

Message from the

CHAIRMAN OF THE BOARD



AT WALMART DE MÉXICO Y CENTROAMÉRICA WE CONTINUE CONTRIBUTING TOWARDS IMPROVING THE QUALITY OF LIFE FOR THE FAMILIES IN THE SIX COUNTRIES WHERE WE OPERATE.

This last year was one of positive results, which were possible thanks to the consistent growth in sales and in profits in all our countries, formats and divisions. We focused our resources on providing better shopping solutions for our customers while making progress towards our goal of doubling the size of the company in 10 years. We work on being more efficient in our operation, we invest in reinforcing our current business, and we establish the foundations for the future, all with the purpose of offering Every Day Low Prices.

Mexico posted sound sales performance in all the different formats, each one achieving comp growth above ANTAD Self-service and Clubs, and Total ANTAD. Whereas in Central America we continue operating with increasing profitability, growing our sales in all countries of the region, achieving improved management of our margin levels, and exercising disciplined control over expenses.

WE FOCUS ON offering better shopping options for **OUR CUSTOMERS**



Our consolidated revenues reached 532.4 billion pesos, which represents 11.9% growth over the previous year. Net income for our Company amounted to 33.4 billion pesos, some 26.4% more than 2015; we also achieved record cash generation, which came to 51.3 billion pesos. Results such as these, together with our constant financial discipline, are what allow us to consistently earn the confidence of our shareholders and pay that confidence back through dividends, which for 2016 totaled 29.0 billion pesos.

Due to the rate at which our customers evolve, this year we invested 14.3 billion pesos in the expansion of our existing formats and in the development of new platforms that allow us to meet their shopping needs in the medium and long terms, thus positioning ourselves for the future. This year we opened 92 new units, increasing our installed capacity by 1.9%, and we also took our value proposition to 19 new cities. What is more, mid-year we announced the sale of Suburbia, our apparel stores. This transaction is subject to approval by the corresponding authorities and, once concluded, will allow us to pay total attention to our core business and meet the objectives set for 2024.

we have been

INCLUDED IN THE FTSE4GoodEmerging Index



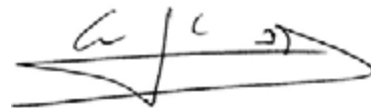
An essential component of our operation are our almost 229,000 associates and therefore we consistently push to provide them with a work atmosphere of inclusion and challenges, where they can find professional development opportunities that allow them to be part of the growth of the Company with ever greater responsibilities.

We have a positive and sustainable impact on the region where we operate, benefiting our stakeholders and always generating value for our customers and communities by caring for the environment.

We are the leading retail company in the use of renewable energy and in labor equality in Mexico. We invest in the local economy and support small producers. As a form of recognition for our performance as a responsible corporate citizen, we were included in the recently launched FTSE4GoodEmerging Index. For the fifth consecutive year we are members of the Dow Jones Sustainability Index for Emerging Markets and the Mexican Stock Exchange Sustainable Index. By the same token, the Mexican Center for Philanthropy (Cemefi, per its acronym in Spanish) has granted us the seal of Socially Responsible Enterprise for the 16th year in a row.

We remain committed to full compliance with the highest ethical and legal standards, every day, so we can continue generating value and certainty to all our stakeholders.

The results obtained this year are a reflection of the efforts of our associates, the collaboration of our suppliers, and the confidence of our shareholders. Thanks to them we are able to operate with ever increasing efficiency so that Mexican and Central American families may save money and live better.



ENRIQUE OSTALÉ

CHAIRMAN OF THE BOARD OF DIRECTORS
WALMART DE MÉXICO Y CENTROAMÉRICA