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Future growth



Being a company with a broad investment horizon motivates us to continuously make our best effort and provide long-term solutions for our customers. The successful multi-format strategy that serves as the basis for our operation pushes us to continue growing our presence in the region, both in large and small formats. In fact, we are further developing our capacities in the ever expanding business of eCommerce, which will become a crucial element for the growth of our Company and, more importantly, an alternative for our customers when shopping.

Large formats have been the means to take our value proposition

Large formats

México and Central America have different demographics, preferences, and income levels. That is why our multi-format platform provides the necessary flexibility to meet the needs of different population sectors. Our large business formats, consisting of self-service stores and membership warehouse clubs, for many years have been the means to take our value proposition to all our customers throughout the region.

One business format that has been around the longest is Bodega Aurrerá, which provides basic, staple goods and household items through a price-based approach. Since 2004 we have been able to take this value proposition to the smaller communities in Mexico under the banner of Mi Bodega. In Central America, *bodegas* are the newest and fastest growing format. During the last year, 19 new units have been opened throughout the 5 countries, thus operating a total of 94 stores. At the close of the year, a total of 863 *bodegas* are in operation throughout the region.

Our Walmart Supercenter hypermarkets support those customers that look for assortment and low prices, finding a wide variety in Groceries, Perishables, Apparel, and General Merchandise. As of

2013, the value proposition for this format is supplemented through its eCommerce platform walmart.com.mx. We currently have a total of 273 of these units operating in Mexico and Central America.

The supermarket format presents a value proposition based on quality, convenience and service, offering a broad range of basic and differentiated products. Under the banner of Superama in Mexico, Más x Menos in Costa Rica, La Unión in Nicaragua, La Despensa de Don Juan in El Salvador, and Paiz in Guatemala and Honduras, we are always finding new ways to serve our customers. In Mexico we initiated the home delivery of Groceries, through orders made over the phone, with our website superama.com.mx, or via mobile device applications. By the end of 2014 there were a total of 189 supermarkets operating throughout the 6 countries of the region.

Our warehouse membership clubs focus on being leaders in price, volume, and new and differentiated merchandise for businesses and homes. Once again, the eCommerce channel of sams.com.mx serves as an alternative way to shop for our advantage and business members. We closed the year with 160 clubs in operation in the 6 countries of the region.



Bodegas are the fastest growing format in Central America





Small formats

Our small formats respond to our evolving customers and their changing needs. Bodega Aurrerá Express –formally beginning its operations in 2008- is a chain of discount stores aligned with Bodega Aurrerá prices and whose specialized product catalog focuses on providing solutions to our customers regarding their daily pantry replenishment needs.

Discount stores:

45 openings
1,368 total

This format has helped us gain market share from the informal sector in the country –representing 52% of the retail channel– thanks to the value proposition based on low prices and convenience, features which have clearly driven sales growth above the overall industry. In 2014 alone, we added 45 stores in the regions, making it a total of 1,368 units in full operation.

eCommerce

In Mexico, eCommerce is still small when compared to other markets, however, with ever growing numbers of users online and with mobile platforms. At Walmart de México y Centroamérica we have set the goal of becoming a market leader in this business, leveraging our sound competitive advantages.

During 2014 our customers continued honoring us with their preference via 3 distinct portals: walmart.com.mx, superama.com.mx and sams.com.mx. According to Comscore data, Walmart de México y Centroamérica is the retailer with the largest number of unique visitors in the sector, thus proving the leading position we are building in a strategic market for future growth.

We reinforced the supply chain used for our eCommerce business, broadening the distribution center currently operated by adding greater storage capacity and infrastructure to support the growth in sales we are experiencing.

In response to the evolution in eCommerce that our country is undergoing, in 2014 we designed metrics capabilities for the digital market and we have progressed in the understanding of purchasing cycles regarding brick-and-mortar and digital stores. This will be key knowledge for the development of insight in the future.

The large physical presence of our stores throughout Mexico is a competitive edge that helps in promoting our business online through more than 150 kiosks set up in our Walmart Supercenters. With these, our customers have the option of selecting the merchandise they want, paying, and then picking up their merchandise at the store, thus constituting yet another way for customers to shop.



We broadened our distribution center dedicated to eCommerce

