

our



# RESULTS

G4-17



KEY PERFORMANCE INDICATORS

FINANCIAL HIGHLIGHTS

INCOME STATEMENT AND BALANCE SHEET

10 YEAR SUMMARY

THE CONSISTENT GROWTH OF SALES AND PROFITS IN ALL OUR COUNTRIES, BUSINESS FORMATS, AND DIVISIONS MADE 2016 A YEAR OF POSITIVE RESULTS FOR OUR COMPANY. THIS ALLOWS US TO CONTINUE INVESTING IN BUYING SOLUTIONS THAT ARE IN LINE WITH THE NEEDS OF OUR CUSTOMERS, DEVELOPING OPERATIONAL ENHANCEMENTS, SETTING ASIDE RESOURCES TO BUILD THE FUTURE OF OUR BUSINESS, AND COMPENSATING THE CONFIDENCE OF OUR SHAREHOLDERS THROUGH THE PAYMENT OF DIVIDENDS.

**+11.9%**

TOTAL INCOME

**+17.7%**

EBITDA

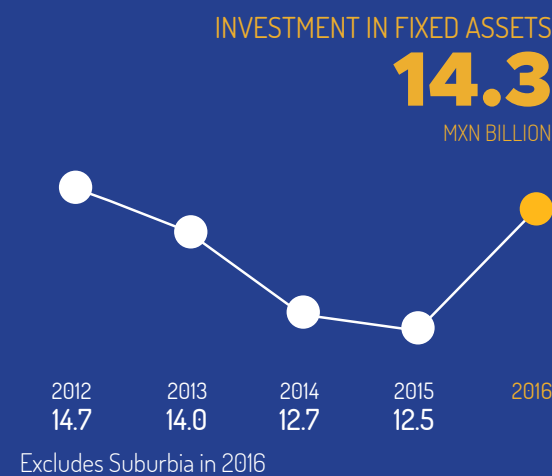
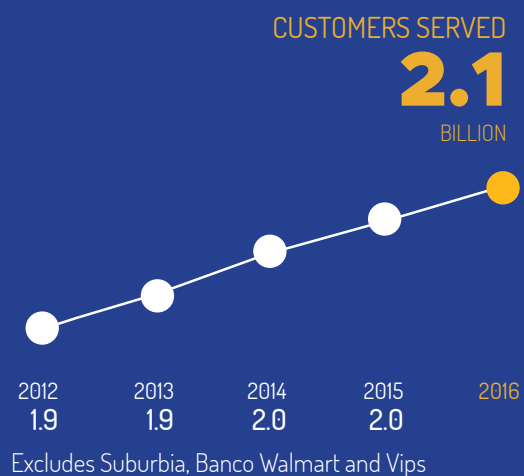
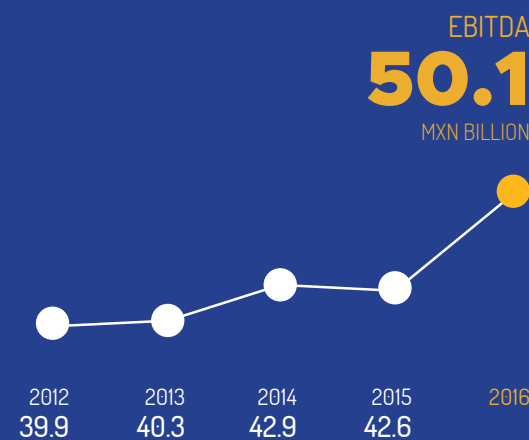
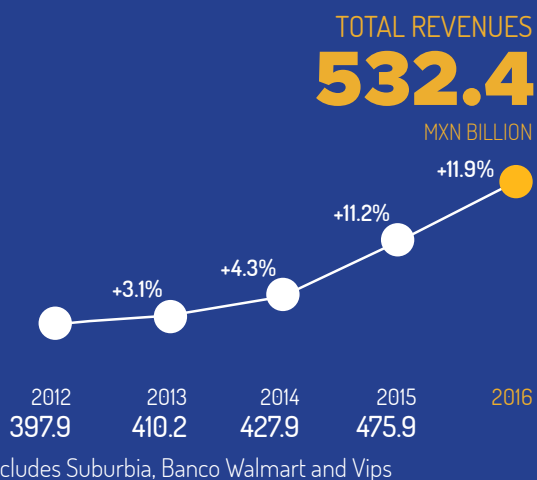
**+20.2%**

OPERATING INCOME

# key performance

## INDICATORS

G4-EC1



# key performance

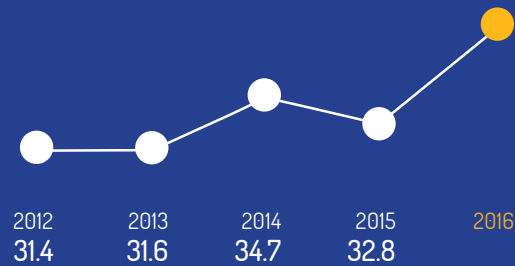
## INDICATORS

G4-EC1

OPERATING INCOME

**39.5**

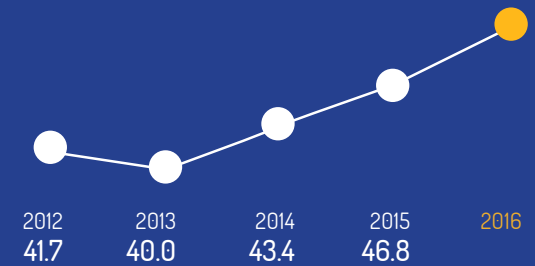
MXN BILLION



CASH GENERATION

**51.3**

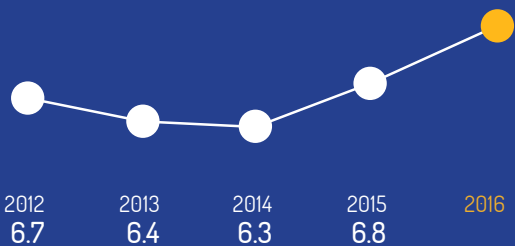
MXN BILLION



SALES PER SQUARE FEET

**7.5**

MXN THOUSAND

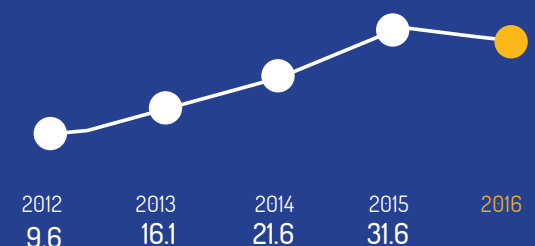


Excludes Suburbia and Vips

DIVIDENDS PAID

**29.0**

MXN BILLION



PESOS PER SHARE

\$ 0.55    \$ 0.92    \$ 1.38    \$ 1.84    \$ 1.68

# financial HIGHLIGHTS

MXN Billion

**433.0**

TOTAL REVENUES MEXICO

**+ 9.1%**

\* On a constant currency basis

**42.1**

EBITDA MEXICO

**+ 13.9%**

**99.4**

TOTAL REVENUES CENTRAL AMERICA

**+ 8.2%\***

**8.1**

EBITDA CENTRAL AMERICA

**+ 23.0%\***

## AT A CONSOLIDATED LEVEL

At the consolidated level, our total revenues amounted to 532.4 billion pesos, representing an 11.9% increase over the previous year and a reflection of the sound sales performance in all our self-service and membership warehouse club units throughout the six countries where we are present.

Our profit margins grew 50 basis points, from 21.6% in 2015 to 22.1% in 2016, as a percentage of revenues. These results are driven by operating efficiencies and are affected positively by a reclassification of certain supplier rebates for promotional activities, which in the past were reflected through expense reductions and the reclassification of factoring benefits.

Our expenses represented 14.6% of total revenues, a product of the operating efficiency that allows us to invest in the improvement of our current business and be better equipped to face the future, maintaining the same level of expenses as a percentage of revenues as that reported in 2015.

As a result of the previous points, our operating income totaled 39.5 billion pesos, a 20.2% increase over the previous year and which represents an expansion of 50 basis points as a percentage of revenues.

By the same token, our EBITDA amounted to 50.1 billion pesos, equaling an increase of 17.7% compared to 2015, some 9.4% as a percentage of revenues and 50 basis points higher than the levels reported last year.

The amount set aside for investments in fixed assets was 14.3 billion pesos, focusing primarily on remodeling and maintaining our store base, the opening of new units, and developing our logistics and technological capabilities.

The installed capacity of our Company increased by 1.9%, as a result of opening 92 new units, which in turn contributed an additional 1,497,258 square feet of sales floor and 1.8 percentage points to our consolidated sales growth.

We paid out 29.0 billion pesos in dividends for 2016, representing a total of 1.68 pesos per share, as follows: 0.14 pesos per share corresponds to the remaining ordinary dividend decreed in 2015 and paid this year; 0.56 pesos per share as ordinary dividend decreed this year, of which

0.14 pesos per share shall be paid in 2017; and 1.12 pesos per share as extraordinary dividend decreed and paid in 2016.

Our balance closed the year with 28.0 billion pesos in cash, a variation of 12.8% as compared to the close of 2015. This is the reflection of sound sales performance and expense management, allowing us to continue investing in the future growth of our business and paying dividends to our shareholders.

## MEXICO



Total revenues for Mexico rose to 433.0 billion pesos, a 9.1% increase over the results for the previous year thanks to consistent sales growth in all our self-service formats and our membership warehouse club.

Our gross margin was 21.7% as a percentage of revenues, and an expansion of 40 basis points over 2015. This is a consequence of operating efficiencies and the accounting reclassification previously mentioned.

Our expenses underwent a reduction of 10 basis points as a percentage of revenues, resulting from initiatives focused on making our operation more efficient, offsetting all the investments made in our business, as stated before.

Operating income levels had considerable growth: 50 basis points as a percentage of revenues, 16.1% compared to 2015. This was possible due to sound sales growth and proper management of margins and expenses.

Therefore, EBITDA for Mexico came to 42.1 billion pesos, an increase of 13.9% over 2015, and 40 basis points higher, as a percentage of revenues.

Installed capacity in Mexico grew 1.6%, supported by the opening of 58 new units and 1,093,031 square feet in additional sales floor, thus contributing 1.2 percentage points to consolidated sales growth for the Company.



## CENTRAL AMERICA

Total revenues for the region of Central America represented 19% of the consolidated revenues of 99.4 billion pesos, posting an increase of 25.6%, that is, 8.2% without exchange rate fluctuations, a product of favorable sales.

Our gross margin resulted in an expansion of 70 basis points as a percentage of revenues, which resulted from operating efficiencies and the reclassification described previously.

Expenses for the region were maintained at the same levels for the previous year, which was 17.7% as a percentage of sales. Therefore we keep working to improve expense control.

Operating income for this region continues displaying consistent growth. This year, it amounted to 5.8 billion pesos, an increase of 50.9%, or 30% on a constant currency basis.

The 42.8% growth in EBITDA represents 23% without exchange rate fluctuations, amounting to a total of 8.1 billion pesos for the region, a reflection of sound sales growth and good margin and expense management.

Installed capacity in Central America grew 4.3%, as a result of the opening of 34 new units and 404,228 square feet in additional sales floor, thus contributing 0.6 percentage points to consolidated sales growth.

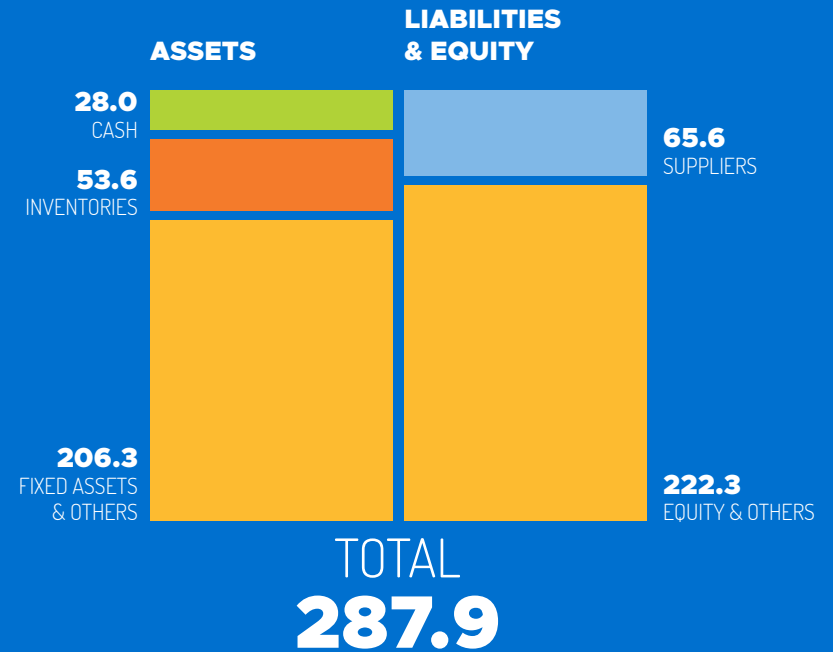
We are a Company with a long-term horizon in investment, supported by on-going cash generation and our compliance with financial guidelines. This in turn provides access to resources that allow us to adjust our operating store base, expand our presence with new units, develop our logistics and technological platforms, compensate our shareholders with dividend payments, and comply with the corresponding tax obligations. In 2016, our cash generation reached record levels of 51.3 billion pesos.

Moreover, the soundness of our Company's financial situation is reflected in a debt-free balance sheet and negative working capital because we continuously work to optimize inventory levels and accounts payable.

# income statement & **BALANCE SHEET**

AS OF DECEMBER 31, 2016 (MXN BILLION)

CONSOLIDATED	2016	%	2015	%	% Inc
TOTAL REVENUES	532.4	100	475.9	100	11.9
GROSS MARGIN	117.5	22.1	102.6	21.6	14.5
GENERAL EXPENSES	77.8	14.6	69.5	14.6	11.9
OPERATING INCOME	39.5	7.4	32.8	6.9	20.2
EBITDA	50.1	9.4	42.6	8.9	17.7





# FINANCIAL SUMMARY

MILLION PESOS

	*IFRS									**MFRS				
	2016 <sup>(8)</sup>	2015 <sup>(7)</sup>	2015 <sup>(6)</sup>	2014 <sup>(4)</sup>	2013 <sup>(4)</sup>	2013 <sup>(1)</sup>	2012 <sup>(1)</sup>	2012	2011	2011	2010	2009	2008	2007
Mexico GDP (Growth,%)	2.3	2.5	2.5	2.1	1.1	1.1	3.9	3.9	3.9	3.9	5.5	(6.1)	1.5	3.3
Mexico Annual Inflation (%)	3.4	2.1	2.1	4.1	4.0	4.0	3.6	3.6	3.8	3.8	4.4	3.6	6.5	3.8
Peso Devaluation (%)	19.2	18.0	18.0	13.0	1.4	1.4	(7.9)	(7.9)	12.9	12.9	(5.6)	(4.5)	25.5	0.8
Average Exchange Rate	18.7	15.9	15.9	13.3	12.8	12.8	13.1	13.1	12.5	12.5	12.6	13.4	11.2	10.9
Year-end Exchange Rate	20.7	17.4	17.4	14.7	13.0	13.0	12.9	12.9	14.0	14.0	12.4	13.1	13.7	10.9
Mexico Average Interest Rate (28 Day Cetes,%)	4.2	3.0	3.0	3.0	3.8	3.8	4.2	4.2	4.2	4.2	4.4	5.4	7.7	7.2
<b>RESULTS</b>														
NET SALES	528,571	472,460	485,864	437,659	420,577	420,577	407,843	413,792	375,280	379,021	334,511	269,397	244,029	219,714
% of growth total units	12	11	11	4	3	3	NA	10	12	13	24	10	11	13
% of growth comp units	10	9	9	1	(1)	(1)	4	4	4	4	3	3	5	6
OTHER INCOME	3,813	3,451	3,503	3,329	3,246	4,584	4,217	4,259	3,570	1,885	1,346	1,054	888	787
% of growth	11	NA	5	3	NA	9	NA	19	NA	40	28	19	13	11
TOTAL REVENUES	532,384	475,911	489,367	440,988	423,823	425,161	412,060	418,051	378,850	380,906	335,857	270,451	244,917	220,501
% of growth	12	NA	11	4	NA	3	NA	10	NA	13	24	10	11	13
GROSS PROFIT	117,484	102,603	107,380	97,619	92,948	93,624	90,228	94,597	85,109	83,698	74,059	58,600	53,284	47,751
% of profit margin	22.1	21.6	21.9	22.1	21.9	22.0	21.9	22.6	22.5	22.0	22.1	21.7	21.8	21.7
GENERAL EXPENSES	77,834	69,548	72,235	64,010	61,318	62,102	58,541	61,926	55,574	53,619	47,015	36,332	33,533	29,428
% of total revenues	14.6	14.6	14.8	14.5	14.5	14.6	14.2	14.8	14.7	14.1	14.0	13.4	13.7	13.3
OPERATING INCOME	39,455	32,828	34,969	34,716	31,636	31,532	31,422	32,399	29,591	30,079	27,044	22,268	19,751	18,323
% of total revenues	7.4	6.9	7.1	7.9	7.5	7.4	7.6	7.7	7.8	7.9	8.1	8.2	8.1	8.3
% of growth	20	NA	1	10	NA	0	NA	9	NA	11	21	13	8	16
EBITDA	50,149	42,592	44,993	42,854	40,305	40,222	39,860	41,166	37,188	37,415	33,294	26,915	23,887	21,973
% of total revenues	9.4	8.9	9.2	9.7	9.5	9.5	9.7	9.8	9.8	9.8	9.9	10.0	9.8	10.0
FINANCIAL INCOME (EXPENSES), NET	(323)	89	55	(154)	(16)	(15)	401	399	189	191	460	662	474	1,468
INCOME BEFORE INCOME TAX	39,132	32,917	35,024	34,562	31,620	31,517	31,823	32,798	29,780	30,198	27,630	23,018	19,857	19,536
INCOME TAX	10,623	9,473	10,087	9,521	9,632	9,517	9,237	9,529	7,695	7,939	8,066	6,212	5,184	5,574
DISCONTINUED OPERATIONS	4,842	2,935	1,442	5,394	725	713	683	-	-	-	-	-	-	-
CONSOLIDATED NET INCOME ATTRIBUTABLE TO THE PARENT	33,352	26,376	26,376	30,426	22,717	22,717	23,275	23,275	22,080	22,254	19,550	16,806	14,673	13,962
% of growth	26.5	(13.3)	(13.3)	33.9	(2.4)	(2.4)	5.4	5.4	NA	13.8	16.3	14.5	5.1	14.7
<b>FINANCIAL POSITION</b>														
CASH	27,976	24,791	24,791	28,048	21,129	21,129	28,163	28,163	25,166	25,166	24,661	19,483	11,350	8,984
INVENTORIES	53,665	49,749	49,749	47,175	43,795	43,795	39,092	39,092	39,336	40,163	29,023	22,507	22,794	20,865
OTHER ASSETS	30,519	15,831	15,831	19,475	19,510	19,510	12,909	12,909	13,579	13,249	9,056	6,256	5,034	5,373
FIXED ASSETS	136,349	130,222	130,222	125,996	121,083	121,083	117,377	117,377	111,372	116,680	102,300	84,893	79,286	71,522
GOODWILL	39,421	33,057	33,057	28,020	24,745	24,745	24,745	24,745	29,768	29,768	29,768	-	-	-
TOTAL ASSETS	287,930	253,650	253,650	248,714	230,262	230,262	222,286	222,286	219,221	225,026	194,808	133,139	118,464	106,744
SUPPLIERS	65,558	56,396	56,396	52,710	47,609	47,609	44,770	44,770	50,854	50,854	38,000	30,378	27,005	25,381
OTHER LIABILITIES	55,346	45,433	45,433	45,758	39,702	39,702	37,679	37,679	39,184	40,894	33,948	19,613	17,183	15,179
EQUITY	167,026	151,795	151,795	150,223	142,931	142,931	139,701	139,701	128,867	132,962	122,531	83,148	74,276	66,184
NON-CONTROLLING INTEREST	-	26	26	23	20	20	136	136	316	316	329	-	-	-
TOTAL LIABILITIES, EQUITY AND NON-CONTROLLING INTEREST	287,930	253,650	253,650	248,714	230,262	230,262	222,286	222,286	219,221	225,026	194,808	133,139	118,464	106,744



	*IFRS									**MFRS				
	2016 <sup>(8)</sup>	2015 <sup>(7)</sup>	2015 <sup>(6)</sup>	2014 <sup>(4)</sup>	2013 <sup>(4)</sup>	2013 <sup>(1)</sup>	2012 <sup>(1)</sup>	2012	2011	2011	2010	2009	2008	2007
<b>NUMBER OF UNITS MEXICO</b>														
Bodega Aurrera	1,763	1,719	1,719	1,660	1,589	1,589	1,423	1,423	1,204	1,204	899	684	442	313
Walmart	262	256	256	251	243	243	227	227	213	213	192	169	153	136
Sam's Club	160	160	160	159	156	156	142	142	124	124	108	98	91	83
Superama	96	95	95	93	92	92	90	90	88	88	75	69	67	64
Suburbia	-	117	117	116	109	109	100	100	94	94	90	86	84	76
Medimart Pharmacies	10	10	10	10	10	10	6	-	-	-	-	-	-	-
Vips Restaurants	-	-	-	-	-	-	365	365	364	364	366	360	360	348
TOTAL	2,291	2,357	2,357	2,289	2,199	2,199	2,353	2,347	2,087	2,087	1,730	1,466	1,197	1,020
<b>NUMBER OF UNITS CENTRAL AMERICA</b>														
Discount Stores	495	484	484	477	466	466	459	459	453	453	401	377	-	-
Supermakets	92	99	99	96	100	100	97	97	96	96	94	92	-	-
Bodegas	117	102	102	94	75	75	67	67	54	54	36	32	-	-
Walmarts	27	24	24	22	20	20	17	17	17	17	16	16	-	-
Clubs	-	-	-	1	1	1	2	2	2	2	2	2	-	-
TOTAL	731	709	709	690	662	662	642	642	622	622	549	519	-	-
<b>BANCO WALMART</b>														
Bank branches	-	-	-	-	201	201	263	263	263	263	263	190	38	16
<b>OTHER INFORMATION AT THE END OF THE YEAR</b>														
Number of Associates	228,854 <sup>(9)</sup>	231,996	231,996	228,063 <sup>(5)</sup>	224,901 <sup>(5)</sup>	226,289 <sup>(3)</sup>	248,246	248,246	238,128	238,128	219,767	176,463	170,014	157,432
Share Price <sup>(2)</sup> (pesos)	37.05	43.49	43.49	31.72	34.26	34.26	42.33	42.33	38.23	38.23	35.44	29.35	18.50	18.85
Number of Outstanding Shares <sup>(2)</sup> (millions)	17,461	17,461	17,461	17,507	17,627	17,627	17,722	17,722	17,747	17,747	17,848	16,752	16,870	16,946
Market Value	646,930	759,379	759,379	555,322	603,901	603,901	750,172	750,172	678,471	678,471	632,533	491,671	312,095	319,347
Earnings per Share <sup>(2)</sup> (pesos)	1.910	1.508	1.508	1.732	1.284	1.284	1.312	1.312	1.240	1.250	1.105	0.999	0.866	0.817
Payment of Dividends	28,972	31,562	31,562	21,643	16,056	16,056	9,612	9,612	9,659	9,659	5,743	5,040	4,902	4,313
Number of Shares Repurchased <sup>(2)</sup> (millions)	-	47	47	123	96	96	27	27	103	103	112	117	152	288
Investment in Shares Repurchasing Operations	-	1,825	1,825	3,996	3,328	3,328	1,088	1,088	3,455	3,455	3,472	2,509	2,869	6,065

- 1 Vips is presented under Discontinued Operations.
- 2 Adjusted according to split conducted in April 2010.
- 3 Vips' associates not included.
- 4 Banco Walmart's & Vips' results are presented in Discontinued Operations.
- 5 Banco Walmart's associates not included.
- 6 Results from Banco Walmart and its sale presented in Discontinued Operations.
- 7 Suburbia's & Banco Walmart sale's results are presented in Discontinued Operations.
- 8 Suburbia's results are presented in Discontinued Operations.
- 9 Suburbia's associates not included.

\* IFRS = Financial information under International Financial Reporting Standards.

\*\* MFRS = Financial information under Mexican Financial Reporting Standards.

G4-22

<b>ACQUISITIONS OF PROPERTY AND EQUIPMENT</b>	2016	2015	2015	2014	2013	2013	2012	2012	2011	2011	2010	2009	2008	2007
	14,335	12,526	12,526	12,691	13,987	13,987	14,660	14,660	18,352	18,352	13,130	9,735	11,316	11,097