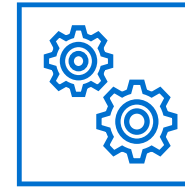


our

OPERATION



MULTICHANNEL PLATFORM

LOGISTICS

TECHNOLOGICAL INFRASTRUCTURE

THE FAVORABLE RESULTS ACHIEVED THIS YEAR ARE THE PRODUCT OF OPERATIONAL IMPROVEMENTS THROUGHOUT OUR ENTIRE VALUE CHAIN, SUPPORTED BY A TECHNOLOGICAL INFRASTRUCTURE THAT IS INCREASINGLY SOUNDER AND WHICH HELPS US TO GENERATE SAVINGS AND ESTABLISH CLOSER TIES WITH OUR CUSTOMERS AND THEIR SHOPPING NEEDS.

ON-SHELF

AVAILABILITY OF OUR PRODUCTS
HAS INCREASED

WE RECEIVED

THE NATIONAL LOGISTICS AWARD

WE WIDENED

OUR INTERNAL COMMUNICATIONS NETWORK



multichannel **PLATFORM**

WE HAVE

IMPROVED INVENTORY LEVELS
AND ACCOUNTS PAYABLE

WE CONTINUOUSLY

WORK ON HAVING A MORE ROBUST
GROWTH EXPANSION PLAN

+4.7%

UNITS SOLD PER LABOR HOUR
IN SELF-SERVICE IN MEXICO

To maintain a constant growth rate in sales and profits, it is crucial to invest continuously in productivity initiatives that reinforce our multichannel platform, which in turn encompasses operating units, openings, and online portals.

Walmart.com.mx
Compra en línea
Recoge en tienda



BY THE CLOSE OF 2016, OUR VALUE OFFERING IS NOW PRESENT IN 608 CITIES, TOTALING 3,022 OPERATING UNITS THROUGHOUT MEXICO AND CENTRAL AMERICA. THIS YEAR THE FOCUS WAS ON IMPROVING PRODUCTIVITY IN OUR SELF-SERVICE STORES IN MEXICO. WE INCREASED ON-SHELF AVAILABILITY OF OUR PRODUCTS AND REDUCED SHRINK LEVELS IN DEPARTMENTS SUCH AS PRODUCE, MEAT, AND BAKERY.

In addition, we also expanded our workload management initiative to all areas of the store, with the purpose of having the right number of associates for the different demand levels. In Mexico and Central America we optimized our working capital through improved inventory levels and accounts payable, leveraged by our commercial strategy. Regarding the future of our business, we worked to have a more robust opening plan, which translates to stores operating with more advanced technology, with greater efficiency, and with greater safety for our customers.

Comp store sales grew 8.0% in Mexico and 4.9% in Central America, with the latter figure excluding currency fluctuations. To reinforce our store base, be more firmly positioned, and continue honoring our commitment with our customers, we conducted the most comprehensive remodeling program in the last few years. In the subject of Units Sold per Labor Hour, said productivity index for Mexico grew 4.7% over that reported for 2015 in our self-service formats.

In addition to our traditional sales channels, we made improvements to our digital platforms: walmart.com.mx, superama.com.mx and sams.com.mx so that the shopping experience in each format is in keeping with the specific needs of their customers/members.

we are a
MULTICHANNEL
company

+2.1
BILLION CUSTOMERS

6 COUNTRIES

24
DISTRIBUTION CENTERS

13 MEXICO
11 CENTRAL AMERICA

3,022
OPERATING UNITS

608
CITIES

92
OPENINGS

58 MEXICO
34 CENTRAL AMERICA

2,291 UNITS IN MEXICO



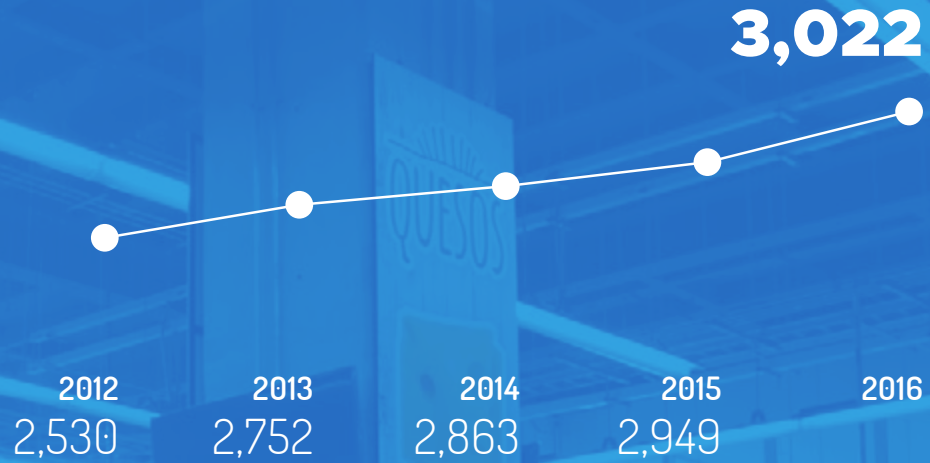
490	Bodega Aurrera units	160	Sam's Clubs
331	Mi Bodega units	96	Superama units
942	Bodega Aurrera Express units	10	Medimart Pharmacies
262	Walmart units		

731 UNITS IN CENTRAL AMERICA



495	Discount Stores
92	Supermarkets
27	Walmarts
117	Bodegas

TOTAL UNITS



TOTAL SALES FLOOR

(MILLION SQUARE FEET)





LOGISTICS

+9%

CASES MOVED PER LABOR HOUR
IN DISTRIBUTION CENTERS

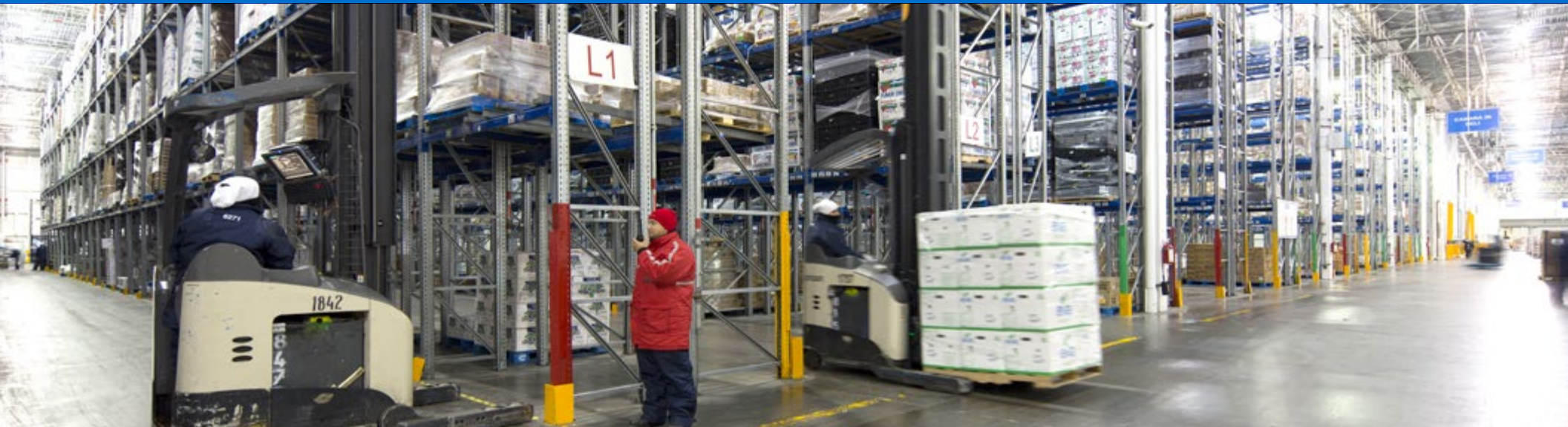
-5%

EMPTY TRIPS MADE

+20%

KILOMETERS TRAVELED

We work on having an ever more efficient distribution network that facilitates product supply to our stores, reduces expenses, and allows us to better serve an increasing number of customers faster and satisfy their shopping preferences.





SIGNIFICANT ACHIEVEMENTS WERE MADE IN THE OPERATION OF OUR 24 DISTRIBUTION CENTERS IN MEXICO AND CENTRAL AMERICA, WITH A 9% INCREASE IN CASES PER LABOR HOUR, AND 17% IN THE VOLUME OF CASES HANDLED.

Over 262 million of kilometers were covered in trips made throughout 2016, almost 20% more than the previous year. Worthy of mention is the National Logistics Award we were given in recognition for our reverse logistics system, helping

to reduce the number of trips made empty by 5%, which is equivalent to a savings of almost 40 million of kilometers and 26 million of liters of fuel.



technological

INFRASTRUCTURE

OUR ASSOCIATES

HAVE RECEIVED TRAINING IN NEW TOOLS
FOR BUSINESS ANALYSIS

WE HAVE INVESTED

IN NEW AND BETTER COLLABORATION
TECHNOLOGIES FOR OUR HOME OFFICES

WE MODERNIZED

OPERATIONS SUPPORT APPLICATIONS
FOR OUR DISTRIBUTION CENTERS

The digital transformation of our Company helps to drive the present and the future of our business, with technological tools that make processes simpler and improve how much we know our customers.





OVER 20% OF THE COMPUTER EQUIPMENT IN OUR STORES HAS BEEN REPLACED, THUS REDUCING FAILURES IN CATEGORIES WITH UPDATED DEVICES, ALSO IMPROVING THE PRODUCTIVITY OF OUR ASSOCIATES. LIKEWISE, WE HAVE INCREASED THE SPEED OF OUR INTERNAL TELECOMMUNICATIONS NETWORK, MAKING COORDINATION IN ALL LEVELS OF OUR OPERATION EASIER.

As part of our operations in the Home Offices, we continue training our Merchandising teams through the help of new tools that allow them to have greater information on our customers, continuously monitoring their buying habits and preferences. Equally important, we continue investing in the deployment of new collaboration technologies, such as videoconferencing capabilities, virtual phones, and instant

messaging, so as to simplify communication among our associates and make decision-making processes more agile.

In the matter of Logistics, we increased our merchandise storage capacity through more modern applications that support operating processes, and by establishing temporary facilities that serve as support for our distribution network during peak demand.