

Quarterly Financial Information

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

Our sales continue to show solid and efficient growth.

From an operational perspective, our focus remains on maintaining discipline and efficiency, to position our different formats for the future.

While we are constantly seeking opportunities to improve, we have delivered a solid quarter, with strong growth in sales, a solid cash generation and growing EBITDA and profits faster than sales.

On August 10, the company announced that we had reached a definitive agreement for the sale of Suburbia to El Puerto de Liverpool, S.A.B. de C.V. The closing of this transaction is still subject to approval by the regulatory authorities.

The assets and liabilities related to the sale of Suburbia are presented as assets and liabilities held for sale in the Consolidated Statements of Financial Position and the results of Suburbia operations are presented as discontinued operations in the Consolidated Income Statements.

Disclosure of nature of business [text block]

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

As of September 30, 2016, it operated 2,977 units, throughout 6 countries (Costa Rica, Guatemala, Honduras, El Salvador, México, and Nicaragua), including self-service stores, membership clubs, and pharmacies.

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]

One of our key priorities is to grow top line sales. We had a solid 10.8% growth for Q3 or 8.5% on a constant currency basis. Mexico grew 8.3% and Central America 9.3%.

During the first nine months of the year, total sales grew 11.9% or 9.0% on a constant currency basis. Mexico achieved 9.2% growth and Central America 7.9%.

Same store sales growth remains the main sales driver in both Mexico and Central America.

Sales from new stores contributed to 1.6% of total sales growth in Q3, compared to 1.4% for the first nine months of the year.

During the quarter we opened 27 new stores, with 16 in Mexico and 11 in Central America. This compares to 13 store openings during the same period last year.

While eCommerce still represents a small part of our overall business, this segment is delivering a growth rate above 20%.

Same store sales performance continued to show strong momentum during the quarter, both in Mexico and in Central America.

In Mexico, despite a tough prior year comparison, a challenging competitive environment, and increased promotional activity, our two-year stack growth remained similar to the first half of the year.

Same store sales for Mexico grew 7.2% in Q3, and 13.7% on a 2-year-stack basis.

Growth for the first nine months of the year was 8.1% and 13.8% on a 2-year-stack basis.

Consistent performance across formats and divisions allowed us to deliver another quarter with significantly stronger growth than the rest of the market.

Same store sales for Mexico grew 7.2% in Q3, 270 basis points above the 4.5% growth of ANTAD self-service, excluding Walmart of Mexico. And on a two year stack basis, our growth was 430 basis points higher.

Our year-to-date same store sales growth, outperformed the industry by 350 basis points or 510 basis points on a 2-year-stack basis.

We outpaced total ANTAD's 5.1% quarterly same store sales growth, which comprises self-service, department and specialty stores. Our growth on a 2-year-stack basis exceeded ANTAD by 50 basis points.

Our growth for the first 9 months of the year also outpaced by 240 basis points the 5.7% growth of total ANTAD, and our growth on a 2-year-stack basis was 160 basis points higher.

More importantly, each of our formats individually outpaced the growth of ANTAD Self-service and total ANTAD.

Our growth also exceeded ANTAD Self-service and total ANTAD in all categories and in all regions of the country.

In Central America Q3 same store sales grew 5.6% on a constant currency basis, and 9.2% on a 2-year-stack basis. During the first nine months of the year, comp sales growth was 4.9% and 9.6% on a 2-year-stack basis.

Same store sales on a constant currency basis was positive across all formats, divisions, and in the five countries where we operate in Central America

MEXICO RESULTS:

Total revenues grew 8.4%. Gross margin increased 50 basis points year on year.

Two extraordinary items positively affected gross margin: first, the in-sourcing of our factoring program, and second, supplier rebates for in-store promotional activities that had previously been reflected as a reduction of related SG&A costs.

The total impact of both of these effects is approximately 30 basis points.

SG&A as a percentage of sales increased by 20 basis points, of which 13 basis points was the result of the benefit of supplier rebates for in-store promotional activities in gross margin mentioned previously; and 7 basis points related to investments.

Other income was negatively impacted by approximately 10 basis points due to a non-cash store impairment charge, a review we perform quarterly.

Operating income grew by 9.4%, exceeding our growth in revenue, while EBITDA grew on par with revenue.

CENTRAL AMERICA RESULTS:

Central America reported another quarter of very strong performance, demonstrating gross margin improvement and expense leverage.

Total revenues increased 9.2% on a constant currency basis, or 22.6% in peso terms.

Gross margin was 24.0%, for a year-on-year increase of 50 basis points.

Factoring income and supplier rebates for recently initiated in-store promotions had a positive impact of approximately 40 basis points.

The expenses grew slower than revenue vs. prior year.

And growth in operating income and EBITDA was more than double that of revenue: 26.5% and 20.6% respectively in peso terms.

CONSOLIDATED RESULTS:

On the Walmex consolidated level, total revenue grew by 10.8%.

We recorded a 13.6% increase in gross margin, more than compensating for general expenses increase of 12.6%.

Operating income and EBITDA grew by 13.3% and 12.2% respectively, both faster than the growth in sales.

During Q3, we stepped up our hedging efforts in this abnormally volatile currency environment, and increased our US Dollar position by approximately \$307 million dollars to cover the purchase of import merchandise for the holiday period. The resulting exchange rate gain on our Dollar position was \$290 million pesos in financial income in Q3. Future exchange rate impacts will be of smaller magnitude as have been steadily reducing our dollar position as we pay for our seasonal imports.

Income from continuing operations grew 17.2%

The amount of net income recorded in discontinued operations related to Suburbia amounted to \$3.355 billion pesos.

With these effects, Net Income grew 69.7%.

Financial position, liquidity and capital resources [text block]

We continue to have a healthy balance sheet and solid cash generation. This allows us to both continue to invest in our business and pay dividends to our shareholders.

We recently indicated our intention to invest over a billion dollars in the coming years to improve our logistics network.

We are closing the quarter with approximately \$18.5 billion pesos in cash, 3 billion above last year's level.

In the past 12 months, we have invested \$13.9 billion pesos in fixed assets and paid \$26.2 billion pesos in dividends.

I would also like to remind you that on November 22, we will pay the third installment of the 2016 dividend plan that was declared at our Shareholder meeting on March 31, in the amount of 62 cents per share.

Consolidated inventory increased 4.8%, lower than the rate of sales, while accounts payable to suppliers increased 7.1%.

Cash generation as a percentage of revenues for the twelve months ended September 30 was 10.0%, compared to 10.2% prior year.

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: 3 Year: 2016

[110000] General information about financial statements

Ticker:	WALMEX
Period covered by financial statements:	2016-01-01 al 2016-09-30
Date of end of reporting period:	2016-09-30
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:	THOUSAND OF PESOS
Consolidated:	Yes
Number of quarter:	3
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

Bradesco – Richard Catchard

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

Itaú BBA - Joaquin Ley

J.P. Morgan – Pedro Leduc

Morgan Stanley - Franco Abelardo

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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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Quarter: 3 Year: 2016

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

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Statement of financial position [abstract]		
Assets [abstract]		
Current assets [abstract]		
Cash and cash equivalents	18,502,980,000	24,790,838,000
Trade and other current receivables	5,602,893,000	6,993,555,000
Current tax assets, current	1,039,869,000	2,765,165,000
Other current financial assets	0	0
Current inventories	53,545,674,000	49,748,874,000
Current biological assets	0	0
Other current non-financial assets	719,942,000	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	79,411,358,000	84,848,685,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	9,912,767,000	0
Total current assets	89,324,125,000	84,848,685,000
Non-current assets [abstract]		
Trade and other non-current receivables	0	0
Current tax assets, non-current	381,253,000	0
Non-current inventories	0	0
Non-current biological assets	0	0
Other non-current financial assets	851,709,000	661,750,000
Investments accounted for using equity method	0	0
Investments in subsidiaries, joint ventures and associates	0	0
Property, plant and equipment	131,770,064,000	130,222,356,000
Investment property	0	0
Goodwill	37,123,315,000	33,057,328,000
Intangible assets other than goodwill	1,449,943,000	1,398,891,000
Deferred tax assets	3,722,471,000	3,461,109,000
Other non-current non-financial assets	0	0
Total non-current assets	175,298,755,000	168,801,434,000
Total assets	264,622,880,000	253,650,119,000
Equity and liabilities [abstract]		
Liabilities [abstract]		
Current liabilities [abstract]		
Trade and other current payables	79,507,205,000	74,158,039,000
Current tax liabilities, current	3,603,086,000	1,378,525,000
Other current financial liabilities	618,500,000	593,454,000
Other current non-financial liabilities	0	0
Current provisions [abstract]		
Current provisions for employee benefits	0	0
Other current provisions	1,135,689,000	1,179,335,000
Total current provisions	1,135,689,000	1,179,335,000
Total current liabilities other than liabilities included in disposal groups classified as held for sale	84,864,480,000	77,309,353,000
Liabilities included in disposal groups classified as held for sale	3,233,448,000	0
Total current liabilities	88,097,928,000	77,309,353,000
Non-current liabilities [abstract]		
Trade and other non-current payables	0	0
Current tax liabilities, non-current	92,222,000	0
Other non-current financial liabilities	13,118,021,000	13,104,120,000

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Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Other non-current non-financial liabilities	0	0
Non-current provisions [abstract]		
Non-current provisions for employee benefits	1,996,690,000	1,629,103,000
Other non-current provisions	0	0
Total non-current provisions	1,996,690,000	1,629,103,000
Deferred tax liabilities	8,989,453,000	9,786,893,000
Total non-current liabilities	24,196,386,000	24,520,116,000
Total liabilities	112,294,314,000	101,829,469,000
Equity [abstract]		
Issued capital	45,468,428,000	45,468,428,000
Share premium	(2,597,594,000)	(2,794,446,000)
Treasury shares	0	0
Retained earnings	89,271,354,000	95,293,029,000
Other reserves	20,158,063,000	13,827,795,000
Total equity attributable to owners of parent	152,300,251,000	151,794,806,000
Non-controlling interests	28,315,000	25,844,000
Total equity	152,328,566,000	151,820,650,000
Total equity and liabilities	264,622,880,000	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- 09-30	Accumulated Previous Year 2015-01-01 - 2015- 09-30	Quarter Current Year 2016-07-01 - 2016- 09-30	Quarter Previous Year 2015-07-01 - 2015- 09-30
Profit or loss [abstract]				
Profit (loss) [abstract]				
Revenue	374,887,291,000	335,066,535,000	126,863,048,000	114,513,268,000
Cost of sales	292,009,314,000	262,865,912,000	98,348,481,000	89,415,139,000
Gross profit	82,877,977,000	72,200,623,000	28,514,567,000	25,098,129,000
Distribution costs	0	0	0	0
Administrative expenses	56,032,968,000	49,911,409,000	19,247,800,000	17,091,718,000
Other income	472,272,000	581,072,000	163,069,000	297,305,000
Other expense	509,660,000	340,892,000	296,038,000	245,168,000
Profit (loss) from operating activities	26,807,621,000	22,529,394,000	9,133,798,000	8,058,548,000
Finance income	1,032,588,000	1,042,394,000	485,733,000	318,582,000
Finance costs	1,098,494,000	929,603,000	316,055,000	283,398,000
Share of profit (loss) of associates and joint ventures accounted for using equity method	0	0	0	0
Profit (loss) before tax	26,741,715,000	22,642,185,000	9,303,476,000	8,093,732,000
Tax income (expense)	7,636,796,000	6,837,910,000	2,608,558,000	2,380,234,000
Profit (loss) from continuing operations	19,104,919,000	15,804,275,000	6,694,918,000	5,713,498,000
Profit (loss) from discontinued operations	3,850,559,000	2,101,652,000	3,355,110,000	207,344,000
Profit (loss)	22,955,478,000	17,905,927,000	10,050,028,000	5,920,842,000
Profit (loss), attributable to [abstract]				
Profit (loss), attributable to owners of parent	22,952,191,000	17,903,761,000	10,048,738,000	5,919,985,000
Profit (loss), attributable to non-controlling interests	3,287,000	2,166,000	1,290,000	857,000
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	1.09	0.9	0.38	0.33
Basic earnings (loss) per share from discontinued operations	0.22	0.12	0.19	0.01
Total basic earnings (loss) per share	1.31	1.02	0.57	0.34
Diluted earnings per share [abstract]				
Diluted earnings (loss) per share from continuing operations	1.09	0.9	0.38	0.33
Diluted earnings (loss) per share from discontinued operations	0.22	0.12	0.19	0.01
Total diluted earnings (loss) per share	1.31	1.02	0.57	0.34

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

Concept	Accumulated Current Year 2016-01-01 - 2016- 09-30	Accumulated Previous Year 2015-01-01 - 2015- 09-30	Quarter Current Year 2016-07-01 - 2016- 09-30	Quarter Previous Year 2015-07-01 - 2015- 09-30
Statement of comprehensive income [abstract]				
Profit (loss)	22,955,478,000	17,905,927,000	10,050,028,000	5,920,842,000
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	6,330,268,000	7,313,728,000	3,069,721,000	4,313,072,000
Reclassification adjustments on exchange differences on translation, net of tax	0	0	0	0
Other comprehensive income, net of tax, exchange differences on translation	6,330,268,000	7,313,728,000	3,069,721,000	4,313,072,000
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- 09-30	Accumulated Previous Year 2015-01-01 - 2015- 09-30	Quarter Current Year 2016-07-01 - 2016- 09-30	Quarter Previous Year 2015-07-01 - 2015- 09-30
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	6,330,268,000	7,313,728,000	3,069,721,000	4,313,072,000
Total other comprehensive income	6,330,268,000	7,313,728,000	3,069,721,000	4,313,072,000
Total comprehensive income	29,285,746,000	25,219,655,000	13,119,749,000	10,233,914,000
Comprehensive income attributable to [abstract]				
Comprehensive income, attributable to owners of parent	29,282,459,000	25,217,489,000	13,118,459,000	10,233,057,000
Comprehensive income, attributable to non-controlling interests	3,287,000	2,166,000	1,290,000	857,000

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Quarter: 3 Year: 2016

[520000] Statement of cash flows, indirect method

Concept	Accumulated Current Year 2016-01-01 - 2016- 09-30	Accumulated Previous Year 2015-01-01 - 2015- 09-30
Statement of cash flows [abstract]		
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	22,955,478,000	17,905,927,000
Adjustments to reconcile profit (loss) [abstract]		
Discontinued operations	(3,850,559,000)	(2,101,652,000)
Adjustments for income tax expense	7,636,796,000	6,837,910,000
Adjustments for finance costs	467,090,000	513,181,000
Adjustments for depreciation and amortisation expense	7,865,263,000	7,468,883,000
Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	151,306,000	0
Adjustments for provisions	0	0
Adjustments for unrealised foreign exchange losses (gains)	0	0
Adjustments for share-based payments	217,935,000	240,294,000
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	178,828,000	219,703,000
Participation in associates and joint ventures	0	0
Adjustments for decrease (increase) in inventories	(4,990,206,000)	(3,746,798,000)
Adjustments for decrease (increase) in trade accounts receivable	485,451,000	229,597,000
Adjustments for decrease (increase) in other operating receivables	(627,268,000)	189,135,000
Adjustments for increase (decrease) in trade accounts payable	(2,670,652,000)	(3,679,368,000)
Adjustments for increase (decrease) in other operating payables	(449,769,000)	1,689,445,000
Other adjustments for non-cash items	(2,518,500,000)	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)	1,398,868,000	983,778,000
Total adjustments to reconcile profit (loss)	3,294,583,000	8,844,108,000
Net cash flows from (used in) operations	26,250,061,000	26,750,035,000
Dividends paid	0	0
Dividends received	0	0
Interest paid	0	0
Interest received	0	0
Income taxes refund (paid)	4,459,203,000	8,680,745,000
Other inflows (outflows) of cash	0	0
Net cash flows from (used in) operating activities	21,790,858,000	18,069,290,000
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	1,586,000	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	255,032,000	105,473,000
Purchase of property, plant and equipment	9,473,446,000	8,113,514,000
Proceeds from sales of intangible assets	0	0
Purchase of intangible assets	0	0
Proceeds from sales of other long-term assets	0	0

Ticker: WALMEX

Quarter: 3 Year: 2016

Concept	Accumulated Current Year 2016-01-01 - 2016- 09-30	Accumulated Previous Year 2015-01-01 - 2015- 09-30
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	413,067,000	419,119,000
Income taxes refund (paid)	0	0
Other inflows (outflows) of cash	(21,083,000)	(296,387,000)
Net cash flows from (used in) investing activities	(8,828,016,000)	(4,158,705,000)
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	1,669,230,000
Payments of other equity instruments	0	0
Proceeds from borrowings	0	0
Repayments of borrowings	0	0
Payments of finance lease liabilities	1,112,605,000	1,205,086,000
Proceeds from government grants	0	0
Dividends paid	18,274,193,000	23,632,346,000
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	(19,386,798,000)	(26,506,662,000)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(6,423,956,000)	(12,596,077,000)
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	136,098,000	4,089,000
Net increase (decrease) in cash and cash equivalents	(6,287,858,000)	(12,591,988,000)
Cash and cash equivalents at beginning of period	24,790,838,000	28,047,848,000
Cash and cash equivalents at end of period	18,502,980,000	15,455,860,000

[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	22,952,191,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	6,330,268,000	0	0	0
Total comprehensive income	0	0	0	22,952,191,000	0	6,330,268,000	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	28,972,813,000	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	(1,053,000)	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	196,852,000	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	196,852,000	0	(6,021,675,000)	0	6,330,268,000	0	0	0
Equity at end of period	45,468,428,000	(2,597,594,000)	0	89,271,354,000	0	20,542,132,000	0	0	0

Ticker: WALMEX

Quarter: 3 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: 3 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	22,952,191,000	3,287,000	22,955,478,000
Other comprehensive income	0	0	0	6,330,268,000	6,330,268,000	0	6,330,268,000
Total comprehensive income	0	0	0	6,330,268,000	29,282,459,000	3,287,000	29,285,746,000
Issue of equity	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	28,972,813,000	0	28,972,813,000
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	(1,053,000)	(816,000)	(1,869,000)
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	196,852,000	0	196,852,000
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	6,330,268,000	505,445,000	2,471,000	507,916,000
Equity at end of period	0	0	0	20,158,063,000	152,300,251,000	28,315,000	152,328,566,000

Ticker: WALMEX

Quarter: 3 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	17,903,761,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	7,313,728,000	0	0	0
Total comprehensive income	0	0	0	17,903,761,000	0	7,313,728,000	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	31,728,629,000	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	(113,769,000)	0	0	(1,555,461,000)	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	(56,093,000)	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	(45,948,000)	(56,093,000)	0	(15,380,431,000)	0	7,313,728,000	0	0	0
Equity at end of period	45,477,775,000	(3,190,351,000)	0	86,970,697,000	0	13,167,055,000	0	0	0

Ticker: WALMEX

Quarter: 3 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: 3 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	17,903,761,000	2,166,000	17,905,927,000
Other comprehensive income	0	0	0	7,313,728,000	7,313,728,000	0	7,313,728,000
Total comprehensive income	0	0	0	7,313,728,000	25,217,489,000	2,166,000	25,219,655,000
Issue of equity	0	0	0	0	67,821,000	0	67,821,000
Dividends recognised as distributions to owners	0	0	0	0	31,728,629,000	0	31,728,629,000
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	(1,669,230,000)	0	(1,669,230,000)
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	(102,000)	(771,000)	(873,000)
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	(56,093,000)	0	(56,093,000)
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	7,313,728,000	(8,168,744,000)	1,395,000	(8,167,349,000)
Equity at end of period	0	0	0	12,795,710,000	142,053,831,000	24,640,000	142,078,471,000

[700000] Informative data about the Statement of financial position

Concept	Close Current Quarter 2016-09-30	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	638,736,000	730,709,000
Number of executives	234	229
Number of employees	238,330	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: 3 Year: 2016

[700002] Informative data about the Income statement

Concept	Accumulated Current Year 2016-01-01 - 2016- 09-30	Accumulated Previous Year 2015-01-01 - 2015- 09-30	Quarter Current Year 2016-07-01 - 2016- 09-30	Quarter Previous Year 2015-07-01 - 2015- 09-30
Informative data of the Income Statement [abstract]				
Operating depreciation and amortization	7,865,263,000	7,274,514,000	2,658,297,000	2,455,103,000

Ticker: WALMEX

Quarter: 3 Year: 2016

[700003] Informative data - Income statement for 12 months

Concept	Current Year 2015-10-01 - 2016-09-30	Previous Year 2014-10-01 - 2015-09-30
Informative data - Income Statement for 12 months [abstract]		
Revenue	515,731,317,000	472,893,153,000
Profit (loss) from operating activities	37,106,349,000	37,237,260,000
Profit (loss)	31,428,639,000	28,301,746,000
Profit (loss), attributable to owners of parent	31,424,209,000	28,291,327,000
Operating depreciation and amortization	10,354,644,000	9,807,771,000

[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	373,233,000	0	0	0	0	0	0	0	0	0	0
LIABILITIES WITH COST A2	SI				0	0	0	0	0	0	0	197,253,000	0	0	0	0
OTHER NON-CURRENT LIABILITIES WITH COST A1	NO				0	0	348,635,000	308,623,000	257,026,000	9,815,349,000	0	0	0	0	0	0
OTHER NON-CURRENT LIABILITIES WITH COST A2	SI				0	0	0	0	0	0	0	156,842,000	127,082,000	134,396,000	870,760,000	
TOTAL	NO				0	373,233,000	348,635,000	308,623,000	257,026,000	9,815,349,000	0	197,253,000	156,842,000	127,082,000	134,396,000	870,760,000
Total other current and non-current liabilities with cost																
TOTAL	NO				0	373,233,000	348,635,000	308,623,000	257,026,000	9,815,349,000	0	197,253,000	156,842,000	127,082,000	134,396,000	870,760,000
Suppliers [abstract]																
Suppliers																
SUPPLIERS SELF-SERVICES STORE B1	NO				40,762,708,000	0	0	0	0	0	0	0	0	0	0	0
SUPPLIERS SELF-SERVICES STORE B2	SI				0	0	0	0	0	0	11,991,411,000	0	0	0	0	0
TOTAL	NO				40,762,708,000	0	0	0	0	0	11,991,411,000	0	0	0	0	0
Total suppliers																
TOTAL	NO				40,762,708,000	0	0	0	0	0	11,991,411,000	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]
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				40,762,708,000	373,233,000	348,635,000	308,623,000	257,026,000	9,815,349,000	11,991,411,000	197,253,000	156,842,000	127,082,000	134,396,000	870,760,000

[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	411,776,000	8,038,390,000	289,243,000	5,646,402,000	13,684,792,000
Non-current monetary assets	0	0	0	0	0
Total monetary assets	411,776,000	8,038,390,000	289,243,000	5,646,402,000	13,684,792,000
Liabilities position [abstract]					
Current liabilities	426,722,000	8,330,138,000	389,110,000	7,595,928,000	15,926,066,000
Non-current liabilities	15,507,000	302,716,000	144,169,000	2,814,373,000	3,117,089,000
Total liabilities	442,229,000	8,632,854,000	533,279,000	10,410,301,000	19,043,155,000
Net monetary assets (liabilities)	(30,453,000)	(594,464,000)	(244,036,000)	(4,763,899,000)	(5,358,363,000)

[800005] Annex - Distribution of income by product

	Income type [axis]			
	National income [member]	Export income [member]	Income of subsidiaries abroad [member]	Total income [member]
VENTAS				
VENTAS	302,875,275,000	0	69,181,339,000	372,056,614,000
ARRENDAMIENTO				
ARRENDAMIENTO	774,505,000	0	190,296,000	964,801,000
OTROS INGRESOS				
OTROS INGRESOS	1,646,449,000	0	219,427,000	1,865,876,000
TOTAL	305,296,229,000	0	69,591,062,000	374,887,291,000

[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]

Wal-Mart de México, S.A.B. de C.V., ("**WALMEX**" or "the Company") disclosure 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 for resale. 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. **WALMEX**'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.

Quantitative information for disclosure [text block]

During the third quarter of 2016, we performed a total of 70 operations of IFDs exchange rate MXN/USD, for an amount of \$63.1 million of USD (MXN \$1,187.6 million). During the same

period 73 operations expired for an amount of 68.3 million of USD (MXN \$1,271.5 million) leaving 39 open IFDs as of September 30, 2016, in the amount of \$36.12 million of USD (MXN \$683.68 million). See table below. 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 September 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 September 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	19.3852 USDMXN	18.2804 USDMXN	\$ 683,677	\$ 767,542	\$ 18,651	\$ -10,407	\$ 683,677	\$ 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.

Foreign currency purchases via IFD "Forward" September 30, 2016		Scenarios of charges in currency exchange rate					
		Remote	Possible	Probable	Remote	Possible	Probable
(Amount in thousand pesos)		-50%	-25%	-5%	50%	25%	5%
Exchange rate	19.3852	9.6926	14.5389	18.4159	29.0778	24.2315	20.3546
		-350,070	-175,035	-35,007	350,070	175,035	35,007

Liquidity and credit risk

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

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

Ticker: WALMEX

Quarter: 3 Year: 2016

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

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Subclassifications of assets, liabilities and equities [abstract]		
Cash and cash equivalents [abstract]		
Cash [abstract]		
Cash on hand	285,770,000	238,001,000
Balances with banks	11,597,876,000	9,675,580,000
Total cash	11,883,646,000	9,913,581,000
Cash equivalents [abstract]		
Short-term deposits, classified as cash equivalents	0	0
Short-term investments, classified as cash equivalents	6,619,334,000	14,877,257,000
Other banking arrangements, classified as cash equivalents	0	0
Total cash equivalents	6,619,334,000	14,877,257,000
Other cash and cash equivalents	0	0
Total cash and cash equivalents	18,502,980,000	24,790,838,000
Trade and other current receivables [abstract]		
Current trade receivables	431,406,000	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	4,048,532,000	3,309,327,000
Current value added tax receivables	4,048,532,000	3,309,327,000
Current receivables from sale of properties	0	0
Current receivables from rental of properties	0	0
Other current receivables	1,122,955,000	975,323,000
Total trade and other current receivables	5,602,893,000	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	53,545,674,000	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	53,545,674,000	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	9,912,767,000	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	9,912,767,000	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

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Concept	Close Current Quarter 2016-09-30	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	31,834,070,000	31,409,287,000
Buildings	57,316,363,000	57,227,530,000
Total land and buildings	89,150,433,000	88,636,817,000
Machinery	0	0
Vehicles [abstract]		
Ships	0	0
Aircraft	0	0
Motor vehicles	457,035,000	487,695,000
Total vehicles	457,035,000	487,695,000
Fixtures and fittings	0	0
Office equipment	25,564,588,000	25,912,912,000
Tangible exploration and evaluation assets	0	0
Mining assets	0	0
Oil and gas assets	0	0
Construction in progress	5,072,127,000	3,230,045,000
Construction prepayments	0	0
Other property, plant and equipment	11,525,881,000	11,954,887,000
Total property, plant and equipment	131,770,064,000	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	859,711,000	777,723,000
Intangible exploration and evaluation assets	0	0
Mastheads and publishing titles	0	0
Computer software	510,085,000	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	80,147,000	87,856,000
Total intangible assets other than goodwill	1,449,943,000	1,398,891,000
Goodwill	37,123,315,000	33,057,328,000
Total intangible assets and goodwill	38,573,258,000	34,456,219,000
Trade and other current payables [abstract]		
Current trade payables	52,754,119,000	56,395,523,000

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Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Current payables to related parties	588,738,000	640,601,000
Accruals and deferred income classified as current [abstract]		
Deferred income classified as current	842,650,000	857,879,000
Rent deferred income classified as current	0	0
Accruals classified as current	7,554,921,000	6,579,120,000
Short-term employee benefits accruals	0	0
Total accruals and deferred income classified as current	8,397,571,000	7,436,999,000
Current payables on social security and taxes other than income tax	430,258,000	1,393,128,000
Current value added tax payables	430,258,000	1,393,128,000
Current retention payables	42,235,000	82,523,000
Other current payables	17,294,284,000	8,209,265,000
Total trade and other current payables	79,507,205,000	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	570,486,000	556,548,000
Other current liabilities no cost	0	0
Other current financial liabilities	48,014,000	36,906,000
Total Other current financial liabilities	618,500,000	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	12,018,713,000	12,393,510,000
Other non-current liabilities no cost	0	0
Other non-current financial liabilities	1,099,308,000	710,610,000
Total Other non-current financial liabilities	13,118,021,000	13,104,120,000
Other provisions [abstract]		
Other non-current provisions	0	0
Other current provisions	1,135,689,000	1,179,335,000
Total other provisions	1,135,689,000	1,179,335,000
Other reserves [abstract]		
Revaluation surplus	0	0
Reserve of exchange differences on translation	20,542,132,000	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: 3 Year: 2016

Concept	Close Current Quarter 2016-09-30	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	20,158,063,000	13,827,795,000
Net assets (liabilities) [abstract]		
Assets	264,622,880,000	253,650,119,000
Liabilities	112,294,314,000	101,829,469,000
Net assets (liabilities)	152,328,566,000	151,820,650,000
Net current assets (liabilities) [abstract]		
Current assets	89,324,125,000	84,848,685,000
Current liabilities	88,097,928,000	77,309,353,000
Net current assets (liabilities)	1,226,197,000	7,539,332,000

Ticker: WALMEX

Quarter: 3 Year: 2016

[800200] Notes - Analysis of income and expense

Concept	Accumulated Current Year 2016-01-01 - 2016- 09-30	Accumulated Previous Year 2015-01-01 - 2015- 09-30	Quarter Current Year 2016-07-01 - 2016- 09-30	Quarter Previous Year 2015-07-01 - 2015- 09-30
Analysis of income and expense [abstract]				
Revenue [abstract]				
Revenue from rendering of services	0	0	0	0
Revenue from sale of goods	372,056,614,000	332,534,229,000	125,874,933,000	113,651,017,000
Interest income	0	0	0	0
Royalty income	0	0	0	0
Dividend income	0	0	0	0
Rental income	964,801,000	840,556,000	330,905,000	298,587,000
Revenue from construction contracts	0	0	0	0
Other revenue	1,865,876,000	1,691,750,000	657,210,000	563,664,000
Total revenue	374,887,291,000	335,066,535,000	126,863,048,000	114,513,268,000
Finance income [abstract]				
Interest income	413,067,000	415,283,000	131,202,000	108,243,000
Net gain on foreign exchange	471,392,000	212,900,000	325,920,000	59,966,000
Gains on change in fair value of derivatives	106,170,000	0	28,611,000	0
Gain on change in fair value of financial instruments	0	0	0	0
Other finance income	41,959,000	414,211,000	0	150,373,000
Total finance income	1,032,588,000	1,042,394,000	485,733,000	318,582,000
Finance costs [abstract]				
Interest expense	0	0	0	0
Net loss on foreign exchange	94,754,000	80,648,000	1,348,000	0
Losses on change in fair value of derivatives	87,966,000	0	0	0
Loss on change in fair value of financial instruments	0	0	0	0
Other finance cost	915,774,000	848,955,000	314,707,000	283,398,000
Total finance costs	1,098,494,000	929,603,000	316,055,000	283,398,000
Tax income (expense)				
Current tax	8,802,710,000	7,603,733,000	3,182,096,000	3,075,843,000
Deferred tax	(1,165,914,000)	(765,823,000)	(573,538,000)	(695,609,000)
Total tax income (expense)	7,636,796,000	6,837,910,000	2,608,558,000	2,380,234,000

[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 1,738 Bodega Aurrerá discount stores, 256 Walmart hypermarkets, 160 Sam's Club membership self-service wholesale stores, 95 Superama supermarkets and 10 Medimart pharmacies.
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 488 discount stores (Despensa Familiar and Palí), 95 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 109 discount warehouse stores (Maxi Bodega and Maxi Palí) and 26 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

b) Relevant events**I. Sale of Suburbia stores**

On August 10, 2016, the Company reached a final agreement with El Puerto de Liverpool, S.A.B. de C.V. (Liverpool) for Liverpool to acquire the Suburbia apparel stores. This transaction is subject to approval by regulatory authorities and other customary closing conditions.

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 nine-months period ended September 30, 2016 and 2015 were approved for issue and public release by the Board of Directors on October 25, 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 that affect the reported amounts.

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 September 30, 2016, is as follows:

	September 30, 2016
Cash and cash in banks	Ps. 11,883,646
Highly marketable investments	6,619,334
	<u>Ps. 18,502,980</u>

Disclosure of cash flow statement [text block]

In the cash flow statement [520000] accumulated current year, cash flows related to the division of Suburbia stores are presented under the headings of "Other adjustments for non-cash items" and "Other adjustments to reconcile profit". The integration at September 30, 2016 is as follows:

	September 30, 2016
Other adjustments for non-cash items:	
Cash flows from operating activities	Ps. (2,152,584)
Cash flows from investing activities	(257,860)
Cash flows from financing activities	(108,056)
	<u>Ps. (2,518,500)</u>

Other adjustments to reconcile profit:

Cash flows from comprehensive income	<u>Ps. 1,398,868</u>
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Additionally, in the category of other inflows (outflows) of cash corresponding to in cash flows from (used in) investing activities is presented the activity in the employee stock option plan fund-net of Ps.(21,083).

Disclosure of changes in accounting policies [text block]

The significant accounting policies used to prepare the consolidated financial statements of **WALMEX** at September 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 September 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 for 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) Eolic sustainable energy supply for two hundred twenty seven million dollars with Generadora Eléctrica San Rafael, S. de R.L. de C.V.

Disclosure of commitments [text block]

At September 30, 2016, the Company has commitments totaling Ps. 21,683,652 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 Sam's Club, distribution centers and Agro-industrial Development (grains, edibles and meat) inventory, which is valued using the average-cost method. The inventory methods are applied consistent 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.

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 September 30, 2016, the Company has deferred income for layaway merchandise and unearned membership fees of Ps. 842,650.

Disclosure of deferred taxes [text block]

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

Amount

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Deferred tax assets

Inventories	Ps.	794,987
Advance collections		302,921
Labor obligations		496,667
Other long-term liabilities		500,319
Provisions		300,460
Reserve for bad debts		51,789
Tax losses carryforward from subsidiaries		51,172
Other items		1,224,156
	Ps.	3,722,471

Deferred tax liabilities

Property and equipment	Ps.	8,828,624
Prepaid expenses		155,826
Other items		5,003
	Ps.	8,989,453

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

	Tasa
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 nine-month period ended September 30, 2016 and 2015, was Ps. 7,671,340 and Ps. 7,152,067, respectively.

Licenses, software and other intangible asset amortization expense for the nine-month period ended September 30, 2016 and 2015, was Ps. 193,923 and Ps. 122,447, 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 related to 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 derivative 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 September 30, 2016, the Company has forward contracts with a two month life in the amount of US \$ 36.12 million. The notional amount and fair value were Ps. 683,677 and Ps. 18,651, 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 in the consolidated statement of comprehensive income includes the results of the Suburbia stores for the nine-month period ended September 30, 2016 and 2015, the amounts are as follows:

	September 30, 2016	September 30, 2015
Net revenues	Ps. 9,055,472	Ps. 8,386,776
Costs and expenses	(7,897,682)	(7,402,998)
Taxes on profits	2,692,769	(314,594)
Net income from discontinued operations	Ps. 3,850,559	Ps. 669,184

In connection with the final agreement to sell the Suburbia business and in accordance with IAS 12 *Income Taxes*, the Company recognized deferred tax assets and related tax benefits in discontinued operations of Ps. 2,992 million. The tax assets are now considered probable of being recognized in the foreseeable future.

Additionally, 2015 includes the results and effects of the sale of Banco Walmart as follows:

	September 30, 2015
Net revenues	Ps. 4,626,799
Costs expenses and Taxes	(3,194,331)
Net income from discontinued operations	Ps. 1,432,468

Legal, consulting, advisory and other expenses related with the disposals of the Suburbia and Walmart Bank, are recognized in the period they are incurred in the line of 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 an extraordinary cash dividend of Ps. 1.12 pesos per share is 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 nine-month period ended on September 30, 2016 and 2015, are shown below:

	2016	2015
Income from continuing operations attributable to owners of the parent (in pesos)	Ps. 19,101,632	Ps. 15,802,109
Average shares	17,461,403	17,492,659
Basic earnings per share from continuing operations attributable to owners of the parent (in pesos)	Ps. 1.094	Ps. 0.903
Basic earnings per share attributable to owners of the parent (in pesos)	Ps. 1.314	Ps. 1.024

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 operations in Central America.

At September 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 28.302418
Guatemala	Quetzal	Q 0.385205
Honduras	Lempira	L 1.179040
Nicaragua	Córdoba	C\$ 1.483682
El Salvador	US Dollar	US\$ 0.051226

As of September 30, 2016, USD exchange rate with respect to Mexican pesos is Ps. 19.5213 per dollar.

Considering the net monetary position in US dollars at September 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. 81,382.

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. The Company also recognizes a

liability for termination benefits for retirement. These obligations are determined using the projected unit credit method.

At September 30, 2016, the Company's assets and liabilities for seniority premiums and retirement benefits are as follows:

	Seniority Premiums	Retirement benefits
Defined benefit obligations	Ps. 934,049	Ps. 125,603
Plan assets	(638,736)	-
Net projected liability	Ps. 295,313	Ps. 125,603

Changes in the net present value of the defined benefit obligations (DBO) at September 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 actual services	105,168	6,066
-Interest cost on DBO	48,402	6,327
Benefits paid	(82,099)	-
Transfers	(72,580)	(10,186)
DBO at period end	Ps.934,049	Ps. 125,603

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

Seniority
premiums

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PA at beginning of year	Ps. (730,709)
Expected return on plan assets	(37,665)
Benefits paid	81,190
Transfer	48,448
PA at period end	<u>Ps. (638,736)</u>

Valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are 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 September 30, 2016, the plan assets have been invested by the trust in primarily money market instruments.

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

Central America:

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

	<u>2016</u>
DBO at beginning of year	Ps. 1,301,258
Net period cost charged to the results:	
-Labor costs from actual services	173,763
-Interest cost on DBO	86,913
Benefits paid	(161,866)
Translation effects	175,706
DBO at period end	<u>Ps. 1,575,774</u>

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

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

	Mexico	Central America
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 Mexico 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:

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- Mexico:

Operation of discount stores, hypermarkets, wholesale-price membership stores and supermarkets in the Mexican Republic.

- Central America:

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

Financial information by segment is as follows:

Segment	Nine-month period ended September 30, 2016			
	Total revenues	Operating income	Financial income (expenses) – net	Income before taxes on profits
Self-service:				
Mexico	Ps.305,296,229	Ps.22,829,810	Ps. (71,066)	Ps.22,758,744
Central America	69,591,062	3,977,811	5,160	3,982,971
Consolidated	<u>Ps.374,887,291</u>	<u>Ps.26,807,621</u>	<u>Ps. (65,906)</u>	<u>Ps.26,741,715</u>

Segment	Nine-month period ended September 30, 2015			
	Total revenues	Operating income	Financial income (expenses) – net	Income before taxes on profits
Self-service:				
Mexico	Ps.279,463,111	Ps.19,874,328	Ps. 36,766	Ps.19,911,094
Central America	55,603,424	2,655,066	76,025	2,731,091
Consolidated	<u>Ps.335,066,535</u>	<u>Ps.22,529,394</u>	<u>Ps. 112,791</u>	<u>Ps.22,642,185</u>

Disclosure of expenses [text block]

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

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 derivative 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 September 30, 2016, the Company has forward contracts with a two month life in the amount of US \$ 36.12 million. The notional amount and fair value were Ps. 683,677 and

Ps.18,651, 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]

Financial expenses for the nine-month period ended September 30, 2016 and 2015, is as follows:

	September 30, 2016	September 30, 2015
Interest on finance leases	Ps. 880,157	Ps. 843,561
Losses on change in fair value of derivatives	87,966	-
Loss on foreign exchange	94,754	80,648
Other finance cost	35,617	5,394
	<u>Ps. 1,098,494</u>	<u>Ps. 929,603</u>

Disclosure of finance income [text block]

Financial income for the nine-month period ended September 30, 2016 and 2015, is as follows:

	September 30, 2016	September 30, 2015
Financial income	Ps. 455,026	Ps. 829,494
Gains on change in fair value of derivatives	106,170	-
Gain on foreign exchange	471,392	212,900

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Ps. 1,032,588

Ps. 1,042,394

Financial income primarily consists of interest earned on investments. Additionally, in 2015 includes income earned on factoring transactions.

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 September 30, 2016, the exchange rate used to translate assets and liabilities denominated in US dollars was Ps. 19.5213 per dollar.

Considering the net monetary position in dollars at September 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 (expense) of the Company of Ps. 81,382.

Derivative financial instruments:

The Company has entered into Fx-forward contracts 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 September 30, 2016, the Company has forward contracts with a two month life in the amount of US \$36.12 million. The notional were and fair value amounted Ps. 683,677 and Ps.18,651, 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 that 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 2.7% and 4.3%. For the nine-month period ended at September 30, 2016, financial income from interest was Ps. 413,067.

Considering the highly liquid instruments at September 30, 2016, an increase or decrease in the interest rate of 0.50% would have a favorable or unfavorable effect on the financial income (expense) of the Company of Ps. 78,832.

Disclosure of general and administrative expense [text block]

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

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 September 30, 2016 the Company recognized an impairment of certain long-lived assets of Ps. 151,306.

Disclosure of income tax [text block]

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

Income tax charged to the income statement for the nine-month period ended September 30, 2016 and 2015, is as follows:

	2016	2015
Current year tax	Ps. 8,802,710	Ps. 7,603,733
Deferred tax	(1,165,914)	(765,823)
Total	<u>Ps. 7,636,796</u>	<u>Ps. 6 837 910</u>

As of September 30, 2016, the effective tax rate of the Company is 28.56%. The difference between statutory tax rates is primarily inflation and other permanent items.

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:

Year of expiration	Amount
2020	Ps. 45
2021	333

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2022	764
2023	330
2024	80,553
2025	<u>10,708</u>
	<u>Ps. 92,733</u>

Disclosure of information about employees [text block]

As of September 30, 2016, **WALMEX** has 238,564 associates, of which 234 are principal officers, and 8,704 associates correspond to Suburbia.

Disclosure of information about key management personnel [text block]

Remuneration of principal officers

The remuneration to the Company's principal officers for the nine-month period ended September 30, 2016 and 2015 is as follows:

	September 30, 2016	September 30, 2015
Short-term benefits	Ps. 923,450	Ps. 704,727
Termination benefits	124,147	109,119
Share-based payments	<u>73,297</u>	<u>62,118</u>
	<u>Ps. 1,120,894</u>	<u>Ps. 875,964</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]

Intangible assets at September 30, 2016, are as follows:

	Nine-month period ended September 30, 2016					September 30, 2016
	December 31, 2015	Additions	Disposals	Transfers	Translation effect	
Goodwill	\$ 33,057,328	\$ -	\$ -	\$ -	\$ 4,065,987	\$ 37,123,315
Trademarks	832,324	-	-	-	88,290	920,614
Licences and software	1,498,004	262,791	(10,966)	(131,866)	39,233	1,657,196
Trade receivables	214,916	-	-	-	20,485	235,401
Patents	38,320	3,118	-	(40,485)	(953)	-
Subtotal	35,640,892	265,909	(10,966)	(172,351)	4,213,042	39,936,526
Accumulated amortization	(1,184,673)	(193,923)	5,475	55,798	(45,945)	(1,363,268)
Total	\$ 34,456,219	\$ 71,986	\$ (5,491)	\$ (116,553)	\$ 4,167,097	\$ 38,573,258

At September 30, 2016 in the transfers column includes the intangible assets reclassified to assets held for sale of Ps. 6,582.

Disclosure of interest expense [text block]

For the nine months ended September 30, 2016 and 2015, interest expense related to finance leases is Ps. 880,157 and Ps. 843,561, respectively.

Disclosure of interest income [text block]

For the nine months ended September 30, 2016 and 2015, interest income is Ps. 413,067 and Ps. 415,283, respectively.

Disclosure of inventories [text block]

Inventories at September 30, 2016, are as follows:

	September 30, 2016
Merchandise for sale	Ps. 50,011,088
Agro-industrial development	760,779
	50,771,867
Merchandise in transit	2,773,807
	Ps. 53,545,674

Disclosure of issued capital [text block]

Valid	Number of shares	Capital Stock
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Coupon	Fixed Portion	Variable Portion	Free Subscription	Fixed	Variable	Total
70	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 thousands 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 representing 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 fixed minimum.

At September 30, 2016, the market price was Ps.42.58 Mexican pesos per share.

Disclosure of leases [text block]

At September 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 a supplier transfers the right to use an asset, **WALMEX** analyzes the services agreement that do not have the legal form of a lease but that involve the use of an asset. **WALMEX** does not have services agreements that are 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 which generally commence as of possession of the leased property and include 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 generally includes the lessee's rights to renewal.

The Company has entered into property lease agreements with third parties for compulsory terms ranging from 2 to 14 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 (non cancellable term)	Finance leases (minimum payments)	
		Present value	Future value
2017	Ps. 462,115	Ps. 570,486	Ps. 1,760,476
2018	Ps. 412,528	Ps. 505,477	Ps. 1,642,840
2019	Ps. 284,561	Ps. 435,705	Ps. 1,541,554
2020	Ps. 260,100	Ps. 391,422	Ps. 1,464,189
2021	Ps. 252,215	Ps. 400,080	Ps. 1,437,496
2022 and thereafter	Ps. 1,249,793	Ps. 10,286,029	Ps. 23,993,611

At September 30, 2016, the liability related straight-line rent for operating leases was Ps. 780,311, of which Ps. 36,460 is presented in the current liabilities line.

Total rent under operating leases charged to the income statement during the nine-month period ended September 30, 2016 and 2015 was Ps. 3,792,897 and Ps. 3,469,316, respectively.

Disclosure of liquidity risk [text block]

The Company does not have liquidity risk from its outstanding derivative financial instruments at September 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 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, could affect the Company's operating results, including an impact on sales, payroll 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 regardless of form and procedure violations.

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 September 30, 2016 represents 0.09%.

The non-controlling interest is presented within equity.

Disclosure of non-current assets or disposal groups classified as held for sale [text block]

As part of Company is strategy to focus efforts on its core retail business, **WALMEX** reached a definitive agreement with Liverpool to sell 100% of shares in business entities of Suburbia for an approximate amount of Ps. 15,700 million. Such amount includes Ps. 1,400 million of debt related to capital leases. An additional amount of Ps. 3,300 million in dividends declared and capital reduction will be paid to **WALMEX** immediately after the closing of the transaction. The sale price is subject to standard closing adjustments.

In addition, in the future, Liverpool will make lease payments to the Company for acquired Suburbia units that are located in properties where other units **WALMEX** coexist.

The transaction includes 100% of the shares of four legal entities; comprising store operations, merchandising, business planning, product design, marketing, and procurement; fixed assets and intellectual property rights of the Suburbia brand and its private brands and two distribution centers.

As of September 30, 2016, Suburbia has 120 stores in operation.

Assets and liabilities held for sale at September 30, 2016 in connection with the sale of Suburbia stores are below:

	September 30, 2016
Current assets	Ps. 4,320,146
Property and equipment – net	2,359,244
Deferred tax assets	3,204,159
Other non-current assets	29,218
Total assets	Ps. 9,912,767
Suppliers	Ps. 1,731,856
Other liabilities	523,292
Non-current liabilities	978,300
Total liabilities	Ps. 3,233,448

In connect with the pending sale of Suburbia and in accordance with IAS 12 *Income Taxes*, the Company recognized deferred tax assets in held for sale of Ps. 2,992 million.

The deferred tax assets are probable of being recognized In the foreseeable future and were generated by temporary differences related to investments in subsidiaries and previous tax losses.

Disclosure of other current assets [text block]

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

Disclosure of other current liabilities [text block]

As of September 30, 2016, other current liabilities include short-term finance leases and straight-line deferred rent related to operating leases of Ps. 606,946.

Disclosure of other non-current assets [text block]

As of September 30, 2016, other non-current assets include primarily deposits in guarantee and long term investments of Ps. 851,709.

Disclosure of other non-current liabilities [text block]

As of September 30, 2016, other non-current liabilities include long-term finance lease obligations and the straight-line deferred rent related to operating leases of Ps. 13,118,021.

Disclosure of prepayments and other assets [text block]

Prepaid expenses are recognized as current assets in the consolidated statements 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 September 30, 2016, is as follows:

Property and equipment owned by the Company

	December 31, 2015	Additions	Disposals	Transfers	Translation effect	September 30, 2016
Land	\$ 31,409,287	\$ 137,540	\$(100,902)	\$ (28,502)	\$ 416,647	\$ 31,834,070
Buildings	45,432,517	718,342	180,335	(118,369)	997,017	47,209,842
Facilities and leasehold improvements	51,381,858	996,341	(223,030)	(386,152)	512,197	52,281,214
Furniture and equipment	58,449,102	3,066,017	(1,232,137)	(940,658)	1,249,653	60,591,977
Subtotal	186,672,764	4,918,240	(1,375,734)	(1,473,681)	3,175,514	191,917,103
Accumulated depreciation	(71,635,340)	(7,267,293)	1,111,411	2,122,442	(1,076,267)	(76,745,047)
Work in process	3,230,045	4,289,297	(389,470)	(2,109,748)	52,003	5,072,127
Total	\$ 118,267,469	\$ 1,940,244	\$(653,793)	\$ (1,460,987)	\$ 2,151,250	\$ 120,244,183

Leased property and equipment

	December 31, 2015	Additions	Disposals	Transfers	Translation effect	September 30, 2016
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Buildings	\$ 13,676,118	\$ 463,516	\$ (140,299)	\$(793,070)	\$ 192,808	\$ 13,399,073
Furniture and equipment	<u>2,236,292</u>	<u>147,087</u>	<u>(9,815)</u>	<u>(14,331)</u>	<u>-</u>	<u>2,359,233</u>
Subtotal	15,912,410	610,603	(150,114)	(807,401)	192,808	15,758,306
Accumulated depreciation	<u>(3,957,523)</u>	<u>(471,073)</u>	<u>88,058</u>	<u>197,847</u>	<u>(89,734)</u>	<u>(4,232,425)</u>
Total	<u>\$ 11,954,887</u>	<u>\$ 139,530</u>	<u>\$ (62,056)</u>	<u>\$(609,554)</u>	<u>\$ 103,074</u>	<u>\$ 11,525,881</u>
Grand total	<u>\$ 130,222,356</u>	<u>\$ 2,079,774</u>	<u>\$ (715,849)</u>	<u>\$(2,070,541)</u>	<u>\$ 2,254,324</u>	<u>\$ 131,770,064</u>

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

At September 30, 2016, in the transfers column includes the property and equipment-net reclassified to assets held for sale of Ps. 2,165,374.

Disclosure of related party [text block]

a) Related party balances

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

	September 30, 2016
Accounts payable to suppliers:	
C.M.A. – U.S.A., L.L.C. (affiliate)	Ps. 677,863
Global George, LTD. (affiliate)	<u>83,724</u>
	<u>Ps. 761,587</u>
Other accounts payable:	
Wal-Mart Stores, Inc. (holding company)	<u>Ps. 588,738</u>

At September 30, 2016, balances receivable due from and payable to related parties consist of current accounts that bear no interest, are payable in cash and are not guaranteed.

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 nine-month period ended on September 30, 2016 and 2015:

	2016	2015
Import of merchandise for sale:		
C.M.A. – U.S.A., L.L.C. (affiliate)	Ps. 3,527,348	Ps. 3,260,786
Global George, LTD. (affiliate)	133,633	73,237
	<u>Ps. 3,660,981</u>	<u>Ps. 3,334,023</u>
Technical assistance, services and royalties:		
Wal-Mart Stores, Inc. (holding company)	<u>Ps. 2,155,998</u>	<u>Ps. 1,869,272</u>

Disclosure of reserves within equity [text block]

At September 30, 2016, the legal reserve of the Company was Ps. 9,104,745 and represents 20% of the equity, as required by the Mexican Corporations Act.

Disclosure of revenue [text block]

As of September 30 2016 and 2015, the revenue line item includes revenues from sales of goods of Ps. 372,056,614 and Ps. 332,534,229, respectively.

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

	September 30, 2016	September 30, 2015
Memberships	Ps. 965,733	Ps. 914,466
Rental	964,801	840,556
Sale of waste	326,498	301,277
Service commissions	220,994	198,539
Gasoline	175,108	174,320
Parking	65,880	41,406
Others	111,663	61,742
Total	<u>Ps. 2,830,677</u>	<u>Ps. 2,532,306</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 September 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>
Number of freely subscribed common shares:	<u><u>17,461,402,631</u></u>

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 September 30, 2016, the total balance of the tax accounts related to equity is Ps. 91,369,003, 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

September 30, 2016, the Company had a balance of CUFIN with the profits generated as of December 31, 2013 of Ps. 1,049,593.

- d. At September 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:

	Amount
Employee stock option plan fund	Ps. (5,672,201)
Premium on sale of shares	<u>3,074,607</u>
	<u>Ps. (2,597,594)</u>

Disclosure of share-based payment arrangements [text block]

The employee stock option plan fund consists of 207,906,753 **WALMEX** shares, which have been placed in a trust created for the plan.

The total compensation cost charged to operating results in the nine-month period ended on September 30, 2016 was Ps. 217,935 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	43,004,673	40.25
Exercised	(32,505,011)	28.02
Cancelled	<u>(12,348,480)</u>	37.03
Balance at September 30, 2016	<u>204,295,231</u>	33.83

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Shares available for option grant:

At September 30, 2016 3,611,522

At September 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	6,434,871	0.4	21.54	21.54	6,434,871	21.54
2008	9,652,087	1.4	19.35	19.35	9,652,087	19.35
2009	11,664,931	2.4	15.85	15.85-19.00	11,664,931	15.85
2010	12,597,064	3.4	29.70	29.69-31.05	12,597,064	29.70
2011	14,276,294	4.4	33.75	33.70-33.75	14,276,294	33.75
2012	21,510,903	5.4	39.71	34.74-40.05	16,557,552	39.70
2013	22,760,955	6.4	39.22	39.17-41.89	12,026,889	39.22
2014	32,357,460	7.4	30.84	30.84	9,289,049	30.84
2015	32,603,785	8.4	36.07	36.07	4,905,900	36.07
2016	40,436,881	9.4	40.18	40.14-42.63	-	-
Total	<u>204,295,231</u>	6.4	33.83		<u>97,404,637</u>	30.37

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 1,738 Bodega Aurrerá discount stores, 256 Walmart hypermarkets, 160 Sam's Club membership self-service wholesale stores, 95 Superama supermarkets and 10 Medimart pharmacies.
Importing	Importation goods for resale.

companies

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 488 discount stores (Despensa Familiar and Palí), 95 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 109 discount warehouse stores (Maxi Bodega and Maxi Palí) and 26 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** as of September 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 September 30, 2016, the current income tax receivable was Ps. 1,039,869 and the income tax payable was Ps. 3,603,086.

Disclosure of trade and other payables [text block]

As of September 30, 2016, accounts payable to suppliers amounted to Ps. 52,754,119.

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

	September 30, 2016
Dividends	Ps. 13,196,725
Accrued liabilities and others	10,623,920
Taxes and contributions	1,501,053
Deferred revenue	842,650
Related parties	588,738
	<u>Ps. 26,753,086</u>

Disclosure of trade and other receivables [text block]

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

	September 30, 2016
Trade receivables	Ps. 457,001
Allowance for doubtful accounts	(25,595)
	<u>Ps. 431,406</u>

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

	September 30, 2016
Other accounts receivable	Ps. 5,468,231
Allowance for doubtful accounts	(296,744)
	<u>5,171,487</u>
Total Trade and other accounts receivable	<u>Ps. 5,602,893</u>

Disclosure of treasury shares [text block]

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

<u>Capital stock</u>	<u>September 30, 2016</u>
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** as of September 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, because the Company's operation are 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 generally 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 basis over the lease term. The commencement date of lease is generally as of possession of the leased property and the lease term generally includes lessee's rights to renewal. Variable lease payments are often 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, distribution centers and Agro-industrial Development (grains, edibles and meat) 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.

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 transactions that qualify as held for sale 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]

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

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Dividends paid, ordinary shares

18,274,193

Dividends paid, other shares

0

Dividends paid, ordinary shares per share

1.06

Dividends paid, other shares per share

0

Ticker: WALMEX

Quarter: 3 Year: 2016