does not have liquidity risk from its IFD at June 30, 2016.

The Company manages credit risk related to its portfolio of derivatives transactions by engaging only with recognized and creditworthy counterparties. At June 30, 2016, counterparty credit risk is immaterial.

[800100] Notes - Subclassifications of assets, liabilities and equities

Concept	Close Current Quarter 2016-06-30	Close Previous Exercise 2015-12-31
Subclassifications of assets, liabilities and equities [abstract]		
Cash and cash equivalents [abstract]		
Cash [abstract]		
Cash on hand	262,350,000	238,001,000
Balances with banks	7,745,452,000	9,675,580,000
Total cash	8,007,802,000	9,913,581,000
Cash equivalents [abstract]		
Short-term deposits, classified as cash equivalents	0	0
Short-term investments, classified as cash equivalents	9,756,234,000	14,877,257,000
Other banking arrangements, classified as cash equivalents	0	0
Total cash equivalents	9,756,234,000	14,877,257,000
Other cash and cash equivalents	0	0
Total cash and cash equivalents	17,764,036,000	24,790,838,000
Trade and other current receivables [abstract]		
Current trade receivables	1,030,586,000	2,708,905,000
Current receivables due from related parties	0	0
Current prepayments [abstract]		
Current advances to suppliers	0	0
Current prepaid expenses	0	0
Total current prepayments	0	0
Current receivables from taxes other than income tax	5,147,770,000	3,309,327,000
Current value added tax receivables	5,147,770,000	3,309,327,000
Current receivables from sale of properties	0	0
Current receivables from rental of properties	0	0
Other current receivables	1,437,124,000	975,323,000
Total trade and other current receivables	7,615,480,000	6,993,555,000
Classes of current inventories [abstract]		
Current raw materials and current production supplies [abstract]		
Current raw materials	0	0
Current production supplies	0	0
Total current raw materials and current production supplies	0	0
Current merchandise	50,618,015,000	49,748,874,000
Current work in progress	0	0
Current finished goods	0	0
Current spare parts	0	0
Property intended for sale in ordinary course of business	0	0
Other current inventories	0	0
Total current inventories	50,618,015,000	49,748,874,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners [abstract]		
Non-current assets or disposal groups classified as held for sale	0	0
Non-current assets or disposal groups classified as held for distribution to owners	0	0
Total non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
Trade and other non-current receivables [abstract]		
Non-current trade receivables	0	0
Non-current receivables due from related parties	0	0
Non-current prepayments	0	0
Non-current lease prepayments	0	0
Non-current receivables from taxes other than income tax	0	0

Ticker: WALMEX

Quarter: 2 Year: 2016

Concept	Close Current Quarter 2016-06-30	Close Previous Exercise 2015-12-31
Non-current value added tax receivables	0	0
Non-current receivables from sale of properties	0	0
Non-current receivables from rental of properties	0	0
Revenue for billing	0	0
Other non-current receivables	0	0
Total trade and other non-current receivables	0	0
Investments in subsidiaries, joint ventures and associates [abstract]		
Investments in subsidiaries	0	0
Investments in joint ventures	0	0
Investments in associates	0	0
Total investments in subsidiaries, joint ventures and associates	0	0
Property, plant and equipment [abstract]		
Land and buildings [abstract]		
Land	31,790,238,000	31,409,287,000
Buildings	57,250,512,000	57,227,530,000
Total land and buildings	89,040,750,000	88,636,817,000
Machinery	0	0
Vehicles [abstract]		
Ships	0	0
Aircraft	0	0
Motor vehicles	467,302,000	487,695,000
Total vehicles	467,302,000	487,695,000
Fixtures and fittings	0	0
Office equipment	25,702,436,000	25,912,912,000
Tangible exploration and evaluation assets	0	0
Mining assets	0	0
Oil and gas assets	0	0
Construction in progress	3,486,475,000	3,230,045,000
Construction prepayments	0	0
Other property, plant and equipment	12,008,825,000	11,954,887,000
Total property, plant and equipment	130,705,788,000	130,222,356,000
Investment property [abstract]		
Investment property completed	0	0
Investment property under construction or development	0	0
Investment property prepayments	0	0
Total investment property	0	0
Intangible assets and goodwill [abstract]		
Intangible assets other than goodwill [abstract]		
Brand names	816,419,000	777,723,000
Intangible exploration and evaluation assets	0	0
Mastheads and publishing titles	0	0
Computer software	659,993,000	532,759,000
Licences and franchises	0	0
Copyrights, patents and other industrial property rights, service and operating rights	0	553,000
Recipes, formulae, models, designs and prototypes	0	0
Intangible assets under development	0	0
Other intangible assets	81,852,000	87,856,000
Total intangible assets other than goodwill	1,558,264,000	1,398,891,000
Goodwill	35,151,269,000	33,057,328,000
Total intangible assets and goodwill	36,709,533,000	34,456,219,000
Trade and other current payables [abstract]		
Current trade payables	52,618,757,000	56,395,523,000

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Quarter: 2 Year: 2016

Concept	Close Current Quarter 2016-06-30	Close Previous Exercise 2015-12-31
Current payables to related parties	686,418,000	640,601,000
Accruals and deferred income classified as current [abstract]		
Deferred income classified as current	865,241,000	857,879,000
Rent deferred income classified as current	0	0
Accruals classified as current	6,056,513,000	6,579,120,000
Short-term employee benefits accruals	0	0
Total accruals and deferred income classified as current	6,921,754,000	7,436,999,000
Current payables on social security and taxes other than income tax	1,468,943,000	1,393,128,000
Current value added tax payables	1,468,943,000	1,393,128,000
Current retention payables	35,643,000	82,523,000
Other current payables	20,210,536,000	8,209,265,000
Total trade and other current payables	81,942,051,000	74,158,039,000
Other current financial liabilities [abstract]		
Bank loans current	0	0
Stock market loans current	0	0
Other current liabilities at cost	534,069,000	556,548,000
Other current liabilities no cost	0	0
Other current financial liabilities	29,913,000	36,906,000
Total Other current financial liabilities	563,982,000	593,454,000
Trade and other non-current payables [abstract]		
Non-current trade payables	0	0
Non-current payables to related parties	0	0
Accruals and deferred income classified as non-current [abstract]		
Deferred income classified as non-current	0	0
Rent deferred income classified as non-current	0	0
Accruals classified as non-current	0	0
Total accruals and deferred income classified as non-current	0	0
Non-current payables on social security and taxes other than income tax	0	0
Non-current value added tax payables	0	0
Non-current retention payables	0	0
Other non-current payables	0	0
Total trade and other non-current payables	0	0
Other non-current financial liabilities [abstract]		
Bank loans non-current	0	0
Stock market loans non-current	0	0
Other non-current liabilities at cost	12,582,832,000	12,393,510,000
Other non-current liabilities no cost	0	0
Other non-current financial liabilities	1,071,347,000	710,610,000
Total Other non-current financial liabilities	13,654,179,000	13,104,120,000
Other provisions [abstract]		
Other non-current provisions	0	0
Other current provisions	1,202,898,000	1,179,335,000
Total other provisions	1,202,898,000	1,179,335,000
Other reserves [abstract]		
Revaluation surplus	0	0
Reserve of exchange differences on translation	17,472,411,000	14,211,864,000
Reserve of cash flow hedges	0	0
Reserve of gains and losses on hedging instruments that hedge investments in equity instruments	0	0
Reserve of change in value of time value of options	0	0
Reserve of change in value of forward elements of forward contracts	0	0
Reserve of change in value of foreign currency basis spreads	0	0
Reserve of gains and losses on remeasuring available-for-sale financial assets	0	0

Ticker: WALMEX

Quarter: 2 Year: 2016

Concept	Close Current Quarter 2016-06-30	Close Previous Exercise 2015-12-31
Reserve of share-based payments	0	0
Reserve of remeasurements of defined benefit plans	(384,069,000)	(384,069,000)
Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale	0	0
Reserve of gains and losses from investments in equity instruments	0	0
Reserve of change in fair value of financial liability attributable to change in credit risk of liability	0	0
Reserve for catastrophe	0	0
Reserve for equalisation	0	0
Reserve of discretionary participation features	0	0
Reserve of equity component of convertible instruments	0	0
Capital redemption reserve	0	0
Merger reserve	0	0
Statutory reserve	0	0
Other comprehensive income	0	0
Total other reserves	17,088,342,000	13,827,795,000
Net assets (liabilities) [abstract]		
Assets	249,891,852,000	253,650,119,000
Liabilities	110,973,924,000	101,829,469,000
Net assets (liabilities)	138,917,928,000	151,820,650,000
Net current assets (liabilities) [abstract]		
Current assets	78,260,831,000	84,848,685,000
Current liabilities	86,119,526,000	77,309,353,000
Net current assets (liabilities)	(7,858,695,000)	7,539,332,000

Ticker: WALMEX

Quarter: 2 Year: 2016

[800200] Notes - Analysis of income and expense

Concept	Accumulated Current Year 2016-01-01 - 2016- 06-30	Accumulated Previous Year 2015-01-01 - 2015- 06-30	Quarter Current Year 2016-04-01 - 2016- 06-30	Quarter Previous Year 2015-04-01 - 2015- 06-30
Analysis of income and expense [abstract]				
Revenue [abstract]				
Revenue from rendering of services	0	0	0	0
Revenue from sale of goods	252,121,927,000	224,425,059,000	126,607,795,000	113,549,713,000
Interest income	0	0	0	0
Royalty income	0	0	0	0
Dividend income	0	0	0	0
Rental income	637,864,000	544,831,000	313,985,000	277,791,000
Revenue from construction contracts	0	0	0	0
Other revenue	1,235,234,000	1,150,737,000	625,093,000	569,979,000
Total revenue	253,995,025,000	226,120,627,000	127,546,873,000	114,397,483,000
Finance income [abstract]				
Interest income	292,431,000	309,734,000	125,974,000	163,620,000
Net gain on foreign exchange	141,453,000	72,728,000	41,760,000	6,780,000
Gains on change in fair value of derivatives	77,559,000	0	77,559,000	0
Gain on change in fair value of financial instruments	0	0	0	0
Other finance income	48,417,000	291,507,000	(53,826,000)	150,415,000
Total finance income	559,860,000	673,969,000	191,467,000	320,815,000
Finance costs [abstract]				
Interest expense	0	0	0	0
Net loss on foreign exchange	84,239,000	0	84,239,000	0
Losses on change in fair value of derivatives	87,966,000	0	45,024,000	0
Loss on change in fair value of financial instruments	0	0	0	0
Other finance cost	664,067,000	624,593,000	321,556,000	311,832,000
Total finance costs	836,272,000	624,593,000	450,819,000	311,832,000
Tax income (expense)				
Current tax	5,671,802,000	4,511,580,000	2,694,882,000	2,202,230,000
Deferred tax	(410,049,000)	155,811,000	(264,707,000)	226,617,000
Total tax income (expense)	5,261,753,000	4,667,391,000	2,430,175,000	2,428,847,000

[800500] Notes - List of notes**Disclosure of notes and other explanatory information [text block]****a. Description of the business**

WALMEX holds 99.9% equity interest in the following groups of companies in Mexico and Central America:

Group	Line of business
Nueva Walmart	Operation of 1,722 Bodega Aurrerá discount stores, 256 Walmart hypermarkets, 160 Sam's Club membership self-service wholesale stores, 95 Superama supermarkets and 10 Medimart pharmacies.
Suburbia	Operation of 119 Suburbia stores specializing in apparel and accessories for the entire family.
Importing companies	Importation of goods for resale.
Real estate	Property developments and management of real estate companies.
Service companies	Rendering of professional services to Group companies and not-for-profit services to the community at large, and shareholding.
Walmart Central America	Operation of 482 discount stores (Despensa Familiar and Palí), 96 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 106 discount warehouse stores (Maxi Bodega and Maxi Palí) and 25 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

b) Relevant events

I. Process to consider offers to sell Suburbia stores division.

On January 18, 2016, the Company reported that it had initiated a process to consider potential offers from third parties to sell Suburbia business. This decision is in line with the Company's strategy to focus on its core business.

This process is in negotiations with several buyers as of June 30, 2016.

II. Sale of the Walmart Bank

On December 18, 2014, the Company reached an agreement with Grupo Financiero Inbursa, S.A.B. de C.V. (Inbursa) for this company to acquire 100% of Walmart Bank.

On June 23, 2015, after receiving the approval from the regulatory authorities, **WALMEX** sold 100% of the Walmart Bank shares to Inbursa for an amount of Ps. 3,612 million pesos in cash, equivalent to 1.7 times its equity. In addition, certain **WALMEX**s assets were sold to Inbursa for Ps. 115 million pesos.

The same day, **WALMEX** announced a commercial alliance with Inbursa under which offers certain financial services to Walmart's customers.

III. Legal proceedings

Wal-Mart de México, S.A.B. de C.V. ("**WALMEX**") is a subsidiary of Wal-Mart Stores, Inc. ("WMT"). WMT owns approximately 70% of the shares and voting power in **WALMEX** and has the ability to designate at least a majority of the directors of **WALMEX**. The remaining shares of **WALMEX** are publicly traded on the Mexican Stock Exchange and, to the best of the knowledge of **WALMEX**, no shareholder other than WMT and its affiliates owns more than 2% of the outstanding shares of **WALMEX**.

Currently, the Board of Directors of **WALMEX** is composed of 11 directors. The Audit Committee and the Corporate Governance Committee of the Board of Directors are composed exclusively of independent directors.

WMT is subject to a wide variety of laws and regulations in the United States of America and in the countries in which it operates, including but not limited to the U.S. Foreign Corrupt Practices Act (the "FCPA").

As **WALMEX** publicly disclosed on April 23, 2012, WMT is the subject of an investigation under the FCPA by the U.S. Department of Justice and the U.S. Securities and Exchange Commission following a disclosure that WMT made to those agencies in November 2011.

The Audit Committee of the Board of Directors of WMT, which is composed solely of independent directors, is conducting an internal investigation into, among other things, alleged violations of the FCPA and other alleged crimes or misconduct in connection with foreign subsidiaries, including **WALMEX** and whether prior allegations of such violations and/or misconduct were appropriately handled by WMT. The Audit Committee of WMT

and WMT have engaged outside counsel from a number of law firms and other advisors who are assisting in the on-going investigation of these matters. **WALMEX** has also engaged outside counsel to assist in these matters.

WMT is also conducting a voluntary global review of its policies, practices and internal controls for FCPA compliance. WMT is engaged in strengthening its global anti-corruption compliance programs through appropriate remedial anti-corruption measures. **WALMEX** is taking part in such voluntary global review and strengthening of programs.

Furthermore, lawsuits relating to the matters under investigation have been filed by several of WMT's shareholders against it and against **WALMEX**, its current directors, certain of its former directors, certain of its current and former officers and certain of **WALMEX's** current and former officers.

WALMEX is cooperating with WMT in the review of these matters and it intends to continue fully cooperating in such regard.

A number of federal and local government agencies in Mexico have also initiated investigations of these matters. **WALMEX** is cooperating with the Mexican governmental agencies conducting these investigations.

The Audit Committee and the Corporate Governance Committee of the Board of Directors of **WALMEX**, as well as the Board of Directors of **WALMEX**, have been informed about these matters and have determined, by an unanimous vote of the independent directors only, that it is in the best interests of **WALMEX** to continue to cooperate at this time with WMT and the U.S. and Mexican agencies conducting these investigations.

WALMEX could be exposed to a variety of negative consequences as a result of the matters noted above. There could be one or more enforcement actions in respect of the matters that are the subject of some or all of the ongoing government investigations, and such actions, if brought, may result in judgments, settlements, fines, penalties, injunctions, cease and desists orders or other relief, criminal convictions and/or penalties. The shareholder lawsuits may result in judgments against WMT and **WALMEX** and to current and former directors and current and former officers of WMT and **WALMEX** named in those proceedings. **WALMEX** cannot predict accurately at this time the outcome or impact of the government's investigations, the shareholder lawsuits, the internal investigation and review. In addition, **WALMEX** expects to incur costs in responding to requests for information or subpoenas seeking documents, testimony and other information in connection with the government investigations, and it cannot predict at this time the ultimate amount of all such costs. These matters may require the involvement of certain

members of **WALMEX's** senior management that could impinge on the time they have available to devote to other matters relating to the business. **WALMEX** may also see ongoing media and governmental interest in these matters that could impact the perception among certain audiences of its role as a corporate citizen.

WALMEX, its Board of Directors and its Audit Committee and Corporate Governance Committee will at all times ensure compliance with applicable Mexican law and ensure that they create value to **WALMEX**, acting diligently and adopting reasoned decisions, without favoring any shareholder or group of shareholders.

Although **WALMEX** does not presently believe, based on the information currently available and the advice of its external Mexican counsel, that these matters will have a material adverse effect on its business, given the inherent uncertainties in such situations, **WALMEX** can provide no assurance that these matters will not be material to its business in the future.

c. Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with IFRS issued by the IASB, as well as all the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued by the former Standing Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared on a functional basis, which allows for the disclosure of cost of sales separately from other costs, operating and administrative expenses, in conformity with IAS 1, *Presentation of Financial Statements*.

Before the financial statements of the Company's foreign subsidiaries are consolidated, they are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the period end exchange rate for the consolidated statement of financial position, in conformity with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity.

WALMEX has sufficient resources to continue operating as a going concern and accordingly, the accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis. The Mexican peso is the Company's functional and reporting currency.

Disclosure of accounting judgements and estimates [text block]

The preparation of consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions in some items.

WALMEX recognizes a reserve for bad debts when there is objective evidence that the receivables will not be recovered, in conformity with its internal procedures.

Disclosure of authorisation of financial statements [text block]

The accompanying consolidated financial statements and its notes for the six-months period ended June 30, 2016 and 2015 were approved for issue and public release by the Board of Directors on July 26, 2016.

Disclosure of basis of consolidation [text block]

The accompanying consolidated financial statements include the Financial Statements of **WALMEX** and those of its subsidiaries in which has control in Mexico and abroad, which are grouped as described in "Disclosure of notes and other explanatory information", paragraph a. Description of the business, and they are prepared for the same accounting period.

Subsidiaries are consolidated from the date on which control is transferred to **WALMEX**, and are no longer consolidated from the date that control is lost. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.

All related party balances and transactions have been eliminated in the consolidation, in conformity with IFRS 10, *Consolidated Financial Statements*.

Non-controlling interests represent the portion of equity interest in the net assets of a subsidiary not attributable to the controlling company. Non-controlling interests is presented as a separate component of equity.

Disclosure of basis of preparation of financial statements [text block]

The accompanying consolidated financial statements have been prepared in conformity with IFRS issued by the IASB, as well as all the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued by the former Standing Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared on a functional basis, which allows for the disclosure of cost of sales separately from other costs, operating and administrative expenses, in conformity with IAS 1, *Presentation of Financial Statements*.

The preparation of consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions in some items.

Before the financial statements of the Company's foreign subsidiaries are consolidated, they are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the period end exchange rate for the consolidated statement of financial position, in conformity with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity.

In the notes to financial statements the amounts are expressed in thousands of Mexican pesos, except where otherwise indicated.

Disclosure of cash and cash equivalents [text block]

An analysis of cash and cash equivalents at June 30, 2016, is as follows:

	June 30, 2016
Cash and cash in banks	Ps. 8,007,802
Highly marketable investments	9,756,234
	<u>Ps. 17,764,036</u>

Disclosure of cash flow statement [text block]

In other inflows (outflows) of cash line [520000], the amount corresponds to the activity in the employee stock option plan fund – net.

Disclosure of changes in accounting policies [text block]

The significant accounting policies used to prepare the consolidated financial statements of **WALMEX** at June 30, 2016 are appropriate and sufficient and have been consistently applied with the previous year, in accordance with International Financial Reporting Standards (IFRS).

Disclosure of collateral [text block]

At June 30, 2016, the Company has guarantees for:

- 1) Liquidity coverage of six hundred fifty million pesos with Banco Santander, S.A. (México).
- 2) Obligations related to transactions with letters of credit for imports of three hundred forty six million three hundred fifty thousand dollars with Bank of America.
- 3) Obligations related to transactions with letters of credit for imports of eighty five million dollars with HSBC Bank.
- 4) Eolic energy distribution by six hundred thirty-five million dollars with Desarrollos Eólicos Mexicanos de Oaxaca 2, S.A. de C.V.
- 5) Hydroelectric energy distribution for one billion four hundred sixty million dollars with Deselec I, S. de R.L. de C.V., Hidrochiapas, S. de R.L. de C.V. and Electricidad del Soconusco, S. de R.L. de C.V.
- 6) Hydroelectric energy distribution for four hundred twenty-four million dollars with Eólica Tres Mesas 2, S.A.P.I. de C.V.
- 7) Sustainable wind power plant for seventy-six million nine hundred forty thousand dollars with Fuerza Eolica de San Matias, S.A.P.I. de C.V.
- 8) Eolic sustaintable energy supply for two hundred twenty seven million dollars with Generadora Electrica San Rafael, S. de R.L. de C.V.

Disclosure of commitments [text block]

At June 30, 2016, the Company has commitments totaling Ps. 20,718,530 for the acquisition of inventories, property and equipment, as well as for maintenance services.

Disclosure of cost of sales [text block]

The consolidated statement of comprehensive income was prepared on a functional basis, which allows for the disclosure of cost of sales separately from other costs, operating and administrative expenses, in conformity with IAS 1, *Presentation of Financial Statements*.

Inventories are valued using the retail method, except for merchandise for the Sam's Club and distribution centers, which are valued using the average-cost method; methods are the same as those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at amounts not in excess of their net realizable value.

Inventory pertaining to the Agro-industrial Development of grains, edibles and meat is valued using the average-cost method.

Freight and buying allowances received from suppliers are capitalized into inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

Disclosure of deferred income [text block]

As of June 30, 2016, the Company has deferred income for layaway merchandise and unearned membership fees, which amounted Ps. 865,241.

Disclosure of deferred taxes [text block]

An analysis of temporary differences giving rise to deferred tax assets and liabilities at June 30, 2016 is as follows:

	Amount
<u>Deferred tax assets</u>	
Inventories	Ps. 664,651
Advance collections	334,455
Labor obligations	386,896
Other long-term liabilities	505,293
Provisions	298,937

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Reserve for bad debts	40,434
Tax losses carryforward from subsidiaries	24,496
Other items	1,163,117
	<u>Ps. 3,418,279</u>
<u>Deferred tax liabilities</u>	
Property and equipment	Ps. 9,240,603
Prepaid expenses	143,765
Other items	(50,295)
	<u>Ps. 9,334,073</u>

Rates of income tax applicable to each country are shown below:

	<u>Tasa</u>
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

Disclosure of deposits from banks [text block]

Cash and cash equivalents principally consist of bank deposits and highly liquid investments with original maturities of less than 90 days plus accrued interest and are stated at their fair value.

Disclosure of depreciation and amortisation expense [text block]

Depreciation expense for the six-month period ended June 30, 2016 and 2015, was Ps. 5,215,356 and Ps. 4,868,859, respectively.

Licenses, software and other intangible asset amortization expense for the six-month period ended June 30, 2016 and 2015, was Ps. 126,535 and Ps. 78,903, respectively.

Disclosure of derivative financial instruments [text block]

The Company has entered into forward contracts of foreign currency in order to protect itself from exposure to variability in the exchange rate for the payment of liabilities for the purchase of import goods denominated in US dollars.

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the hierarchy level 2 (Other quoted prices in active markets that are directly or indirectly observable inputs), in accordance with IFRS 13, *Fair Value Measurement*.

At June 30, 2016, the Company has forward contracts with a two month life in the amount of US \$ 41.3 million. The notional amount and fair value were Ps. 767,542 and Ps.-10,407, respectively. The change in fair value that was recognized by those contracts is presented under finance income (cost) in the consolidated statement of comprehensive income.

Disclosure of discontinued operations [text block]

Discontinued operations within the consolidated statement of comprehensive income includes the results of the Walmart Bank for the six-month period ended on June 30, as shown below:

	June 30, 2015
Net revenues	Ps. 4,626,799

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Costs, expenses and taxes	<u>(3,184,937)</u>
Net income from discontinued operations	<u>Ps. 1,441,862</u>

Legal, consulting, advisory and other expenses related with the disposals of the Walmart Bank were recognized in the year they were incurred within discontinued operations in the consolidated statement of comprehensive income.

Disclosure of dividends [text block]

At the shareholders meeting held on March 31, 2016, the shareholders adopted the following resolutions:

A declared ordinary cash dividend of Ps. 0.56 pesos per share is to be paid in four installments of Ps. 0.14 pesos per share on April 26, 2016, August 23, 2016, November 22, 2016 and February 21, 2017; and one extraordinary cash dividend of Ps. 1.12 pesos per share to be paid in two installments of Ps. 0.64 pesos per share on April 26, 2016 and Ps. 0.48 pesos per share on November 22, 2016.

Disclosure of earnings per share [text block]

Earnings per share for the six-month period ended on June 30, 2016 and 2015, are shown below:

	2016	2015
Earnings from continuing operations attributable to owners of the parent	Ps. 12,903,453	Ps. 10,541,914
Average shares	<u>17,461,403</u>	<u>17,500,275</u>
Basic earnings per share from continuing	<u></u>	<u></u>

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operations attributable to owners of the parent (in pesos)

Ps.	0.739	Ps.	0.602
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Basic earnings per share attributable to owners of the parent (in pesos)

Ps.	0.739	Ps.	0.685
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Disclosure of effect of changes in foreign exchange rates [text block]

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar. This risk may arise from commercial transactions, recognized monetary assets and liabilities as well as the operation in Central America.

At June 30, 2016, the exchange rates used to translate the assets and liabilities in foreign currency into Mexican pesos, are shown as follows:

Country	Currency	Close exchange rate with respect to peso
Costa Rica	Colón	C 29.572664
Guatemala	Quetzal	Q 0.413086
Honduras	Lempira	L 1.232587
Nicaragua	Córdoba	C\$ 1.547816
El Salvador	US Dollar	US\$ 0.054100

As of June 30, 2016, USD exchange rate with respect to Mexican pesos is Ps. 18.4843 per dollar.

Considering the net monetary position in US dollars at June 30, 2016, whether an increase or decrease in the exchange rate of the US dollar against the Mexican peso of Ps. 0.50 arose, a favorable or unfavorable effect would be taken into the financial income (expenses) of the Company of Ps. 31,586.

Disclosure of employee benefits [text block]

Annually, the Company engages an independent expert to perform the actuarial calculations related to its labor obligations and it is prepared in conformity with IAS 19, *Employee Benefits*.

Mexico:

The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Workers make no contributions to this fund. Also, the Company recognizes the liability for termination benefits for retirement. These obligations are determined using the projected unit credit method.

At June 30, 2016, an analysis of the Company's assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority Premiums	Retirement benefits
Defined benefit obligations	Ps. 986,670	Ps. 131,656
Plan assets	(705,404)	-
Net projected liability	Ps. 281,266	Ps. 131,656

Changes in the net present value of the defined benefit obligations (DBO) at June 30, 2016, are shown below:

	Seniority Premiums	Retirement Benefits
DBO at beginning of year	Ps. 935,158	Ps. 123,396
Net period cost charged to the results:		
-Labor cost from		

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actual services	70,109	4,043
-Interest cost on DBO	32,267	4,217
Benefits paid	(50,864)	-
DBO at period end	<u>Ps. 986,670</u>	<u>Ps. 131,656</u>

Changes in the net present value of the plan assets (PA), at June 30, 2016, are shown below:

	Seniority premiums
PA at beginning of year	Ps. (730,709)
Expected return on plan assets	(25,110)
Benefits paid	50,415
PA at period end	<u>Ps. (705,404)</u>

Valuation techniques used by the Company to determine and disclose the fair value of its financial instruments is based on a Level 1 hierarchy (observable data as they are quoted prices in active markets) in conformity with IFRS 13, *Fair value measurement*.

At June 30, 2016, the plan assets have been invested by the trust mostly in money market instruments.

At June 30, 2016, actuarial gains/losses from the labor obligations are recognized in the other comprehensive income items of Ps. 123,218.

Central America:

At June 30, 2016, changes in the net present value of the DBO, is shown below:

	2016
DBO at beginning of year	Ps. 1,301,258
Net period cost charged to the results:	
-Labor costs from actual services	115,934
-Interest cost on DBO	57,374

Benefits paid	(99,871)
Translation effects	<u>78,529</u>
DBO at period end	<u>Ps. 1,453,224</u>

At June 30, 2016, actuarial gains/losses of Ps. 260,851 from the labor obligations are recognized in the other comprehensive income items line.

At June 30, 2016, the assumptions used in the actuarial valuations of Mexico and Central America, are as follows:

	<u>Mexico</u>	<u>Central America</u>
Financial:		
Discount rate	7.00%	7.91% -12.77%
Salary increase rate	5.25%	3.10% -7.50%
Minimum salary increase rate	4.00%	2.60% - 7.0%
Inflation rate	4.00%	2.60% - 7.0%
Biometrics:		
Mortality	IMSS97 ⁽¹⁾	RP – 2000 ⁽²⁾
Disability	21.07%	15.4%
Retirement age	65 years	60-65 years

⁽¹⁾ Experience from the Mexican Institute for Social Security for males and females

⁽²⁾ RP-2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

The discount rate in México is determined using the curve of government bonds issued by the Federal Government known as M. Bonds.

Disclosure of entity's operating segments [text block]

Segment financial information is prepared based on the information used by the Company's senior management to make business decisions and on the criteria established in IFRS 8, *Operating Segments*.

The Company operates in Mexico and Central America sells to the general public, and it is primarily engaged in operating self-service stores.

The Company has identified the following operating segments by geographical zone:

Mexico:

- Self-service: Operation of discount stores, hypermarkets, wholesale-price membership stores and supermarkets.
- Others: Consists of department stores and real estate transactions with third parties.

Central America:

Operation of discount stores, supermarkets, hypermarkets and warehouse stores in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

An analysis of financial information by operating segments and geographical zones is as follows:

Segment	Six-month period ended June 30, 2016			
	Total revenues	Operating income	Financial income (expenses) – net	Income before taxes on profits
Mexico:				
Self-service	Ps.202,207,566	Ps.15,000,565	Ps. -	Ps. -
Others	6,111,871	840,921	-	-
Central America:				
Self-service	45,675,588	2,602,129	-	-
Consolidated	<u>Ps.253,995,025</u>	<u>Ps.18,443,615</u>	<u>Ps. (276,412)</u>	<u>Ps. 18,167,203</u>

Segment	Six-month period ended June 30, 2015			
	Total revenues	Operating income	Financial income (expenses) – net	Income before taxes on profits
Mexico:				

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Self-service	Ps.184,328,448	Ps. 12,957,430	Ps. -	Ps. -
Others	5,690,261	517,514	-	-
Central America:				
Self-service	36,101,918	1,686,294	-	-
Consolidated	<u>Ps.226,120,627</u>	<u>Ps.15,161,238</u>	<u>Ps. 49,376</u>	<u>Ps.15,210,614</u>

Disclosure of expenses [text block]

Administrative expenses include mainly personnel expenses, depreciation and amortization, rent, advertising, maintenance, royalties and technical assistance and utilities.

Disclosure of fair value measurement [text block]

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

- Level 1. Observable data as they are quoted prices in active markets,
- Level 2. Other quoted prices in active markets that are directly or indirectly observable inputs, and
- Level 3. Unobservable for which there is little or no market data inputs, so that the Company develops its own assumptions.

Subsequent measurement of the Company's financial assets and liabilities is determined based on its classification.

Disclosure of fair value of financial instruments [text block]

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments, are based on the hierarchy level 2 (Other quoted prices in active markets that are directly or indirectly observable inputs), in accordance with IFRS 13, *Fair Value Measurement*.

At June 30, 2016, the Company has forward contracts with a two month life in the amount of US \$ 41.3 million. The notional amount and fair value were Ps. 767,542 and Ps.-10,407, respectively. The change in fair value that was recognized by those contracts is presented under finance income (cost) in the consolidated statement of comprehensive income.

Disclosure of finance cost [text block]

An analysis of financial expenses for the six-month period ended June 30, 2016 and 2015, is as follows:

	June 30, 2016	June 30, 2015
Interest on finance leases	Ps. 631,251	Ps. 619,453
Losses on change in fair value of derivatives	87,966	-
Loss on foreign exchange	84,239	-
Others finance cost	32,816	5,140
	<u>Ps. 836,272</u>	<u>Ps. 624,593</u>

Disclosure of finance income [text block]

An analysis of financial income for the six-month period ended June 30, 2016 and 2015, is as follows:

	June 30, 2016	June 30, 2015
Financial income	Ps. 340,848	Ps. 601,241
Gain on foreign exchange	141,453	72,728
Gains on change in fair value of derivatives	77,559	-
	<u>Ps. 559,860</u>	<u>Ps. 673,969</u>

Financial income primarily consists of interest earned on investments.

Disclosure of financial instruments at fair value through profit or loss [text block]

The Company has entered into currency hedging through Over The Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale.

In accordance with IFRS 9, *Financial Instruments*, derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately in the financial income (expense) line in the consolidated statement of comprehensive income.

The maturity of these contracts is a maximum duration of six months.

In accordance with our standards of corporate governance, the Company does not enter into derivative financial instruments other than these Fx-forwards.

Disclosure of financial risk management [text block]

The Company's activities are exposed to various financial risks such as market risk, exchange rate risk and interest rate risk. The Company evaluates risks that impede or jeopardize their financial goals, seeking to minimize the potential negative effects through different strategies.

The risks of exchange rate, interest rate, and derivative financial instruments, are explained below:

Exchange rate risk:

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar. This risk may arise from commercial transactions, recognized monetary assets and liabilities as well as the operation in Central America.

At June 30, 2016, the exchange rate used to translate assets and liabilities denominated in US dollars was Ps. 18.4843 per dollar.

Considering the net monetary position in dollars at June 30, 2016, whether an increase or decrease in the exchange rate of the US dollar against the Mexican peso of Ps. 0.50 arose, a favorable or unfavorable effect would be taken into the financial income (expenses) of the Company of Ps. 31,586.

Derivative financial instruments:

The Company has entered into contracts Fx-forwards of foreign currency in order to protect itself from exposure to variability in the exchange rate for the payment of liabilities in Mexico for the purchase of import goods denominated in US dollars.

At June 30, 2016, the Company has forward contracts with a two month life in the amount of US \$ 41.3 million. The notional were and fair value amounted Ps. 767,542 and Ps.-10,407, respectively. The change in fair value that was recognized by those contracts is presented under finance income (cost) in the consolidated statement of comprehensive income.

Interest rate risk:

The Company has temporary investments which generate interest. A decrease in the interest rate would decrease the financial income of the Company. The interest rate of these investments fluctuated during the year between 3.3% and 3.8%. For the six-month period ended at June 30, 2016, financial income from interest was Ps. 292,431.

Considering the highly liquid instruments at June 30, 2016, an increase or decrease in the interest rate of 0.50% would have a favorable or unfavorable effect on the financial income (cost) of the Company of Ps. 40,611.

Disclosure of general and administrative expense [text block]

Administrative expenses include mainly personnel expenses, depreciation and amortization, rent, advertising, maintenance, royalties and technical assistance and utilities.

Disclosure of general information about financial statements [text block]

Wal-Mart de México, S.A.B. de C.V. (**WALMEX** or "the Company") is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Colonia Santa Cruz Acayucan, C.P. 02770, in Mexico City. The principal shareholder of **WALMEX** is Wal-Mart Stores, Inc., a U.S. corporation, through Intersalt, S. de R.L. de C.V., a Mexican company with a 70.51% shares ownership.

The accompanying consolidated financial statements include those of **WALMEX** and those of its subsidiaries in which it has control in Mexico and abroad, and are prepared for the same accounting period.

The functional and reporting currency used is the Mexican peso. The level of rounding used in financial statements is thousands of pesos, except where otherwise indicated.

Disclosure of going concern [text block]

WALMEX has sufficient resources to continue operating as a going concern and accordingly, the accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis.

Disclosure of goodwill [text block]

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America at the acquisition date, plus the fair value of the non-controlling interests, computed in conformity with the guidelines in IFRS 3, *Business Combinations*.

Goodwill was assigned in conformity with IAS 38, *Intangible Assets*, applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

Goodwill is translated to the applicable exchange rates at period end and the corresponding effect is recognized in other comprehensive income items.

Annually, the Company engages the services of an independent expert to test its goodwill for impairment.

Disclosure of impairment of assets [text block]

As of June 30, 2016 the Company recognized an impairment of certain long-lived assets of Ps. 6,408.

Disclosure of income tax [text block]

WALMEX as an integrating entity and its integrated subsidiaries in Mexico, determine and pay its income tax under the optional integration regime for groups of entities. Also, the tax provision includes the tax income of subsidiaries located abroad, which is determined in accordance with applicable tax laws of each country.

An analysis of taxes on profits charged to the income statement for the six-month period ended June 30, 2016 and 2015, is as follows:

	2016	2015
Current year tax	Ps. 5,671,802	Ps. 4,511,580
Deferred tax	(410,049)	155,811
Total	<u>Ps. 5,261,753</u>	<u>Ps. 4,667,391</u>

As of June 30, 2016, the effective tax rate of the Company is 29.0%. The difference in tax rates established in tax laws due to inflation and other permanent items effects.

Income tax rates applicable are shown below:

	Rate
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

The Company has tax losses from subsidiaries that, in conformity with the current Mexican Income Tax Law, may be carried forward against the taxable income generated in future years, as follows:

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expiration	Amount
2020	Ps. 45
2021	333
2022	765
2023	366
2024	53,555
2025	10,733
	<u>Ps. 65,797</u>

Disclosure of information about employees [text block]

As of June 30, 2016, **WALMEX** has 232,992 associates, of which 232 are principal officers.

Disclosure of information about key management personnel [text block]

Remuneration of principal officers

An analysis of remuneration to the Company's principal officers for the six-month period ended June 30, 2016 and 2015 is as follows:

	June 30, 2016	June 30, 2015
Short-term benefits	Ps. 618,712	Ps. 471,971
Termination benefits	111,000	44,395
Share-based payments	52,976	48,566
	<u>Ps. 782,688</u>	<u>Ps. 564,932</u>

Disclosure of intangible assets [text block]

Intangible assets are valued at the lower of either acquisition cost or their fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are tested annually for impairment, in conformity with IAS 36, *Impairment of Assets*. Definite-lived assets are amortized using the straight-line method.

Trade marks represents those that were acquired at the time of the acquisition of Walmart Central America such as: Palí, Despensa Familiar, Maxi Bodega, among others. They are translated at each period-end exchange rate and the corresponding effect is recognized in other comprehensive income items.

Disclosure of intangible assets and goodwill [text block]

An analysis of intangible assets at June 30, 2016, is as follows:

	Six-month period ended June 30, 2016					
	December 31, 2015	Additions	Disposals	Transfers	Translation effect	June 30, 2016
Goodwill	\$ 33,057,328	\$ -	\$ -	\$ -	\$ 2,093,941	\$ 35,151,269
Trademarks	832,324	-	-	-	41,659	873,983
Licences and software	1,498,004	238,659	(891)	1,204	16,181	1,753,157
Trade receivables	214,916	-	-	-	10,373	225,289
Patents	38,320	3,099		(40,485)	(934)	-
Subtotal	35,640,892	241,758	(891)	(39,281)	2,161,220	38,003,698
Accumulated amortization	(1,184,673)	(126,535)	68	39,623	(22,648)	(1,294,165)
Total	\$ 34,456,219	\$ 115,223	\$ (823)	\$ 342	\$ 2,138,572	\$ 36,709,533

Disclosure of interest expense [text block]

As of June 30, 2016 and 2015, the interest on finance leases amounted to Ps. 631,251 and Ps. 619,453, respectively.

Disclosure of interest income [text block]

As of June 30, 2016 and 2015, interest income earned amounted to Ps. 292,431 and Ps. 309,734, respectively.

Disclosure of inventories [text block]

An analysis of inventories at June 30, 2016, is as follows:

	June 30, 2016
Merchandise for sale	Ps. 47,537,030
Agro-industrial development	785,671
	48,322,701
Merchandise in transit	2,295,314
	Ps. 50,618,015

Disclosure of issued capital [text block]

Valid Coupon	Number of shares			Capital Stock		
	Fixed Portion	Variable Portion	Free Subscription	Fixed	Variable	Total
69	2,295,809,324	15,165,593,307	17,461,402,631	5,591,362	36,935,265	42,526,627

The capital stock amount is presented in thousand of pesos.

According to corporate bylaws of the company:

- The capital of the corporation is variable.
- The minimum fixed capital amounts to five billion, five hundred and ninety-one-million, three hundred and sixty two thousands pesos.
- The authorized maximum variable capital amounts to one hundred billion pesos.
- The capital, minimum or fixed, or variable, shall be represented by shares of the same series, registered, common or ordinary, without par value, of free subscription, representing one hundred percent (100%) of the voting shares, which may be subscribed or acquired by individual or entities, domestic or foreign.
- The capital stock shall be represented by a minimum of 3,000,000,000 (Three billion) and a maximum of 100,000,000,000 (One hundred billion) of shares. The board of directors may increase or decrease the number of shares outstanding, provided that it is within the minimum and maximum amounts provided for in this paragraph.
- Given that the corporation is a publicly-traded corporation (Sociedad Anónima Bursatil) governed by the Securities Market Law, and that the right of withdrawal in accordance with the last paragraph of article fifty (50) of the Securities Market Law is not applicable to said corporations, it is agreed that there shall be no distinction between the shares representing the fixed capital and those presenting the variable capital, therefore, shareholders shall have proportional interest in the shares of the fixed and variable capital. The corporation shall indicate in the stock certificate or provisional stock certificates the amount of its minimum fixed.

At June 30, 2016, the market price was Ps.43.91 Mexican pesos per share.

Disclosure of leases [text block]

At June 30, 2016, the other non-current financial liabilities line includes the Company's obligations beyond one year under its finance leases.

In order to determine if the suppliers transfer the right to use an asset, **WALMEX** analyses the provision of services agreement that do not have the legal form of a lease but that involve the use of an asset. **WALMEX** does not have a provision of services agreement that must be classified as a lease, in conformity with IFRIC 4, *Determining Whether an Arrangement Contains a Lease*.

The Company has entered into operating leases with third parties. Rental expense under these leases is recognized on a straight-line basis over the term of the lease agreements considering the commencement date of the lease to be the occupancy date of the leased property and including the lessee's rights to renewal.

The Company has entered into property lease agreements that qualify as finance leases. These agreements are recorded at the lower of either the present value of future minimum lease payments or at the market value of the property, and they are amortized over the term of the lease agreements, which includes the lessee's rights to renewal.

The Company has entered into property lease agreements with third parties for compulsory terms ranging from 1 to 15 years.

The Company has also entered into finance leases for the rental of residual water treatment plants used to meet environmental protection standards. The terms of these agreements are 7 and 10 years.

Future rental payments are as follows:

Year	Operating leases (compulsory term)	Finance leases (minimum payments)	
		Present value	Future value
2017	Ps. 366,070	Ps. 534,069	Ps. 1,768,040
2018	Ps. 309,430	Ps. 528,192	Ps. 1,703,989
2019	Ps. 262,490	Ps. 443,389	Ps. 1,588,286
2020	Ps. 234,651	Ps. 397,847	Ps. 1,509,522
2021	Ps. 226,732	PS. 405,544	Ps. 1,478,348
2022 and thereafter	Ps. 1,204,870	Ps.10,807,860	Ps.25,252,573

At June 30, 2016, the liability derived from the use of the straight-line method under operating leases was Ps. 734,402, from which Ps. 29,913 are presented in the current liabilities line.

Total rent under operating leases charged to the income statement during the six-month period ended June 30, 2016 and 2015 was Ps. 2,594,031 and Ps. 2,407,610, respectively.

Disclosure of liquidity risk [text block]

The Company does not have liquidity risk from its outstanding Derivative financial instruments at June 30, 2016.

Disclosure of market risk [text block]

The Company is exposed to the effects of future events that could affect the purchasing power and/or buying habits of its population. These events may be economic, political or social in nature and some of the most important are described below:

- I. Employment and salary. Positive or negative changes in employment and/or real salary levels could affect Mexico's per capita income and, consequently, the Company's business performance.
- II. Changes in interest rates and exchange rates. Historically, Walmart has generated cash surpluses in Mexico and Central America on which it earns financial income. A reduction in interest rates could cause a decrease in the Company's financial income, which would affect its earnings growth. However, the Company believes that a reduction in interest rates would actually have a positive effect on its business in the medium and long-term, since it would help improve the purchasing power of its customers. On the other hand, exchange rate fluctuations tend to put upward pressure on inflation and reduce the population's purchasing power, which could ultimately hinder the Company's sales, in particular, due to the purchase of import goods.
- III. Competition. The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set

themselves apart from the competition. This puts the Company's market share at risk. Other factors affecting the Company's market share could be the business expansion of its competitors and the possible entrance of new competitors into the market.

- IV. Inflation. Over the last few years, inflation rates in Mexico and Central America have remained at low levels. A significant increase in inflation rates could have a direct effect on the purchasing power of the Company's customers and the demand for its products and services.
- V. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, they could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities has greatly increased. Mexican courts have changed their position favoring those authorities ignoring violations of form and procedure.

Disclosure of non-controlling interests [text block]

Non-controlling interests represent the portion of equity interest in the net assets of a subsidiary not attributable to the controlling company. Non-controlling interests is presented as a separate component of equity.

The non-controlling interest corresponds minority shareholders of the CARHCO Company, located in Central America and as of June 30, 2016 represents 0.09%.

The non-controlling interest is presented within equity.

Disclosure of other current assets [text block]

As of June 30, 2016, other current assets include prepaid advertising, property tax and insurance.

Disclosure of other current liabilities [text block]

As of June 30, 2016, other current liabilities include short-term finance leases and straight-line method under operating leases by Ps. 563,982.

Disclosure of other non-current assets [text block]

As of June 30, 2016, other non-current assets include primarily deposits in guarantee of Ps. 797,421.

Disclosure of other non-current liabilities [text block]

As of June 30, 2016, other non-current liabilities include long-term finance lease obligations and the straight-line deferred rent related to operating leases of Ps. 13,287,321.

Disclosure of prepayments and other assets [text block]

Prepaid expenses are recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. At the time the goods are received, prepaid expenses are charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

Disclosure of property, plant and equipment [text block]

An analysis of property and equipment at June 30, 2016, is as follows:

Property and equipment owned by the Company

	December 31, 2015	Additions	Disposals	Transfers	Translation effect	June 30, 2016
Land	\$ 31,409,287	\$ 94,064	\$ (39,524)	\$ 131,292	\$ 195,119	\$ 31,790,238
Buildings	45,432,517	381,098	(96,030)	(623,600)	406,257	45,500,242
Facilities and leasehold improvements	51,381,858	612,257	(196,844)	1,536,603	286,086	53,619,960
Furniture and equipment	58,449,102	1,843,879	(646,324)	441,956	568,929	60,657,542
Subtotal	186,672,764	2,931,298	(978,722)	1,486,251	1,456,391	191,567,982
Accumulated depreciation	(71,635,340)	(4,910,350)	673,515	(1,334)	(483,985)	(76,357,494)
Work in process	3,230,045	1,738,478	(388,542)	(1,127,193)	33,687	3,486,475
Total	<u>\$ 118,267,469</u>	<u>\$ (240,574)</u>	<u>\$ (693,749)</u>	<u>\$ 357,724</u>	<u>\$ 1,006,093</u>	<u>\$ 118,696,963</u>

Leased property and equipment

	December 31, 2015	Additions	Disposals	Transfers	Translation effect	June 30, 2016
Buildings	\$ 13,676,118	\$ 331,288	\$ (105,461)	\$ -	\$ 90,666	\$ 13,992,611
Furniture and equipment	2,236,292	69,174	(9,816)	(10,298)	-	2,285,352
Subtotal	15,912,410	400,462	(115,277)	(10,298)	90,666	16,277,963
Accumulated depreciation	(3,957,523)	(342,170)	69,845	2,369	(41,659)	(4,269,138)
Total	<u>\$ 11,954,887</u>	<u>\$ 58,292</u>	<u>\$ (45,432)</u>	<u>\$ (7,929)</u>	<u>\$ 49,007</u>	<u>\$ 12,008,825</u>
Grand total	<u>\$ 130,222,356</u>	<u>\$ (182,282)</u>	<u>\$ (739,181)</u>	<u>\$ 349,795</u>	<u>\$ 1,055,100</u>	<u>\$ 130,705,788</u>

Work in process mostly consists of Company's investments in the construction of new stores.

Disclosure of related party [text block]

a) Related party balances

At June 30, 2016, the consolidated statement of financial position includes the following balances with related parties:

	June 30, 2016
Accounts payable to suppliers:	
C.M.A. – U.S.A., L.L.C. (affiliate)	Ps. 727,420
Global George, LTD. (affiliate)	36,084
	<u>Ps. 763,504</u>
Other accounts payable:	
Wal-Mart Stores, Inc. (holding company)	<u>Ps. 686,418</u>

At June 30, 2016, balances receivable due from and payable due to related parties consist of current accounts that bear no interest, are payable in cash and without guarantees.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Agreement for imports of merchandise for sale, interest-free and payable monthly.
- Agreement for purchase commissions with Global George that are payable on a recurring basis.
- Agreement for technical assistance and services with Walmart Stores that are payable monthly.
- Agreement for royalties for trademark use with Walmart Stores, payable quarterly based on a percentage of sales of the retail businesses.

The terms of the related party transactions are consistent with those of an arm's length transaction.

The Company had the following transactions with related parties during the six-month period ended on June 30, 2016 and 2015:

	2016	2015
Import of merchandise for sale:		
C.M.A. – U.S.A., L.L.C. (affiliate)	Ps. 2,471,096	Ps. 2,161,409
Global George, LTD. (affiliate)	81,279	32,397
	<u>Ps. 2,552,375</u>	<u>Ps. 2,193,806</u>
Technical assistance, services and royalties:		
Wal-Mart Stores, Inc. (holding company)	<u>Ps. 1,496,994</u>	<u>Ps. 1,240,904</u>

Disclosure of reserves within equity [text block]

At June 30, 2016, the legal reserve of the Company was Ps. 9,104,745 and represents 20% of the equity, which according to the Mexican Corporations Act, has reached the maximum of its constitution.

Disclosure of revenue [text block]

As of June 30 2016 and 2015, the revenue line item includes revenues from sales of goods of Ps. 252,121,927 and Ps. 224,425,059, respectively.

Additionally other revenues related to the Company's primary business activities is as follows:

	June 30, 2016	June 30, 2015
Memberships	Ps. 634,738	Ps. 612,338
Rental	637,864	544,831
Gasoline	112,168	112,264

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Sale of waste	222,962	201,896
Service commissions	162,912	151,714
Parking	36,372	32,891
Others	66,082	39,634
Total	<u>Ps. 1,873,098</u>	<u>Ps. 1,695,568</u>

Disclosure of share capital, reserves and other equity interest [text block]

a. At the shareholders meeting held on March 31, 2016, the shareholders adopted the following resolutions:

1. Approval to repurchase up to Ps. 3,288,533 its own shares.
2. Cancellation of 44,304,712 shares resulting from the repurchase of shares.
3. A declared ordinary cash dividend of Ps. 0.56 pesos per share to be paid in four installments of Ps. 0.14 pesos per share on April 26, 2016, August 23, 2016, November 22, 2016 and February 21, 2017; and one extraordinary cash dividend of Ps. 1.12 pesos per share to be paid in two installments of Ps. 0.64 pesos per share on April 26, 2016 and Ps. 0.48 pesos per share on November 22, 2016.

b. Capital stock is represented by registered shares with no par value. The Company's capital stock must be represented by a minimum of 3,000,000,000 shares and a maximum of 100,000,000,000 shares.

At June 30, 2016, an analysis of historical paid-in stock and the number of shares representing it is as follows:

Capital stock	2016
Fixed minimum capital	Ps. 5,591,362
Variable capital	<u>36,935,265</u>
Total	<u>Ps. 42,526,627</u>

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Number of freely subscribed common shares:	<u>17,461,402,631</u>
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- c. Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances are subject to income tax, in conformity with Articles 10 and 78 of the Mexican Income Tax Law.

At June 30, 2016, the total balance of the tax accounts related to equity is Ps. 92,671,404, in conformity of the current tax laws effective January 1, 2014.

Additionally the individuals residing in Mexico and residents abroad (individuals or corporations) are subject to pay income tax at an additional rate of 10% on dividends or profits distributed by corporations resident in Mexico. The latter are obliged to withhold tax to pay it to the federal treasury. The additional tax rate of 10% mentioned only applies to profits obtained beginning on 2014. For these purposes, the corporation is required to keep track of CUFIN with the profits generated until December 31, 2013. From the balance of this account, dividends paid from January 1, 2014, will be subtracted and once exhausted, this balance will begin to withhold an additional tax rate of 10%. At June 30, 2016, the Company had a balance of CUFIN with the profits generated as of December 31, 2013 of Ps. 3,480,864.

- d. At June 30, 2016, the legal reserve of the Company represents 20% of the equity, which according to the Mexican Corporations Act, has reached the maximum of its constitution.
- e. In the balance sheet and statement of changes equity, the premium on issuance of shares includes the premium on sale of shares and employee stock option plan fund. The breakdown is as follows:

	<u>Amount</u>
Employee stock option plan fund	Ps. (5,899,353)
Premium on sale of shares	<u>3,005,431</u>
	<u>Ps. (2,893,922)</u>

Disclosure of share-based payment arrangements [text block]

The employee stock option plan fund consists of 214,934,394 **WALMEX** shares, which have been placed in a trust created for the plan.

The total compensation cost charged to operating results in the six-month period ended on June 30, 2016 was Ps. 144,508 and represented no cash outlay for the Company.

Changes in the stock option plan are as follows:

	Number of shares	Weighted average price per share (pesos)
Balance at December 31, 2015	206,144,049	31.77
Granted	42,373,812	40.22
Exercised	(25,477,370)	27.00
Cancelled	(9,691,546)	36.81
Balance at June 30, 2016	<u>213,348,945</u>	33.79
Shares available for option grant:		
At June 30, 2016	<u>1,585,449</u>	

At June 30, 2016, an analysis of granted and exercisable shares under the stock option plan fund is as follows:

Year	Granted				Exercisable	
	Number of shares	Average remaining life (in years)	Weighted average price per share (pesos)	Range of price (pesos)	Number of shares	Weighted average price per share (pesos)
2007	6,748,509	0.7	21.54	21.54	6,748,509	21.54
2008	10,335,538	1.7	19.35	19.35	10,335,538	19.35
2009	12,148,112	2.7	15.85	15.85-22.80	12,148,112	15.85
2010	13,153,313	3.7	29.70	29.69-31.05	13,153,313	29.70
2011	15,415,542	4.7	33.75	33.70-33.75	15,415,542	33.75
2012	22,620,634	5.7	39.72	34.74-40.05	17,623,799	39.71
2013	23,975,238	6.7	39.22	39.17-41.89	13,077,282	39.22

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2014	34,147,776	7.7	30.84	30.84-39.17	10,583,322	30.84
2015	33,950,393	8.7	36.07	30.50-36.07	5,712,654	36.07
2016	40,853,890	9.7	40.22	40.14-42.25	-	-
Total	213,348,945	6.6	33.79		104,798,071	30.48

Disclosure of subsidiaries [text block]

WALMEX holds 99.9% equity interest in the following groups of companies in Mexico and Central America:

Group	Line of business
Nueva Walmart	Operation of 1,722 Bodega Aurrerá discount stores, 256 Walmart hypermarkets, 160 Sam's Club membership self-service wholesale stores, 95 Superama supermarkets and 10 Medimart pharmacies.
Suburbia	Operation of 119 Suburbia stores specializing in apparel and accessories for the entire family.
Importing companies	Importation goods for resale.
Real estate	Property developments and management of real estate companies.
Service companies	Rendering of professional services to Group companies and not-for-profit services to the community at large, and shareholding.
Walmart Central America	Operation of 482 discount stores (Despensa Familiar and Palí), 96 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 106 discount warehouse stores (Maxi Bodega and Maxi Palí) and 25 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

Disclosure of summary of significant accounting policies [text block]

The significant accounting policies used in the preparation of the consolidated financial statements of **WALMEX** at June 30, 2016, have been applied consistently with those applied in the year ended December 31, 2015.

Disclosure of tax receivables and payables [text block]

As of June 30, 2016, the current income tax receivable was Ps. 1,196,020 and the income tax payable was Ps. 2,410,595.

Disclosure of trade and other payables [text block]

As of June 30, 2016, accounts payable to suppliers amounted to Ps. 52,618,757.

The balance of accounts payable at June 30, 2016, is as follows:

	June 30, 2016
Accrued liabilities and others	Ps. 9,429,667
Dividends	15,606,057
Taxes and contributions	2,735,911
Deferred revenue	865,241
Related parties	686,418
	<u>Ps. 29,323,294</u>

Disclosure of trade and other receivables [text block]

An analysis of trade receivables at June 30, 2016 is as follows:

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	June 30, 2016
Trade receivables	Ps. 1,053,404
Allowance for doubtful accounts	(22,818)
	<u>Ps. 1,030,586</u>

The other receivables at June 30, 2016 is as follows:

	June 30, 2016
Other accounts receivable	Ps. 6,913,731
Allowance for doubtful accounts	(328,837)
	<u>6,584,894</u>
Total Trade and other accounts receivable	<u>Ps. 7,615,480</u>

Disclosure of treasury shares [text block]

At June 30, 2016, an analysis of historical paid-in stock and the number of shares it is as follows:

Capital stock	June 30, 2016
Fixed minimum capital	Ps. 5,591,362
Variable capital	<u>36,935,265</u>
Total	<u>Ps. 42,526,627</u>
Number of freely subscribed common shares:	<u>17,461,402,631</u>

[800600] Notes - List of accounting policies

Disclosure of summary of significant accounting policies [text block]

The significant accounting policies used in the preparation of the consolidated financial statements of **WALMEX** at June 30, 2016, have been applied consistently with those applied in the year ended December 31, 2015.

Description of accounting policy for cash flows [text block]

The statement of cash flows is prepared using the indirect method in accordance with IAS 7, *Cash flow statements*.

Description of accounting policy for depreciation expense [text block]

Depreciation of property and equipment is computed on a straight-line method at the following annual rates:

Buildings, facilities and leasehold improvements	2.5%	to	33.3%
Furniture and equipment	5.0%	to	33.3%

Description of accounting policy for derivative financial instruments [text block]

The Company has entered into currency hedging through Over The Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale.

In accordance with IFRS 9, *Financial Instruments*, derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately in the financial income (expense) line in the consolidated statement of comprehensive income.

The maturity of these contracts is a maximum duration of six months.

In accordance with our standards of corporate governance, the Company does not enter into derivative financial instruments other than these Fx-forwards.

Description of accounting policy for determining components of cash and cash equivalents [text block]

Cash and cash equivalents principally consist of bank deposits and highly liquid investments with original maturities of less than 90 days plus accrued interest and are stated at their fair value.

Description of accounting policy for discontinued operations [text block]

In conformity with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, incomes, expenses and costs related to this transaction are separately disclosed and recognized as part of the discontinued operations line in the consolidated statement of comprehensive income.

Description of accounting policy for earnings per share [text block]

The basic earnings per share is the result of dividing the net income of the year attributable to owners of the parent by the weighted average number of outstanding shares, in conformity with the guidelines of IAS 33, *Earnings per Share*. Diluted earnings per share is the same as basic earnings per share since there is currently no potentially dilutive common stock.

Description of accounting policy for expenses [text block]

Expenses are recognized in the income statement when they are incurred in accordance with IAS 1, *Presentation of Financial Statements*.

Description of accounting policy for fair value measurement [text block]

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

- Level 1. Observable data as they are quoted prices in active markets,
- Level 2. Other quoted prices in active markets that are directly or indirectly observable inputs, and
- Level 3. Unobservable for which there is little or no market data inputs, so that the Company develops its own assumptions.

Subsequent measurement of the Company's financial assets and liabilities is determined based on its classification.

Description of accounting policy for financial assets [text block]

The financial assets are classified in one of the following categories, as required: financial assets at fair value through profit or loss, accounts receivable, investments held to maturity, or financial assets held for sale. The Company's financial assets primarily consist of trade receivables and other accounts receivable which are initially recognized at fair value. Fair value of an asset is the price at which such asset could be sold in an ordinary transaction with third parties capable of being part of such transaction.

Assets carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

- Level 1. Observable data as they are quoted prices in active markets,
- Level 2. Other quoted prices in active markets that are directly or indirectly observable inputs, and
- Level 3. Unobservable for which there is little or no market data inputs, so that the Company develops its own assumptions.

Subsequent measurement of the Company's financial assets is determined based on its classification.

Description of accounting policy for financial liabilities [text block]

The financial liabilities are classified at their fair value, including accounts payable to suppliers, other accounts payable and financial leases, as required; these liabilities are initially recognized at fair value. Fair value of a liability is the amount that would be paid to transfer the responsibility to a new creditor in an ordinary transaction among those parties.

Liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

- Level 1. Observable data as they are quoted prices in active markets,
- Level 2. Other quoted prices in active markets that are directly or indirectly observable inputs, and
- Level 3. Unobservable for which there is little or no market data inputs, so that the Company develops its own assumptions.

Subsequent measurement of the Company's financial liabilities is determined based on their classification.

Description of accounting policy for foreign currency translation [text block]

The Company's foreign currency denominated assets and liabilities are translated to functional currency at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income under the financial income (expenses) line, in conformity with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Description of accounting policy for functional currency [text block]

The Mexican peso is the Company's functional and reporting currency, due to the company's main activity operates it in Mexico.

Description of accounting policy for goodwill [text block]

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America at the acquisition date, plus the fair value of the non-controlling interests, computed in conformity with the guidelines in IFRS 3, *Business Combinations*.

Goodwill was assigned in conformity with IAS 38, *Intangible Assets*, applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

Goodwill is translated to the applicable exchange rates at period end and the corresponding effect is recognized in other comprehensive income items.

Annually, the Company engages the services of an independent expert to test its goodwill for impairment.

Description of accounting policy for impairment of assets [text block]

Based on the guidelines of IAS 36, *Impairment of Assets*, the Company recognizes impairment in the value of property and equipment by applying the expected present value technique to determine value in use, considering each store as the minimum cash generating unit.

The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit. These budgets generally cover five years and for those projected beyond five years, an expected growth percentage is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income in the other expenses line.

Description of accounting policy for income tax [text block]

Taxes on profits are classified on current and deferred, and are recognized in the consolidated statement of comprehensive income in the period they are expensed or accrued, except when they come from items directly recognized in other comprehensive income, in which case, the corresponding taxes are recognized in equity.

Current taxes on profits are determined based on the tax laws approved in the countries in which **WALMEX** has operations, and is the result of applying the applicable tax rates at the date of the consolidated financial statements on the taxable profits of each entity of the Group. It is presented as a current liability/asset net of prepayments made during the year.

Deferred taxes on profits are recognized using the asset and liability method, in conformity with IAS 12, *Income Taxes*. Under this method, deferred taxes are recognized on all temporary differences between the financial reporting and tax values of assets and liabilities, applying the enacted income tax rate, effective as of the date of the consolidated statement of financial position, or the enacted rate that will be in effect when the deferred tax assets and liabilities are expected to be recovered or settled.

The Company periodically evaluates the possibility of recovering deferred tax assets.

Description of accounting policy for intangible assets and goodwill [text block]

Intangible assets are valued at the lower of either acquisition cost or their fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are tested annually for impairment, in conformity with IAS 36, *Impairment of Assets*. Definite-lived assets are amortized using the straight-line method.

Description of accounting policy for leases [text block]

In conformity with IAS 17, *Leases*, the Company classifies its property lease agreements as either finance or operating leases.

A lease is considered a finance lease if it transfers substantially all the risks and rewards incident to ownership of the underlying property to the lessee, considering the renewals established in each lease agreement. Rent is recognized in the income statement over the lease term as incurred.

Lease agreements that do not qualify as finance leases are treated as operating leases. Fixed lease payments are recognized in the income statement on a straight-line method over the lease term. The commencement date of lease is considered to be the occupancy date of the leased property and the lease term generally includes lessee's rights to renewal. Variable lease payments are based on a percentage of the Company's sales, and are recognized as an expense in the period in which they are incurred.

Description of accounting policy for measuring inventories [text block]

Inventories are valued using the retail method, except for merchandise for the Sam's Club and distribution centers, which are valued using the average-cost method. These inventory valuation methods are the same as those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at amounts not in excess of their net realizable value.

Inventory pertaining to the Agro-industrial Development of grains, edibles and meat is valued using the average-cost method.

Freight and buying allowances from suppliers are capitalized in inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

Description of accounting policy for non-current assets or disposal groups classified as held for sale and discontinued operations [text block]

In conformity with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are not subject to depreciation and are measured at the lower of their previous carrying amount and fair value less costs to sell.

Assets and liabilities that meet the criteria to be classified as held for sale are presented separately in the statement of financial position from the rest of the assets and liabilities.

Incomes, expenses and costs related to this transaction are separately disclosed and recognized as part of the discontinued operations line in the consolidated statement of comprehensive income.

Description of accounting policy for property, plant and equipment [text block]

Property and equipment are recorded at acquisition cost and presented net of accumulated depreciation.

Description of accounting policy for provisions [text block]

In conformity with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, accrued liabilities are recognized whenever the Company has current obligations (legal or assumed) resulting from past events, that can be reasonably estimated and that will most likely give rise to a future cash disbursement for their settlement. Reimbursements are recognized net of the related obligation when it is certain that the reimbursement will be obtained. Provision

expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

Description of accounting policy for recognition of revenue [text block]

Revenue from merchandise sales is recognized in the consolidated statement of comprehensive income at the time ownership of the products sold is transferred to the customer and the services income at the time the service is provided, in conformity with IAS 18, *Revenue*.

Sam's Club membership income is deferred over the twelve-month term of the membership and it is presented in the other revenues line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the term of the lease agreements entered into with third parties and it is presented in the other revenues line in the consolidated statement of comprehensive income.

The Company recognizes the net amount of cell phone minutes revenues in the net sales line in its consolidated statement of comprehensive income at the time the service is provided.

Revenues from the sale of waste, extended warranties and service commissions are recognized in the other revenues line in the consolidated statement of comprehensive income at the time ownership of the products sold is transferred to the customer or the service is provided.

Description of accounting policy for segment reporting [text block]

Segment financial information is prepared based on the information used by the Company's senior management to make business decisions and assess the Company's performance.

Segment information is presented based on the geographical zones in which the Company operates, in conformity with IFRS 8, *Operating Segments*.

Description of accounting policy for share-based payment transactions [text block]

The employee stock option plan fund is comprised of **WALMEX** shares presented at acquisition cost. The plan is designed to grant stock options to executives of the companies in the Group, as approved by the Mexican National Banking and Securities Commission.

All employee stock options are granted to executives of subsidiary companies at a value that is no less than the market value on the grant date.

In accordance with current corporate policy, **WALMEX** executives may exercise their option to acquire shares in equal parts over five years. The right to exercise an employee stock option expires after ten years as of the grant date or after sixty days following the date of the employee's termination.

The compensation cost of stock option is calculated using the Black-Scholes financial valuation technique, in conformity with IFRS 2, *Share-Based Payments*.

Description of accounting policy for subsidiaries [text block]

Subsidiaries are consolidated from the date on which control is transferred to **WALMEX**, and are no longer consolidated from the date that control is lost. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.

All related party balances and transactions have been eliminated in the consolidation, in conformity with IFRS 10, *Consolidated Financial Statements*.

Description of accounting policy for termination benefits [text block]

In conformity with the laws of each country in which the Company operates, the termination benefits for retirement or death to which the Company's employees are entitled, are as follows:

Mexico:

Seniority premiums accruing to employees under the Mexican Labor Law and termination retirement benefits are recognized as a cost of the years in which services are rendered, based on actuarial computations made by an independent expert, using the projected unit credit method, in conformity with IAS 19, *Employee Benefits*.

Actuarial gains and losses are recognized as they accrue directly in the consolidated statement of comprehensive income, in conformity with IAS 19.

Employee profit sharing is presented in operating results as part of the general expenses line and represents a liability due and payable in less than one year.

All other payments accruing to employees or their beneficiaries in the event of involuntary retirement or death, in terms of the Mexican Labor Law, are expensed as incurred.

Central America:

Labor termination benefits at retirement to which the employees of the Walmart Central America companies are entitled, under the labor laws of each country are recognized as a cost during the years the employees render their services based on the actuarial calculations for each country carried out by independent experts, using the projected unit credit method, in conformity with IAS 19.

In Guatemala, employees are entitled to labor termination benefits at retirement after three years of service in the Company, except in the case of justified dismissals.

In El Salvador and Honduras, employees are entitled to labor termination benefits at retirement after one year of service in the Company, except in the case of justified dismissals.

In Nicaragua, payouts for to labor termination benefits at retirement vary from one to five months of salary for the period the services were provided.

In Costa Rica, labor termination benefits at retirement are paid to employees based on current corporate policy and in conformity with the laws of such country.

Description of accounting policy for trade and other receivables [text block]

Average aging of the accounts receivable to customers is 30 days.

WALMEX recognizes the reserve for bad debts when there is objective evidence that the receivables will not be recovered, in conformity with its internal procedures.

Description of other accounting policies relevant to understanding of financial statements [text block]

a. Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with IFRS issued by the IASB, as well as all the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued by the former Standing Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared on a functional basis, which allows for the disclosure of cost of sales separately from other costs, operating and administrative expenses, in conformity with IAS 1, *Presentation of Financial Statements*.

The preparation of consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions in some items.

Before the financial statements of the Company's foreign subsidiaries are consolidated, they are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the period end exchange rate for the consolidated statement of financial position, in conformity with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity.

WALMEX has sufficient resources to continue operating as a going concern and accordingly, the accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis.

[813000] Notes - Interim financial reporting**Disclosure of interim financial reporting [text block]**

The disclosure of notes, statement of compliance with IFRS and other explanatory information to the consolidated financial statements of Wal-Mart de Mexico, S.A.B. de C.V. and Subsidiaries are included in the report [800500] Notes - List as well as the disclosure of the summary of significant accounting policies is included in the report [800600] Notes - List of Accounting Policies.

Description of significant events and transactions

Process to consider offers to sale Suburbia stores division.

On January 18, 2016, the Company reported that it had initiated a process to consider potential offers from third parties to sell the Suburbia business. This decision is in line with the Company's strategy to focus on its core business.

This process is in negotiations with several buyers as of June 30, 2016.

Dividends paid, ordinary shares

15,859,119

Dividends paid, other shares

0

Dividends paid, ordinary shares per share

Ticker: WALMEX

Quarter: 2 Year: 2016

0.92

Dividends paid, other shares per share

0