



Message from the
***Chairman of the Board
and from the Chief
Executive Officer***



At *Walmart de México y Centroamérica*,
we worked our way throughout
2018 up to becoming **the most trusted
omnichannel chain** in the region on
our continuous quest to
create value for all of our stakeholders.



Enrique Ostalé

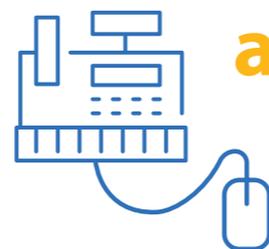
President of the Board of Directors
Walmart de México y Centroamérica

Our goal is to make the lives of our customers and members easier while saving them money when they buy with us in our online or brick-and-mortar stores and clubs. In that regard, we devoted our efforts to developing a seamless shopping experience founded on key capabilities that will set the path for our continued success, always keeping in mind our Every Day Low Prices philosophy.

Being the most trusted omnichannel chain means generating value, benefiting all of our stakeholders, making the lives of our customers and members easier every day, developing the potential of our associates, strengthening relations with our business partners, decreasing the environmental impact of our operations, supporting the communities that we serve, and conducting ourselves in accordance to the trust placed in us by our shareholders. Our adherence to the highest ethical and legal standards ensures certainty and trust in our company's long-term strategy.

Improving the omnichannel shopping experience meant strengthening our price leadership; having a better supply of perishables; setting up successful kiosks that offer an extended catalog, as well as pickup areas in stores and clubs; redesigning our websites; creating new mobile applications, and working to optimize our delivery system. All these efforts were devoted for our customers to find the products they want wherever and whenever they want them.

We devoted our efforts to developing



a seamless

shopping experience

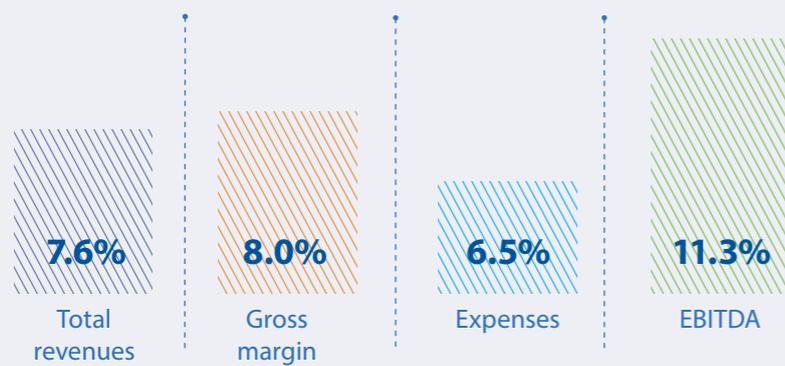


Guilherme Loureiro

President and Chief Executive Officer
Walmart de México y Centroamérica

We achieved strong results again this year, having our customers and members at the center of all of our decisions. We changed our way of working, created new tools that made us more efficient, and accelerated innovation and transformational agility to acquire a new mindset focused on improving the shopping experience of our customers and members in the digital age. Also, we were able to obtain enough profits to reinvest in the business and drive future growth.

Consistent and profitable growth



The results achieved for this year were the product of consistent, profitable growth across all of our business formats, merchandise divisions, and the regions where we operate. The total revenues for our company amounted to 616.9 billion pesos, which represents 7.6% solid growth over last year. We were able to increase our margins by 10 basis points as percentage on total revenues. Our productivity and discipline initiatives led us to an expense reduction of 20 basis points, going from 15.2% to 15.0% on consolidated revenues. Our EBITDA totaled 61.7 billion pesos, 11.3% higher than figures posted for 2017, and equivalent to 10.0% of total revenues. Net income amounted to 36.8 billion pesos, representing 7.8% less than the previous year, given Suburbia's sale in 2017.



“We achieved
strong results again
this year”

In Mexico, we grew over the self-service store and club market with same-store sales driven by a sound traffic growth. As our way to give our customers and members back for their preference and loyalty, we had strong price point programs, appealing seasonal events, and omnichannel expansion within Bodega Aurrera, and launched our new Sam's Club Plus membership card to offer special benefits and exclusive prices for our members. Another highlight this year was the grand opening of our 100%-omnichannel Walmart store, recognized by the IGD Retail Analysis as one of the five most innovative and successful stores in the world.

With regards to Central America, we continued gaining market share and investing in the region in spite of a challenging economical, political and social environment. We operated our stores under the Center of Excellence program, which requires such service and cleaning standards that our customer and member shopping experience is improved, and our price leadership is achieved.

We strengthened our commitment to ensure the sustainable growth of our company by developing the environmental, social and governance aspects related to our operations. This was reflected in the specific actions that we carried out for the benefit of the people and the environment.

“ Another highlight was the *grand opening* of our first **100%-omnichannel Walmart store**”

We supplied renewable energy to 84% of our units in Mexico, keeping up leadership in the use of clean energy, and reduced our GHG emissions by 5% versus 2015. We continue growing hand in hand with our over 49,000 suppliers, we maintain our commitment to improving the life of small producers by offering them better access to the market and building their skills. We also keep on working to offer a safe, diverse and inclusive workplace environment for our more than 234,000 associates. We were included in the Bloomberg Index for Gender Equality for the second year in a row, bestowed the distinction as a Socially Responsible Company for the 18th consecutive year, and awarded the HRC Equity MX certification by the Human Rights Campaign Foundation for the second time, after our policies and practices in favor of diversity and inclusion of the LGBT+ community.





18.90



Lácteos

11.90

17.90

18.95

7.80

10.00

27.00

\$18.90

\$17.90

\$9.90

\$16.90

\$17.90

\$16.90

Reducing our GHG emissions by

5%

versus 2015

We work to offer a safe, diverse and inclusive workplace environment for our more than

234,000

associates

Our adherence to the **highest ethical and legal standards** ensures certainty and trust in our long-term strategy



“ We were
included
**in the Bloomberg
Gender Equality-Index**
”
for the second year in a row”

We're pleased with our achievements this year and driven by the challenges that we'll continue to overcome, always keeping the benefit of our customers and members in mind. We firmly believe that with our team efforts, supplier's support, shareholders' confidence and customer and member loyalty, we will continue writing a sustainable and profitable success story that helps Mexican and Central American families save money and live better. We really appreciate your interest in our company.

ENRIQUE OSTALÉ

President of the Board of Directors
Walmart de México y Centroamérica

GUILHERME LOUREIRO

President and Chief Executive Officer
Walmart de México y Centroamérica