



## message from the Chairman of the Board of Directors

We continue reinforcing the commitment we have at Walmart de México y Centroamérica of improving the quality of life for the families in the region. In 2015 we made considerable progress in all our countries and formats, proving that we are on the right path towards achieving our objective of profitably doubling the size of our Company within 10 years. We have concentrated our efforts in improving our business, finding more efficient ways of operating it, and changing our way of working in favor of our customers.



our share  
achieved  
record  
highs

The considerable progress achieved is reflected by the growth in sales accomplished throughout the year, driven by external and internal factors. The external factors include economic growth, improvement in remittances, and consumer credit; and the internal ones are the strengthening of our self-service units in Mexico and in Central America, and the ongoing recovery of our Sam's Club business. Our value proposition continues growing stronger through different initiatives focused on price, shopping experience, quality, freshness and service. The ultimate goal is to reiterate the commitment to our customers.

All our energy is placed in growing sales across three primary channels, such as stores that have been in operation for over a year, our new units, and eCommerce. The results achieved this year are a reflection of our strategy, reaching 489.4 billion pesos in total income, which is 11% higher than the amount posted for the previous year. Our EBITDA totaled 45.0 billion pesos, 5% higher than figures for 2014, and 9.2% of total income.

Our price per share has achieved record highs thanks to our results and the confidence that our shareholders and the investor public have in our vision and operation. In addition to all this, during the year we completed the sale of Banco Walmart, thereby allowing us to focus all our efforts on the retail business. The fact that we are constantly generating cash and that we have a sound balance sheet allows us to invest in growing our installed

capacity, maintaining our existing units and improving our distribution and technological capabilities, which will better position us for future growth. As we invest resources in productive assets, we also respond to the trust of our shareholders through dividend payments and the repurchase of Company shares. This year we compensated our shareholders with 31.6 billion pesos in dividends, at 1.83 pesos per share, including 0.13 pesos per share from a dividend announced in 2014 and paid in February 2015, and an extraordinary payment of 0.19 pesos per share, as a result of the sale of the bank. Last but not least, we invested 1.8 billion pesos in the repurchase of over 47 million Company shares.

Our operation in Mexico amounted to 410.2 billion pesos in total income, representing 84% of total Company income, 8.3% higher than revenues posted for 2014; and our 39.3 billion pesos in EBITDA represent 9.6% of total revenue. Our Self-service and Sam's Club divisions surpassed the growth of our ANTAD competitors in Self-service and Clubs, growing in all our divisions: Food, Consumables, General Merchandise, and Apparel. Sam's Club is undergoing a progressive turnaround; we accelerated initiatives that proved successful the previous year, such as the Centers of Excellence program, through which we renovated and relaunched our clubs with better prices, merchandise, and operating standards, thus driving growth for new memberships and renewals.

Sam's Club  
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Central America continues posting sound growth in all countries and formats, including greater price gaps and better assortments compared to the rest of the industry. Moreover, total income came to 79.1 billion pesos, a growth of 27.2%, and 7.2% on a constant currency basis. Expenses as a percentage of total income stayed at the same level as 2014; and EBITDA amounted to 5.7 billion pesos, 30.6% higher than the previous year. In addition, we opened our first Supercenter unit in Nicaragua and therefore our value proposition is now available in all formats throughout the entire region.

We worked on a more robust store-opening program, thus enabling us to resume profitable and sustainable growth, achieving relevant improvements in the performance of our recent openings. Throughout the year we invested 12.5 billion pesos in the expansion and modernization of our units, with the opening of 97 new units, and 1.4 million square feet in new sales floor space, thereby increasing our installed capacity by 1.8% and achieving presence in 18 more cities.

Our eCommerce business, albeit still small in proportion, is continuously growing in Mexico. Its strategy focuses on leveraging our capacities and strengths, such that we become leaders in home delivery for Groceries and a major competitor regarding General Merchandise. Our buying platform incorporates our value proposition in brick-and-mortar and in virtual stores, enabling us to serve our customers anytime, anywhere.

**Central America  
continues posting  
sound growth in  
all countries**

After finalizing the sale of Banco Walmart, our commercial alliances with banks have been strengthened to drive a sound credit offering in benefit of our customers, who can now access a renewed selection of credit products, thus representing an additional driving force for our sales.

In moving towards our goal of doubling the size of our Company, the goal is to be careful and create a positive long-term impact for the environment and for society. This will be made possible by incorporating Corporate Responsibility in each and every one of our financial, social and environmental decisions, and by including financial, social, and environmental activities, thus creating a favorable, sustainable impact for the benefit of all our stakeholders.

As a reflection of the work we do in economic, environmental, and social fields, for the fourth consecutive year we are part of the Dow Jones Sustainability Emerging Markets Index, as well as the Sustainable CPI of the Mexican Stock Exchange, since its creation in 2011. We were additionally distinguished as a Socially Responsible Company for the 15th consecutive year, by the Mexican Center for Philanthropy (Cemefi, per its acronym in Spanish).

**we incorporate  
Corporate  
Responsibility  
in every one  
of our decisions**



**our Small Suppliers  
Program fostered  
almost 20,000  
suppliers  
in Mexico**

Our initiatives regarding the supply of renewable energy, waste management, and carbon emission reductions are aimed at contributing to the sustainability of our communities. Our Small Suppliers Program, fostered approximately 20,000 suppliers in Mexico, with the purpose of incorporating them to the production chains by marketing their products, thereby increasing their revenue by 45%. Over 151,000 associates participated in volunteer activities such as the maintenance and cleanup of schools, parks, and forests; and in assisting during natural disasters such as hurricane Patricia.

Ever aware of the invaluable contribution of almost 232,000 associates, we continuously invest in their professional development. We offered over three million man-hours in training and more than 24,000 were promoted, thus providing opportunities for growth, development, and new responsibilities within the Company.

Our achievements throughout the year are conducted together with the more than 28,000 suppliers who support us each day by working together on improvements in the sustainable value chain, which in turn help our customers save money each time they shop in our stores.

The enforcement of the highest ethical and legal standards continues to be one of our priorities, thus creating value and certainty for our different stakeholders.

Once again, I wish to express my deepest appreciation to our shareholders for the trust they have placed in the Board of Directors. The results we have all achieved this year are the fruit of devotion, dedication, and hard work by our executive team and that of all our associates and suppliers. It is thanks to their ongoing energy and focus that we shall continue strengthening this Company and improving the quality of life for families in Mexico and Central America.

**Enrique Ostalé**  
Chairman of the Board of Directors  
Walmart de México y Centroamérica

**we worked with  
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