

Walmart de México y Centroamérica Reports Changes to the Board of Directors and Results for the Third Quarter 2017

FREE TRANSLATION, NOT TO THE LETTER

Mexico City, October 19th, 2017

Changes to the Board of Directors

Wal-Mart de México, S.A.B. de C.V. (BMV: WALMEX) announces to its shareholders as well as to the public in general that Scott Price was appointed as board member. The appointment of Scott Price was made by the Board itself upon the resignation of Anne Myong, which replaced, and has the status of provisional director, under the terms of the Securities Market Act.

Scott Price is Executive Vice President of Global Leverage for Walmart International, a fast-growing segment of Walmart's overall operations with more than 6,200 stores and more than 774,000 associates in 27 countries outside the United States. Based in Bentonville, Arkansas, Scott is leading Global Sourcing, International Technology, International Logistics, Fresh Manufacturing and key strategic leverage initiatives for the international segment.

In addition to the Chief Administrative Officer role, he served as president and Chief Executive Officer of Walmart Asia from 2014-16. Before joining Walmart, Scott served as CEO of DHL Express Europe. Previously, he was CEO of DHL Express Asia Pacific. He also was president of DHL Express Japan, DHL's largest market in the Asia-Pacific region.

Prior to joining DHL, Scott spent a decade with the Coca-Cola Co. During that period, he assumed various roles, including country leadership positions in Japan and as a director and region manager in China.

Scott serves as chairman of the National Center for Asia-Pacific Economic Cooperation, the only U.S. business association focused exclusively on facilitating American private sector input to the APEC process and APEC's 21 member countries. He also is a member of the U.S. India Business Council and serves on the board of trustees for the University Of Virginia Darden School Of Business.

A U.S. native, Scott earned a bachelor's degree in business administration from the University of North Carolina in Charlotte. He also holds a master of business administration degree and a master's in Asian studies from the University of Virginia.

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017



Financial Results

Today **Wal-Mart de México, S.A.B. de C.V. (BMV: WALMEX)** reported financial results for the third quarter of 2017. Total revenues increased **7.8%**. EBITDA for the year amounted to **\$13.4 billion pesos**, which represented **9.8%** of total revenues, a growth of **13.3%** over last year's levels.

Main figures are:

Results July – September	2017		2016		Growth
	Million \$	%	Million \$	%	%
Net Sales	135,749		125,875		7.8
Other Income	1,043		988		5.5
Total Revenues	136,792	100.0	126,863	100.0	7.8
Cost of Sales	(105,846)	77.4	(98,348)	77.5	7.6
Gross Profit	30,946	22.6	28,515	22.5	8.5
General Expenses	(20,292)	14.8	(19,248)	15.2	5.4
Income before Other Expenses - Net	10,654	7.8	9,267	7.3	15.0
Other Expenses - Net	(184)	(0.1)	(133)	(0.1)	38.1
Operating Income	10,470	7.7	9,134	7.2	14.6
Financial (Expenses) Income - Net	(102)	(0.1)	170	0.1	(160.4)
Taxes	(2,365)	1.7	(2,609)	2.1	(9.3)
Net income from Continuing Op.	8,003	5.9	6,695	5.3	19.5
Discontinued Operations	674	0.5	3,355	2.6	(79.9)
Net Income	8,677	6.3	10,050	7.9	(13.7)
EBITDA	13,356	9.8	11,792	9.3	13.3
EPS (pesos)	0.497		0.575		(13.7)

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017



Results January – September	2017		2016		Growth
	Million \$	%	Million \$	%	%
Net Sales	402,251		372,057		8.1
Other Income	2,829		2,830		(0.1)
Total Revenues	405,080	100.0	374,887	100.0	8.1
Cost of Sales	(314,359)	77.6	(292,009)	77.9	7.7
Gross Profit	90,721	22.4	82,878	22.1	9.5
General Expenses	(60,651)	15.0	(56,033)	14.9	8.2
Income before Other Expenses - Net	30,070	7.4	26,845	7.2	12.0
Other Expenses - Net	(47)	0.0	(37)	0.0	24.6
Operating Income	30,023	7.4	26,808	7.2	12.0
Financial Expenses - Net	(426)	(0.1)	(66)	(0.0)	5.4 T.
Taxes	(7,786)	1.9	(7,637)	2.0	2.0
Net income from Continuing Op.	21,811	5.4	19,105	5.1	14.2
Discontinued Operations	7,475	1.8	3,850	1.0	94.1
Net Income	29,286	7.2	22,955	6.1	27.6
EBITDA	38,599	9.5	34,673	9.2	11.3
EPS Twelve months basis (pesos)	2.273		1.800		26.3

T = Times

Openings 2017

México: 16 units

- 15 Bodegas Aurrerá
 - 4 Bodegas Aurrerá
 - 8 Bodegas Aurrerá Express
 - 3 Mi Bodegas
- 1 Walmart

Centroamérica: 17 units

- 13 Discount Stores
- 2 Bodegas
- 1 Walmart
- 1 Supermarket

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017



Installed Capacity

Sales Area (September 30 th , 2017)				
Format	Mexico		Central America	
	Sq.mt.	Sq.ft.	Sq.mt.	Sq.ft.
Bodegas and Discount Stores	2,696,784	29,028,178	423,614	4,559,776
Walmarts	2,049,363	22,059,344	150,258	1,617,377
Sam's Clubs	1,146,376	12,339,589		
Supermarkets	152,514	1,641,661	128,613	1,384,393
Pharmacies	2,665	28,686		
Total	6,047,702	65,097,458	702,485	7,561,546

Other Events

In October, **Walmart de México y Centroamérica** was recognized with the Logistics National Award “*Galardón Tameme*” in the small enterprise category, due to its collaborative work with Grupo Apícola Texán de Palomeque in the state of Yucatán. Such collaboration entails training to small producers by the company's Logistics area regarding logistics processes such as the correct handling of merchandise, transportation processes, preferential costs in the use of RPCs (containers for produce) and Backhaul services. With this, Grupo Apícola Texán de Palomeque has increased its coverage from 5 to 176 stores at a national level and 450% growth in sales.

In September, Fortune magazine in US published the ranking of “The 50 most powerful female CFOs in international businesses”, where Olga González, CFO for **Walmart de México y Centroamérica**, was included, highlighting her leadership and management of \$29.6 billion dollars in profits from Mexican and Central American Markets.

Conference Call

Walmart de México y Centroamérica will hold a webcast today at 3:30 PM (CT), regarding third quarter 2017 results. Access to the webcast is through the investor relations website www.walmex.mx

You can join the audio only by dialing +1 (847) 585-4405 15 minutes before the conference begins:

- For English: Access code 4577 4535
- For Spanish: Access code 4577 4518

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

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017



Company Description

WALMEX is a Retail Sector company whose shares are traded in the Mexican Stock Exchange since 1977. As of **September 30, 2017**, it operated **3,076** units, broken down as follows:

2,313 Mexico	763 Central America
1,782 Bodegas Aurrerá:	514 Discount Stores
496 Bodegas	94 Supermarkets
335 Mi Bodegas	28 Walmarts
951 Bodegas Express	127 Bodegas
266 Walmarts	
161 Sam's Clubs	
94 Superamas	
10 Medimart Pharmacies	

Ticker Symbols

Mexican Stock Exchange:	Bloomberg:	Reuters:	ADR's sponsored program:
Walmex	WalmexV MM WMMVY US	WalmexV.Mx WMMVY.Pk	WMMVY

Websites

Investor Relations: www.walmex.mx

Corporate: www.walmartmexicoycam.com.mx

From the different formats:

www.walmart.com.mx

www.sams.com.mx

www.superama.com.mx

Contact us

Investor Relations	Corporate Communication
Pilar de la Garza Fernández de Valle (52-55) 5283-0289 Pilar.De@walmart.com	Gabriela Buenrostro Ortega (52-55) 5283-0237 Gabriela.Buenrostro@walmart.com

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017



Appendix 1: Quarterly Income Statements (millions of pesos) (Unaudited)

	I Quarter					II Quarter					III Quarter					IV Quarter					Year to Date				
	2017		2016		% of Growth	2017		2016		% de Crec.	2017		2016		% de Crec.	2017		2016			2017		2016		
	\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%	
Net Sales	131,710		122,754		7.3	134,792		123,428		9.2	135,749		125,875		7.8			156,515					528,571		
Other Revenues	854		918		(6.9)	932		924		0.8	1,043		988		5.5			982					3,813		
Total Revenues	132,564	100.0	123,672	100.0	7.2	135,724	100.0	124,352	100.0	9.1	136,792	100.0	126,863	100.0	7.8			157,497	100.0				532,384	100.0	
Cost of Sales	102,824	77.6	96,495	78.0	6.6	105,688	77.9	97,166	78.1	8.8	105,846	77.4	98,348	77.5	7.6			122,891	78.0				414,900	77.9	
Gross Profit	29,740	22.4	27,177	22.0	9.4	30,036	22.1	27,186	21.9	10.5	30,946	22.6	28,515	22.5	8.5			34,606	22.0				117,484	22.1	
General Expenses	20,008	15.1	17,973	14.5	11.3	20,351	15.0	18,812	15.1	8.2	20,292	14.8	19,248	15.2	5.4			21,801	13.8				77,834	14.6	
Income before other income (expenses) - Net	9,732	7.3	9,204	7.4	5.7	9,685	7.1	8,374	6.7	15.7	10,654	7.8	9,267	7.3	15.0			12,805	8.1				39,650	7.4	
Other income (expenses) - Net	165	0.1	70	0.1	135.4	(28)	(0.0)	25	0.0	(210.4)	(184)	(0.1)	(133)	(0.1)	38.1			(157)	(0.1)				(195)	(0.0)	
Operating Income	9,897	7.5	9,274	7.5	6.7	9,657	7.1	8,399	6.8	15.0	10,470	7.7	9,134	7.2	14.6			12,648	8.0				39,455	7.4	
Financial (Expenses) Income - Net	(189)	(0.1)	4	0.0	(49.3) T	(135)	(0.1)	(239)	(0.2)	(43.4)	(102)	(0.1)	170	0.1	(160.4)			(257)	(0.2)				(323)	(0.1)	
Income before taxes on profits	9,708	7.3	9,278	7.5	4.6	9,522	7.0	8,160	6.6	16.7	10,368	7.6	9,304	7.3	11.4			12,391	7.9				39,132	7.4	
Taxes on profits	2,647	2.0	2,739	2.2	(3.4)	2,775	2.0	2,289	1.8	21.2	2,365	1.7	2,609	2.1	(9.3)			2,987	1.9				10,623	2.0	
Net income from continuing operations	7,061	5.3	6,539	5.3	8.0	6,747	5.0	5,871	4.7	14.9	8,003	5.9	6,695	5.3	19.5			9,404	6.0				28,509	5.4	
Discontinued Operations	69	0.1	180	0.1	(62.0)	6,732	5.0	315	0.3	20.4T	674	0.5	3,355	2.6	(79.9)			992	0.6				4,842	0.9	
Consolidated Net Income	7,130	5.4	6,719	5.4	6.1	13,479	9.9	6,186	5.0	117.9	8,677	6.3	10,050	7.9	(13.7)			10,396	6.6				33,351	6.3	
Noncontrolling interest	-		1	0.0	(100.0)	-		1	0.0	(100.0)	-		1	0.0	(100.0)			(4)	0.0				(1)	0.0	
Net income attributable to Owners of the Parent	7,130	5.4	6,718	5.4	6.1	13,479	9.9	6,185	5.0	117.9	8,677	6.3	10,049	7.9	(13.7)			10,400	6.6				33,352	6.3	
EBITDA	12,778	9.6	11,872	9.6	7.6	12,466	9.2	11,008	8.9	13.2	13,356	9.8	11,792	9.3	13.3			15,476	9.8				50,149	9.4	
Earnings per share (in pesos)	0.408		0.385		6.0	0.772		0.354		118.1	0.497		0.575		(13.7)			0.596					1.910		

T=Times

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

Amounts in thousands of Mexican pesos

	September 30, 2017*	December 31, 2016
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	Ps. 26,444,117	Ps. 27,975,536
Accounts receivable, net	7,611,874	9,817,878
Inventories	57,547,667	53,665,239
Prepaid expenses and other assets	766,591	935,125
Assets held for sale	-	11,628,894
Total current assets	92,370,249	104,022,672
Non-current assets:		
Property and equipment, net	129,371,164	134,034,410
Investment properties	5,180,826	2,315,193
Intangible assets	36,478,665	41,339,532
Deferred tax assets	5,637,978	4,699,729
Other non-current assets	1,530,812	1,518,766
Total assets	<u>Ps. 270,569,694</u>	<u>Ps. 287,930,302</u>
<u>Liabilities and equity</u>		
Current liabilities:		
Accounts payable to suppliers	Ps. 64,006,215	Ps. 65,557,689
Other accounts payable	27,525,473	17,455,165
Taxes payable	5,139,250	6,992,426
Liabilities relating to assets held for sale	-	3,951,542
Total current liabilities	96,670,938	93,956,822
Long-term liabilities:		
Other long-term liabilities	19,663,885	14,778,703
Deferred tax liabilities	8,564,380	10,483,437
Employee benefits	1,708,151	1,685,324
Total liabilities	126,607,354	120,904,286
Equity:		
Capital stock	45,468,428	45,468,428
Legal reserve	9,104,745	9,104,745
Retained earnings	76,734,658	90,545,819
Other comprehensive income items	15,334,558	24,374,531
Premium on sale of shares	3,467,490	3,108,097
Employee stock option plan fund	(6,147,539)	(5,575,604)
Total equity	143,962,340	167,026,016
Total liabilities and equity	<u>Ps. 270,569,694</u>	<u>Ps. 287,930,302</u>

*Unaudited

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in thousands of Mexican pesos

(Unaudited)

	Nine month period ended September 30	
	2017	2016
Net sales	Ps. 402,250,863	Ps. 372,056,614
Other revenues	2,829,015	2,830,677
Total revenues	405,079,878	374,887,291
Cost of sales	(314,358,781)	(292,009,314)
Gross profit	90,721,097	82,877,977
General expenses	(60,651,135)	(56,032,968)
Income before other income and expenses	30,069,962	26,845,009
Other income	726,898	472,272
Other expenses	(773,472)	(509,660)
Operating income	30,023,388	26,807,621
Financial income	963,188	1,032,588
Financial expenses	(1,389,476)	(1,098,494)
Income before taxes on profits	29,597,100	26,741,715
Taxes on profits	(7,786,222)	(7,636,796)
Net Income from continuing operations	21,810,878	19,104,919
Net income from discontinued operations	7,474,618	3,850,559
Consolidated net income	Ps. 29,285,496	Ps. 22,955,478
Other comprehensive income items: <u>Items that do not reclassify to profit and loss of the year:</u>		
Cumulative translation adjustment	Ps. (9,039,973)	Ps. 6,330,268
Comprehensive income	Ps. 20,245,523	Ps. 29,285,746
<u>Net income attributable to:</u>		
Owners of the parent	Ps. 29,285,496	Ps. 22,952,191
Non-controlling interests	-	3,287
	Ps. 29,285,496	Ps. 22,955,478
<u>Comprehensive income attributable to:</u>		
Owners of the parent	Ps. 20,245,523	Ps. 29,282,459
Non-controlling interests	-	3,287
	Ps. 20,245,523	Ps. 29,285,746
Basic earnings per share from continuing operations attributable to owners of the parent (in pesos)	Ps. 1.249	Ps. 1.094
Basic earnings per share attributable to owners of the parent (in pesos)	Ps. 1.677	Ps. 1.314

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Amounts in thousands of Mexican pesos

(Unaudited)

	Nine month period ended September 30	
	2017	2016
<u>Operating activities</u>		
Income before taxes on profits	Ps. 29,597,100	Ps. 26,741,715
<u>Items related to investing activities:</u>		
Depreciation and amortization	8,575,984	7,865,263
Loss from disposal of property, equipment and impairment	152,592	330,134
Stock option compensation expense	203,637	217,935
Interest earned	(734,907)	(413,067)
<u>Items related to financing activities:</u>		
Interest payable under finance leases	1,078,267	880,157
Discontinued operations	-	1,398,868
Cash flow from results of operations	38,872,673	37,021,005
<u>Variances in:</u>		
Accounts receivable	773,533	485,451
Inventories	(5,343,518)	(4,990,206)
Prepaid expenses and other assets	60,997	(627,268)
Accounts payable to suppliers	24,771	(2,670,652)
Other accounts payable	147,060	(661,469)
Taxes on profits paid	(9,181,572)	(4,459,203)
Employee benefits	178,637	211,700
Discontinued operations	-	(2,152,584)
Net cash flow from operating activities	25,532,581	22,156,774
<u>Investing activities</u>		
Purchase of property, equipment and software	(10,687,881)	(9,473,446)
Employee stock option plan fund	(416,179)	(21,083)
Interest collected	734,907	413,067
Purchase of shares of non-controlling interests	-	(1,586)
Proceeds from sale of property and equipment	140,428	255,032
Discontinued operations	-	(257,860)
Cash flow from losing control of subsidiaries	19,562,301	-
Net cash flow used in investing activities	9,333,576	(9,085,876)
<u>Financing activities</u>		
Dividends paid	(33,607,071)	(18,274,193)
Payment of finances leases	(1,197,144)	(1,112,605)
Discontinued operations	-	(108,056)
Net cash flow used in financing activities	(34,804,215)	(19,494,854)
Effect of changes in the value of cash	(1,593,361)	136,098
Net decrease in cash and cash equivalents	(1,531,419)	(6,287,858)
Cash and cash equivalents at beginning of period	27,975,536	24,790,838
Cash and cash equivalents at end of period	Ps. 26,444,117	Ps. 18,502,980

This document may contain certain references concerning Wal-Mart de México S.A.B. de C.V.'s future performance that should be considered as good faith estimates made by the Company. These references are a reflection of Managements' expectations about the Company and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

October 19, 2017

