

Walmart

México y Centroamérica



2013
FINANCIAL
AND **SOCIAL**
RESPONSIBILITY
REPORT

content

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Message from the Chairman of the Board of Directors

At Walmart de México y Centroamérica, our priority continues to be to improve the quality of life for the families in the region. In order to follow through on this promise in a year of great challenges, we rely on the talent of our associates, on our commercial strategy, and on our financial prudence. This year we witnessed the benefits of the integration of the region and, together with implementation of strategic changes, we continue investing in the growth of the Company, despite the difficulties faced.

OUR OBJECTIVE
is clear

To contribute toward improving the quality of life of
the Mexican and Central American families

We continue to base our commercial strategy on Every Day Low Prices and a growing multi-format operation. These two factors enable us to consistently serve the changing needs of our customers while they save money and live better.

After completing the unification of processes and systems, and the standardization of the formats, this year we were able to witness the benefits of regional integration. These benefits are reflected in the return to growth and profitability in Central America, producing a positive outlook for the future of the Company. Although our processes and operations are increasingly more productive, especially this year where we made considerable achievements, we still see great potential for improvement with greater efficiencies produced.

To exceed the expectations of our customers, we conducted strategic changes and investments that will ensure compliance with our long-term vision: we maintained price leadership, we simplified the business with the purpose of achieving greater efficiency, and we made investments to guarantee the business today and in the future.

Our consolidated revenues amounted to 425.2 billion pesos, a record figure despite the economic challenges faced. As a strategy to simplify the business, we decided to sell our restaurant division and focus on the retail business. In keeping with the strategy of investing in the future of the business, in June we successfully launched walmart.com.mx, which according to Comscore, is the eCommerce site with the greatest audience in all Mexico, within the retail category.

Thanks to the soundness of our financial structure, represented in a robust balance sheet and the capacity we have to generate cash, we can repay our shareholders for the confidence they have in us through the payment of dividends and the repurchase of own shares. In 2013, the record figure of 19.4 billion pesos was earmarked for dividends and the repurchase of Company shares. The Board of Directors advised the Shareholders' Assembly to approve a payment of an ordinary dividend and an extraordinary one consisting of 0.92 pesos per share, representing 16.1 billion pesos; we also invested 3.3 billion pesos for the repurchase of 96 million shares. In addition, in 2013 we invested 14.0 billion pesos to modernize and expand our installed capacity, thereby confirming our confidence in the growth opportunities afforded us in the six countries where we operate.

Our Company recognizes the talent and leadership of our management team and our associates; the commitment to our 226,289 associates remains unwavering: providing them with a challenging work environment day after day, equal opportunities, gender equality, and the chance to grow as professionals. In this manner we can retain and develop talent within the Company and have a solid, high-performing organization that supports our operations in the long term.

We are fully aware that being a good corporate citizen reaffirms our commitment to the communities and the environment in the six countries where we operate. The Walmart de México Foundation celebrated its X anniversary as the Company conduit through which we support development programs favoring nutrition, productivity as a way of combating hunger, the participation of associates and customers in community activities, and assistance to victims of natural disasters. We have a clearly-defined sustainability strategy focused on reducing the use of water, energy, and reducing the production of wastes; with this strategy we want to ensure that our operations favor environmental conservation.

In recognition of our performance in the field of corporate social responsibility and our leadership in economic, social and environmental issues, for the second consecutive year Walmart de México y Centroamérica has been included in the Dow Jones Sustainability Index for Emerging Markets; also, it is our third consecutive year in which we have been listed in the Mexican Stock Exchange Sustainable Index.

I wish to underscore our ongoing commitment to performing all activities with the highest of ethical and legal standards and to generating value and certainty for all our different stakeholders.

Dear shareholders, once again I thank you for the trust you have placed in the Board of Directors; my thanks as well to the perseverance and commitment of the Directors, the top management team, our suppliers and our associates. I am confident that together we will continue strengthening our Company and reinforcing our commitment to our customers so they can live better.



Eduardo Solórzano
Chairman of the Board of Directors
Wal-Mart de México S.A.B. de C.V.

Message from the CEO

In keeping with our vision of improving the quality of life of the families in the region, in 2013 we placed the customer at the center of our activities, we implemented strategies to simplify the business, we became more productive, and we invested in our future growth and in our Walmart way of working with responsibility. These decisions allowed us to respond to the needs of our customers while, at the same time, we were adjusting to a difficult economic environment. We are quite sure that our sound strategy, together with the commitment and dedication of each and every one of our associates, will contribute towards successfully facing the challenges of the future.



With the purpose of simplifying our commercial structure, our operation in Mexico was divided into two business units: self-service and specialty formats. Merchandising was centralized in self-service and Suburbia is now in charge of the apparel business for self-service. In addition, the administrative processes for Mexico and for Central America were centralized and are now conducted by Global Shared Services for Latin America -GSSLA- located in Costa Rica. In June, we launched our eCommerce portal, walmart.com.mx, thereby extending our communication and sales channels with our customers. Moreover, we made the important decision to sell our restaurant division and focus on our core business.

By executing these strategies, our total consolidated income for the year was 425.2 billion pesos, whereas our EBITDA grew to 40.2 billion pesos, 9.5% of income. With these results, in a year full of challenges, we reiterate our commitment to continue leveraging the multiple growth opportunities offered by the six countries in which we operate.

In Mexico we were able to continue growing, despite economic challenges:

- Total income amounted to 367.7 billion pesos, representing 3.4% growth over figures for 2012.
- Our installed capacity grew 7.2% with the addition of 4.4 million square feet in sales floor as a result of the grand opening of 214 operating units, the majority of them during the fourth quarter of the year, we increased our presence in 29 new locations.
- Our constant search for operating improvements has allowed us to achieve 36.8 billion pesos in EBITDA, 10.0% of income.

In Central America, we posted an improvement in sales and profitability growth, thanks to the successful integration of the region and the efforts conducted to become more productive and improve our value proposition for our customers:

- Total income amounted to 57.4 billion pesos, some 2.1% higher than in 2012, which is equivalent to 5.7% on a constant currency basis.
- Our EBITDA increased to 3.4 billion pesos, which is 24.3% as a result of the recovery achieved in profitability and operating efficiency, which is 6.0% of income.

We have over 226,000 associates, who are our Company's greatest strength. As a result, over 26,200 associates were promoted throughout 2013, and we invested some 2.7 million man-hours in training.

Our Company's commercial success is also the achievement of our suppliers. The products we sell are purchased from over 27,308 business partners. We continue offering training, consultancy, and access to financing to our suppliers; our aim is to further strengthen the value chain and generate savings for our customers.

Our corporate leadership also extends to the field of corporate responsibility; in matters of sustainability we continue driving water and energy efficiency, as well as waste management. Our Walmart de México Foundation, through which we have achieved changes in the communities we serve, is now ten years old. An example of the work done by the Foundation in 2013 was the setting up of 887 collection centers, through which 1,888 tons of food were channeled to the Mexican Red Cross for the victims of hurricanes Ingrid and Manuel, benefiting over 170,000 families.

I wish to thank our associates for their commitment and efforts, our business partners for their continued support, our shareholders for their confidence, and our customers for their preference, which is our motivation to continue improving and thus be able to offer them the best value proposition at the lowest prices possible, so they may live better.



Scot Rank
CEO
Walmart de México y Centroamérica



One of the most important retailers of the region

OUR VISION

To contribute toward improving the quality of life of the Mexican and Central American families

**2,861
UNITS**

in 6 countries



**540
cities**

- Mexico
- Costa Rica
- Guatemala
- Honduras
- El Salvador
- Nicaragua

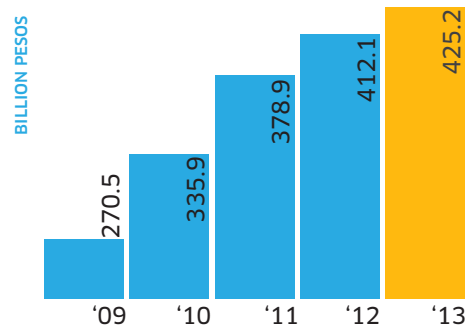


**226,289
ASSOCIATES**

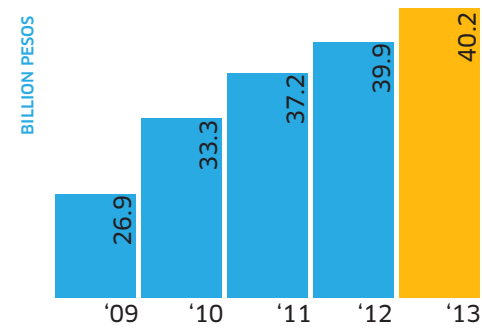
2013 financial results

KEY PERFORMANCE INDICATORS

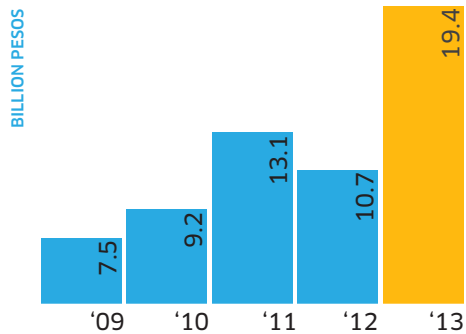
THIS YEAR, WE WERE ABLE TO GROW OUR SALES AND EBITDA, DESPITE A COMPLEX ENVIRONMENT. WE EXPANDED OUR PRESENCE WITH NEW UNITS, INVESTED IN REMODELING AND MAINTAINING OUR STORE BASE, AND WE LAUNCHED NEW CHANNELS THAT WILL ALLOW US TO CONTINUE SERVING A GROWING NUMBER OF CUSTOMERS IN THE FUTURE. IN ADDITION, WE REPAID OUR SHAREHOLDERS WITH RECORD FIGURES IN DIVIDENDS AND THE REPURCHASE OF COMPANY SHARES.



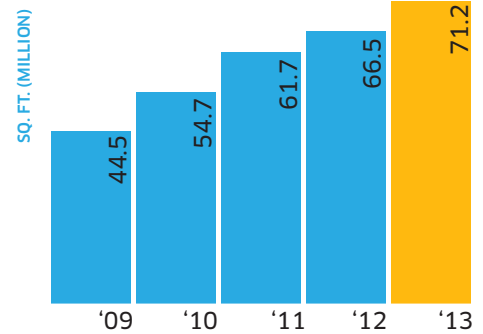
total revenue*



ebitda*

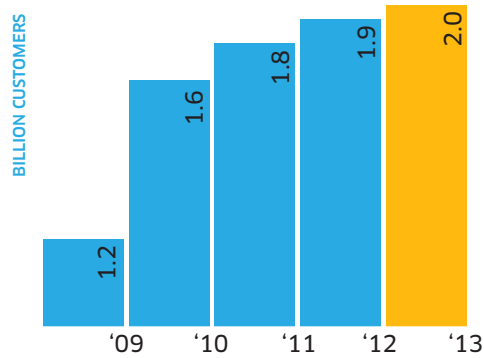


dividends & repurchase of shares

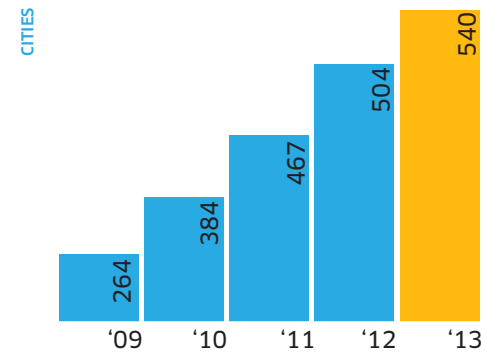


total sales floor

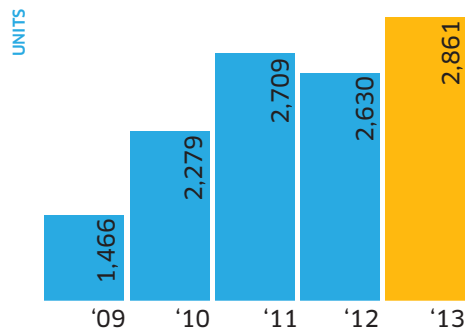
* Excluding Vips in 2012 & 2013



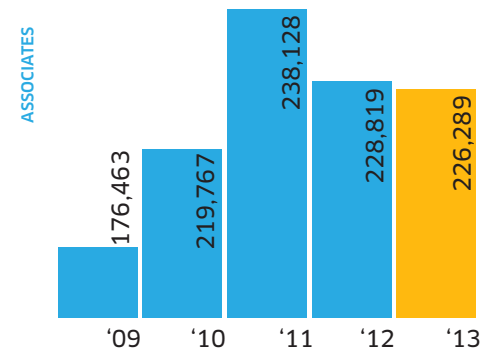
customers served*



cities w/walmex presence*



total units*



number of associates*

CONSOLIDATED RESULTS:

- Total income amounted to 425.2 billion pesos, an increase of 3.2%
- EBITDA grew to 40.2 billion pesos
- Cash generation totaled 40.0 billion pesos, allowing us to finance:
 - Some 14.0 billion-peso investment in fixed assets, earmarked for the grand opening of 235 units; remodeling and maintenance of our installed capacity; and investing in our future: eCommerce.
- Record figure in the history of Walmex -totaling 19.4 billion pesos- in the payment of dividends and the repurchase of own shares, that is, 16.1 and 3.3 billion pesos, respectively.
- On a comparable basis, excluding the store lease expense, general expenses increased 5.2%, whereas the sales floor growth was 7.1%.
- Our balance closed at 21.1 billion pesos in cash.

* Excluding Vips in 2012 & 2013

In Mexico we continued growing despite challenging macroeconomics:

- Total income totaled 367.7 billion pesos, representing 3.4% growth.
- EBITDA posted 36.8 billion pesos, which is 10.0% of income.
- Installed capacity increased 7.2% due to the opening of 214 new units.

In Central America profitability recovered, as reflected in the benefits derived from integrating systems, processes and formats with those operating in Mexico:

- Total income amounted to 57.4 billion pesos, increasing 2.1% and 5.7% on a constant currency basis.
- Gross margin grew 10.1%, representing 22.4% of income.
- Operating income posted 45.0% a total of 2.1 billion pesos.
- EBITDA generated 3.4 billion pesos, growing 24.3%.
- Installed capacity increased 6.1% due to the opening of 21 new units, allowing us to leverage our overhead, which grew 5.8%.

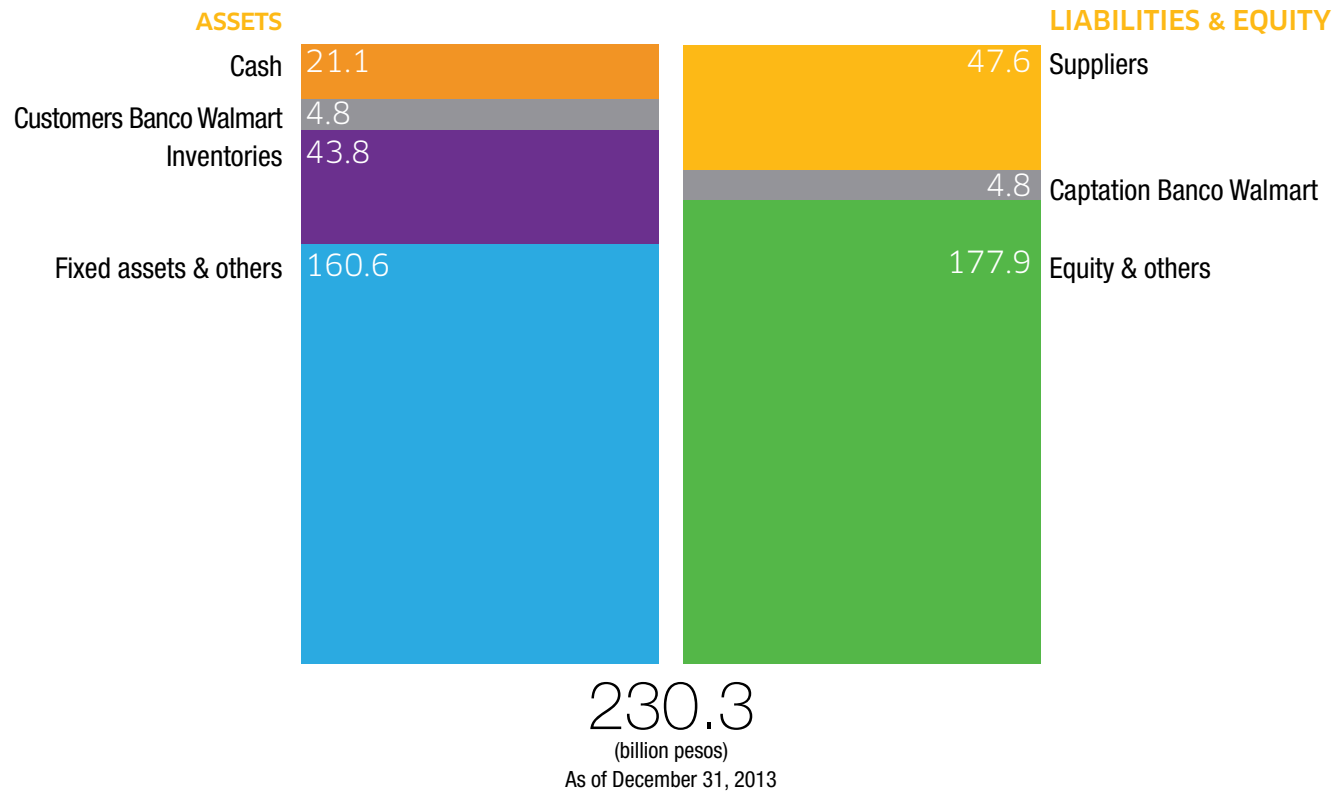
The results achieved in 2013 are a direct reflection of important strategic adjustments made in light of a challenging economic situation. Said results confirm our financial soundness, allowing us to expand the business and repay the confidence and trust of our shareholders.

2013 financial results

INCOME STATEMENT & BALANCE SHEET

| CONSOLIDATED (Excluding Vips) | | | | |
|--------------------------------|------------------|-------|-------|--------|
| | | 2013 | 2012 | % INC. |
| Total revenues (billion pesos) | | 425.2 | 412.1 | 3.2 |
| % of revenues | Gross margin | 22.0 | 21.9 | 3.8 |
| | General expenses | 14.6 | 14.2 | 6.1 |
| | Operating income | 7.4 | 7.6 | 0.3 |
| | EBITDA | 9.5 | 9.7 | 0.9 |

Financial Information under International Financial Reporting Standards



2013 financial results

Million pesos

| | * I F R S | | | ** M F R S | | | | | | | |
|--|---------------------|---------------------|---------|------------|---------|---------|---------|---------|---------|---------|---------|
| | 2013 ⁽¹⁾ | 2012 ⁽¹⁾ | 2011 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Mexico GDP (Growth,%) | 1.1 | 3.9 | 3.9 | 3.9 | 5.5 | (6.1) | 1.5 | 3.3 | 5.2 | 3.2 | 4.1 |
| Mexico Annual Inflation (%) | 4.0 | 3.6 | 3.8 | 3.8 | 4.4 | 3.6 | 6.5 | 3.8 | 4.1 | 3.3 | 5.2 |
| Peso Appreciation (Devaluation) % | 1.4 | (7.9) | 12.9 | 12.9 | (5.6) | (4.5) | 25.5 | 0.8 | 1.7 | (4.7) | (1.2) |
| Average Exchange Rate | 12.8 | 13.1 | 12.5 | 12.5 | 12.6 | 13.4 | 11.2 | 10.9 | 10.9 | 10.9 | 11.3 |
| Year-end Exchange Rate | 13.0 | 12.9 | 14.0 | 14.0 | 12.4 | 13.1 | 13.7 | 10.9 | 10.8 | 10.6 | 11.1 |
| Mexico Average Interest Rate (28 Day Cetes,%) | 3.8 | 4.2 | 4.2 | 4.2 | 4.4 | 5.4 | 7.7 | 7.2 | 7.2 | 9.2 | 6.8 |
| RESULTS | | | | | | | | | | | |
| NET SALES | 420,577 | 407,843 | 375,280 | 379,021 | 334,511 | 269,397 | 244,029 | 219,714 | 193,969 | 161,423 | 136,546 |
| % of growth total units | 3 | N/D | 12 | 13 | 24 | 10 | 11 | 13 | 20 | 18 | 16 |
| % of growth comp units | (1) | 4 | 4 | 4 | 3 | 3 | 5 | 6 | 10 | 10 | 9 |
| OTHER INCOME | 4,584 | 4,217 | 3,570 | 1,885 | 1,346 | 1,054 | 888 | 787 | 711 | 640 | 582 |
| % of growth | 9 | N/D | N/D | 40 | 28 | 19 | 13 | 11 | 11 | 10 | 117 |
| TOTAL REVENUES | 425,161 | 412,060 | 378,850 | 380,906 | 335,857 | 270,451 | 244,917 | 220,501 | 194,680 | 162,063 | 137,128 |
| % of growth | 3 | N/D | N/D | 13 | 24 | 10 | 11 | 13 | 20 | 18 | 16 |
| GROSS PROFIT | 93,624 | 90,228 | 85,109 | 83,698 | 74,059 | 58,600 | 53,284 | 47,751 | 42,032 | 34,540 | 28,840 |
| % of profit margin | 22.0 | 21.9 | 22.5 | 22.0 | 22.1 | 21.7 | 21.8 | 21.7 | 21.6 | 21.3 | 21.0 |
| GENERAL EXPENSES | 62,102 | 58,541 | 55,574 | 53,619 | 47,015 | 36,332 | 33,533 | 29,428 | 26,237 | 22,480 | 19,514 |
| % of total revenues | 14.6 | 14.2 | 14.7 | 14.1 | 14.0 | 13.4 | 13.7 | 13.3 | 13.5 | 13.9 | 14.2 |
| OPERATING INCOME | 31,532 | 31,422 | 29,591 | 30,079 | 27,044 | 22,268 | 19,751 | 18,323 | 15,795 | 12,060 | 9,326 |
| % of total revenues | 7.4 | 7.6 | 7.8 | 7.9 | 8.1 | 8.2 | 8.1 | 8.3 | 8.1 | 7.4 | 6.8 |
| % of growth | 0 | N/D | N/D | 11 | 21 | 13 | 8 | 16 | 31 | 29 | 28 |
| EBITDA | 40,222 | 39,860 | 37,188 | 37,415 | 33,294 | 26,915 | 23,887 | 21,973 | 19,019 | 15,109 | 11,877 |
| % of total revenues | 9.5 | 9.7 | 9.8 | 9.8 | 9.9 | 10.0 | 9.8 | 10.0 | 9.8 | 9.3 | 8.7 |
| FINANCIAL (EXPENSES) INCOME, NET | (15) | 401 | 189 | 191 | 460 | 662 | 474 | 1,468 | 1,378 | 1,369 | 998 |
| INCOME BEFORE INCOME TAX | 31,517 | 31,823 | 29,780 | 30,198 | 27,630 | 23,018 | 19,857 | 19,536 | 17,119 | 13,110 | 10,090 |
| INCOME TAX | 9,517 | 9,237 | 7,695 | 7,939 | 8,066 | 6,212 | 5,184 | 5,574 | 4,943 | 3,796 | 2,407 |
| DISCONTINUED OPERATIONS ⁽¹⁾ | 713 | 683 | - | - | - | - | - | - | - | - | - |
| CONSOLIDATED NET INCOME ATTRIBUTABLE TO THE PARENT | 22,717 | 23,275 | 22,080 | 22,254 | 19,550 | 16,806 | 14,673 | 13,962 | 12,176 | 9,314 | 7,683 |
| % of growth | (2.4) | 5.4 | N/D | 13.8 | 16.3 | 14.5 | 5.1 | 14.7 | 30.7 | 21.2 | 43.0 |

| | * I F R S | | | ** M F R S | | | | | | | |
|--|------------------------|---------------------|---------|------------|---------|---------|---------|---------|---------|---------|---------|
| | 2013 ⁽¹⁾ | 2012 ⁽¹⁾ | 2011 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| FINANCIAL POSITION | | | | | | | | | | | |
| CASH | 21,129 | 28,163 | 25,166 | 25,166 | 24,661 | 19,483 | 11,350 | 8,984 | 14,985 | 14,161 | 11,846 |
| INVENTORIES | 43,795 | 39,092 | 39,336 | 40,163 | 29,023 | 22,507 | 22,794 | 20,865 | 18,045 | 14,084 | 11,955 |
| OTHER ASSETS | 19,510 | 12,909 | 13,579 | 13,249 | 9,056 | 6,256 | 5,034 | 5,373 | 4,383 | 3,138 | 2,308 |
| FIXED ASSETS | 121,083 | 117,377 | 111,372 | 116,680 | 102,300 | 84,893 | 79,286 | 71,522 | 61,449 | 53,396 | 45,762 |
| GOODWILL | 24,745 | 24,745 | 29,768 | 29,768 | 29,768 | - | - | - | - | - | - |
| TOTAL ASSETS | 230,262 | 222,286 | 219,221 | 225,026 | 194,808 | 133,139 | 118,464 | 106,744 | 98,862 | 84,779 | 71,871 |
| SUPPLIERS | 47,609 | 44,770 | 50,854 | 50,854 | 38,000 | 30,378 | 27,005 | 25,381 | 25,864 | 20,429 | 16,017 |
| OTHER LIABILITIES | 39,702 | 37,679 | 39,184 | 40,894 | 33,948 | 19,613 | 17,183 | 15,179 | 13,502 | 12,549 | 8,906 |
| EQUITY | 142,931 | 139,701 | 128,867 | 132,962 | 122,531 | 83,148 | 74,276 | 66,184 | 59,496 | 51,801 | 46,948 |
| NON-CONTROLLING INTERESTS | 20 | 136 | 316 | 316 | 329 | - | - | - | - | - | - |
| TOTAL LIABILITIES, EQUITY AND NON-CONTROLLING INTERESTS | 230,262 | 222,286 | 219,221 | 225,026 | 194,808 | 133,139 | 118,464 | 106,744 | 98,862 | 84,779 | 71,871 |
| NUMBER OF UNITS MEXICO | | | | | | | | | | | |
| Bodega Aurrera | 1,589 | 1,423 | 1,204 | 1,204 | 899 | 684 | 442 | 313 | 258 | 203 | 162 |
| Walmart | 243 | 227 | 213 | 213 | 192 | 169 | 153 | 136 | 118 | 105 | 89 |
| Sam's Club | 156 | 142 | 124 | 124 | 108 | 98 | 91 | 83 | 77 | 69 | 61 |
| Superama | 92 | 90 | 88 | 88 | 75 | 69 | 67 | 64 | 60 | 55 | 48 |
| Suburbia | 109 | 100 | 94 | 94 | 90 | 86 | 84 | 76 | 62 | 53 | 50 |
| Medimart Pharmacies | 10 | 6 | - | - | - | - | - | - | - | - | - |
| Restaurants Vips | - | 365 | 364 | 364 | 366 | 360 | 360 | 348 | 311 | 286 | 268 |
| TOTAL | 2,199 | 2,353 | 2,087 | 2,087 | 1,730 | 1,466 | 1,197 | 1,020 | 886 | 771 | 678 |
| NUMBER OF UNITS CENTRAL AMERICA | | | | | | | | | | | |
| Discount Stores | 466 | 459 | 453 | 453 | 401 | 377 | - | - | - | - | - |
| Supermarkets | 100 | 97 | 96 | 96 | 94 | 92 | - | - | - | - | - |
| Bodegas | 75 | 67 | 54 | 54 | 36 | 32 | - | - | - | - | - |
| Walmart | 20 | 17 | 17 | 17 | 16 | 16 | - | - | - | - | - |
| Clubs | 1 | 2 | 2 | 2 | 2 | 2 | - | - | - | - | - |
| TOTAL | 662 | 642 | 622 | 622 | 549 | 519 | - | - | - | - | - |
| BANCO WALMART | | | | | | | | | | | |
| Bank branches | 201 | 263 | 263 | 263 | 263 | 190 | 38 | 16 | - | - | - |
| OTHER INFORMATION AT THE END OF THE YEAR | | | | | | | | | | | |
| Number of Associates | 226,289 ⁽³⁾ | 248,246 | 238,128 | 238,128 | 219,767 | 176,463 | 170,014 | 157,432 | 141,704 | 124,295 | 109,057 |
| Share Price ⁽²⁾ (pesos) | 34.26 | 42.33 | 38.23 | 38.23 | 35.44 | 29.35 | 18.50 | 18.85 | 23.78 | 14.76 | 9.58 |
| Number of Outstanding Shares ⁽²⁾ (millions) | 17,627 | 17,722 | 17,747 | 17,747 | 17,848 | 16,752 | 16,870 | 16,946 | 17,144 | 17,292 | 17,480 |
| Market Value | 603,901 | 750,172 | 678,471 | 678,471 | 632,533 | 491,671 | 312,095 | 319,347 | 407,684 | 255,143 | 167,371 |
| Earnings per Share ⁽²⁾ (pesos) | 1.284 | 1.312 | 1.240 | 1.250 | 1.105 | 0.999 | 0.866 | 0.817 | 0.705 | 0.532 | 0.434 |
| Payment of Dividends | 16,056 | 9,612 | 9,659 | 9,659 | 5,743 | 5,040 | 4,902 | 4,313 | 3,223 | 2,708 | 1,917 |
| Number of Shares Repurchased ⁽²⁾ (millions) | 96 | 27 | 103 | 103 | 112 | 117 | 152 | 288 | 307 | 409 | 426 |
| Investment in Shares Repurchasing Operations | 3,328 | 1,088 | 3,455 | 3,455 | 3,472 | 2,509 | 2,869 | 6,065 | 4,842 | 4,663 | 3,824 |

1 Vips is presented in discontinued operations

2 Adjusted according to split conducted in April 2010

3 Excluding Vips

* IFRS = Financial information under International Financial Reporting Standards

** MFRS = Financial information under Mexican Financial Reporting Standards



SIMPLIFYING
the business

The first step towards maintaining a leadership position within our sector is having a flexible business that is capable of rapidly responding and providing specific solutions for each type of customer and adapting to their changing needs. By having our customer at the heart of all our activities we can simplify our commercial structure and drive operating efficiencies.



ALWAYS SEEKING TO IMPROVE OUR OPERATION IN BENEFIT OF OUR CUSTOMERS, IN 2013 WE MODIFIED THE COMMERCIAL AND OPERATING STRUCTURE OF THE COMPANY. THIS SIMPLIFICATION ENTAILED DIVIDING THE OPERATION IN MEXICO INTO TWO BUSINESS UNITS -SELF-SERVICE AND SPECIALTY FORMATS- EACH FOCUSED ON CONDUCTING CHANGES AND ADAPTING TO ECONOMIC AND SHOPPING TRENDS EXHIBITED THROUGHOUT THE YEAR.

This new division, which includes Bodega, Walmart and Superama, has allowed for the alignment of self-service potential with the centralization of merchandising, which in the past was divided by operator.

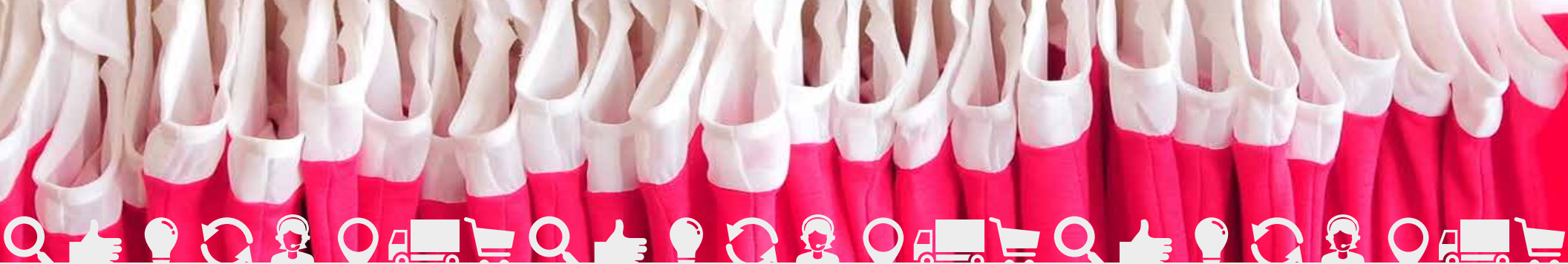
The purpose of this centralization is having buyers who are specialized by area, with the tools needed to increase their efficiency through the integration of merchandising for the self-service formats, and differentiating the product offering of each one. Key to the success of their mission is the support provided by the recently created Customer and Market Intelligence unit, enabling the buyers to better build a distinct commercial proposition for each of our business formats. With this added insight into our customers and the creation of a unique planning process, the regional offering is reinforced. Our buyers now create an overall strategy by category, and they are responsible for the products, planning, modular design, and setting the right prices.

SELF-SERVICE Division

By centralizing the merchandising function in Self-service, we are able to leverage our supplier relations, jointly designing with them the most efficient programs that in turn produce the greatest impact. An example of this is commercial planning through the scheduling of defined purchasing cycles, a process which is more proactive and efficient for the suppliers, as they can now program their production, deliveries and commercial initiatives, with sufficient lead time.

The current structure has not only contributed greatly towards simplifying our operation, thanks to increased specialization and improved commercial alignment, but it has also produced positive results, especially as regards a commercial offering more focused on our customers and on better prices.

The operating structure by format remains unchanged. Therefore, each business can focus on managing their units much as they had done prior to having merchandising centralized.



SPECIALTY FORMATS Division

The Specialty Formats division includes Sam's Club and Suburbia, serving different needs due to the very nature of each one.

The change in structure has proven quite positive for the businesses in this division; decision-making processes have become more agile thanks to the clearly-differentiated strategies and actions for each one, thus allowing us to provide specific solutions for each business and focus on each type of customer and member.

Sam's Club, has refocused on the value proposition for our advantage and business members so as to meet their particular needs. With this strategy, our members can be convinced of the great value of their membership. We have reinforced our offering with basic merchandise at very competitive prices, and with highly differentiated products.

Suburbia has been assigned the responsibility of the apparel division for Self-service, allowing us to align the processes for all the apparel division, thereby benefiting our self-service customers. Now, each format offers precisely what its specific customers want and need. Moreover, by aligning the processes for all our apparel divisions, we can generate considerable savings that are ultimately reflected in better prices.

By reorganizing and aligning different areas, we are able to design increasingly efficient strategies with our suppliers, optimize raw material use, potentiate private labels, and work as a team of true merchants and offer our customers and members fashion items with the best prices, assortment, and quality.

In addition, we made the important decision to sell our restaurant business -Vips, El Portón, and Ragazzi- with the purpose of concentrating our commercial efforts on the retail business. An agreement was reached for the sale price and now we await the final approval of the authorities to close the transaction. Its operation continuity is guaranteed through support agreements until completion of the final transfer of this division.

CENTRAL AMERICA

Simplification of the business in Central America followed several strategies. We implemented a tool known as "Sister Stores". This consists of selecting similar performing stores and standardizing inventory levels, making volume buys of merchandise, and pursuing operating efficiencies. Thanks to the enhanced management of associate work schedules in our stores, in a mere six months we have been able to achieve considerable savings. Another measure undertaken entailed efficiently scheduling work shifts in all stores to ensure operating discipline. In addition, automatic replenishment for general merchandise was implemented, and merchandising for general merchandise and textiles was concentrated into a single business unit serving the four formats. In this manner, synergies are achieved and sales and margins in these departments are boosted.

operation structure





FOCUSING ON

the customer

Our customers have always been the reason for our Company's existence and this year, more than ever, we have placed our customers at the heart of everything we do, with the purpose of listening to them, becoming increasing more familiar with them, and developing product offerings that are in keeping with their changing need, thereby meeting their expectations and remaining as their preferred place to shop.



KNOWING, UNDERSTANDING, AND SATISFYING OUR CUSTOMERS ARE THE FOUNDATIONS FOR PROVIDING THEM A UNIQUE SHOPPING EXPERIENCE. THIS YEAR WE CONDUCTED SEVERAL MEASURES TO MAKE THIS PROPOSITION A REALITY.



We created the Vice Presidency for Customer and Market Intelligence, whose purpose is to analyze every aspect involved in satisfying our customers and having on our shelves the products they want at prices in keeping with their needs and expectations.



Through research panels we received information on what they felt about our different business formats on a national and regional basis, and then used the opinions expressed to generate new commercial offerings and to help keep us as retail sector leaders.



We reinforced our mystery shopper program so as to verify the shopping experience and be able to monitor performance standards at our points of sale, observe compliance with established service processes in all our stores, and advise operations teams on how to implement continuous improvement processes for customer service and product display.



In order to have direct contact with the customers, we have a call center available to them that serves as a link; the purpose is to hear their comments and concerns, and provide the necessary solutions.

These measures have helped us to achieve much progress in understanding changes taking place in the market and the new shopping habits of our customers, in addition to enhancing our communication and interaction with them. Stemming from this, we have implemented a regionalization process with customer and market data for our regional suppliers; with this, our customers can now find in our stores the products that they used to have to purchase in traditional markets.

What is more, in our formats we have underscored the differentiation that characterizes us; each format focuses on the unique needs of specific segments, all with their own value proposition.

growth

1,962



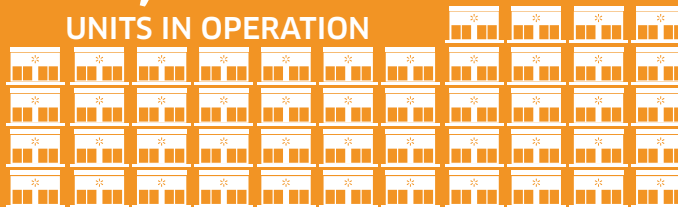
MEXICO AND CENTRAL AMERICA

WE REACHED 36 NEW CITIES

540 CITIES WITH WALMART PRESENCE IN 2013

2,861

UNITS IN OPERATION



- 2,199 MEXICO
 - 1,589 BODEGAS AURRERÁ
 - 243 WALMARTS
 - 156 SAM'S CLUBS
 - 92 SUPERAMAS
 - 109 SUBURBIAS
 - 10 MEDIMART PHARMACIES

662 CENTRAL AMERICA

SALES FLOOR INCREASE (sq. ft.)

7.1%



MEXICO AND CENTRAL AMERICA

235

OPENINGS



214 MEXICO

21 CENTRAL AMERICA



Bodegas & Discount Stores

Through this format we continue offering staple merchandise, food, and household products at the lowest prices on the market.



This year we simplified our Bodegas & Discount Stores item catalog, concentrating on what is most important to our customers. We increased the share of our private labels and reinforced our commercial strategy by broadening the price gap against our competition. In this way, we support our customers with low price-point programs and campaigns such as Bodega Prices and Fill Your Cupboard for a Few Coins, with which we sold about 80 million pieces, at 5, 10, 15 and 20 pesos each.

During this year we opened 183 new stores. In August we opened unit 1,500, in the state of Michoacán, Mexico. Moreover, we created a structure dedicated to reinforcing the different value proposition of each of our three formats, with our product offerings and prices designed for specific shopping occasions and locations. All the above will enable us to accelerate the growth of our formats throughout 2014.

2,130 UNITS



VALUE PROPOSITION:
price



Customer target
d • e



With a value proposition in assortment and price, our Walmart Supercenters offer the broadest merchandise variety: groceries, perishables, apparel, and general merchandise.



In addition, we continue improving the shopping experience of our customers, offering regional and seasonal items in 263 stores throughout the six countries.

In keeping with our proposition of helping our customers save money and live better, during the year we implemented several commercial strategies that we complemented with advertising campaigns. Through Save More at Walmart, we offered very attractive prices for food and consumables. With Fresh Fridays we added one more day to our traditional Tuesdays, with appealing price points for produce. You Always Find EVERYTHING and Pay Less, is a successful repositioning campaign aimed at highlighting our primary strength - assortment - where the star was "Carrito" (Spanish for shopping cart), an innovative and colorful character who guides our customers to the lowest prices for a broad range of products. Thanks to our well-implemented strategies, we noticed a favorable because we consistently review thousands of prices, as compared to those of our competitors, with the purpose of guaranteeing Every Day Low Prices for our customers.



VALUE PROPOSITION:
assortment
& price



Customer target
b • c • d

With our fillrates and thinking how better to benefit our customers, Supermarkets are known for their broad range of staple and differentiated products.



Therefore, this year different campaigns were launched seeking to continue exceeding our customers' expectations. Among others, highlighting the value of our produce and other perishables; the broad selection of wines and liquors; the extended assortment of prepared meals; and the specialization of our pharmacies.

Thanks to the grand opening of five new units, there are now 192 units operating in 45 cities. So as to continue with our distinction as an innovator in customer service and taking into account the changing life styles of our customers, in Mexico, Superama has successfully developed new ways to continue offering our value proposition to all our customers. They can opt for home delivery by ordering on line with superama.com.mx, by telephone, and with Superama mobile apps for iOS, Android and Windows.



VALUE PROPOSITION:
quality,
convenience
& service



Customer target
a • b • c





The year proved to be challenging for the format, with a posted contraction in results. With this in mind, Sam's Club concentrated on increasing the information available to our members so as to provide a value proposition in line with their expectations.



VALUE PROPOSITION:

price leader, volume,
new & unique
merchandise



Customer target

a • b • c • business



Experience and satisfaction indicators were used to obtain feedback on general aspects, and their intention to recommend and/or renew their membership. The relationship with our members was reinforced through recovery strategies, thereby allowing us to recover members.

Moreover, we implemented specific measures for each member segment. In the case of our Advantage Members, we launched Every Day Low Price programs for staple products; we reinforced our proposition with differentiated items from global suppliers; we improved our product catalog for household items; we made bulk purchases more affordable; and we launched new events with themes revolving around technology, beauty, and food. For our Business Members, we invested in price for items important to them; we guaranteed assortment in the top-selling merchandise; we improved our item offering for wholesalers; and we launched membership plans for potential members located near our clubs.

Throughout 2013, we opened 14 new clubs in 11 states, extending our presence to 87 cities in Mexico and Central America, recognizing the commercial potential of warehouse membership clubs.

The value proposition for our apparel stores is fashion, with the best value-price-quality equation for the whole family.



We opened 10 new stores throughout Mexico, offering Real life fashion to more Mexican families, at 109 units located in 42 cities, that is, in 29 states of Mexico. In addition to our presence in a greater number of communities, we have increased the efficiency and productivity of our sales floors.

A decision was made this year to centralize the purchase of apparel for the self-service formats, in Suburbia. Now our team of apparel specialists leverage their negotiation skills with suppliers and at the same time achieve supply chain efficiencies. This helps to reduce costs that can be transferred to customers of all our formats, and consolidate our unique assortment and our Every Day Low Prices.

109 UNITS



VALUE PROPOSITION:
fashion, value,
price & quality



Customer Target
c • d

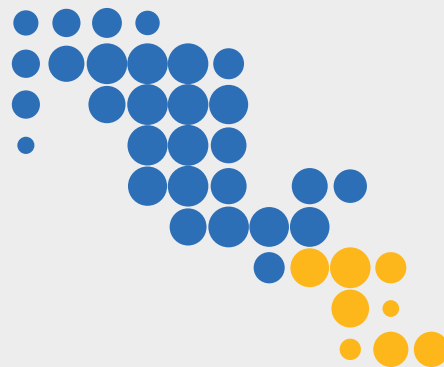


Central America

An important achievement this year was having concluded the Standardization of processes, systems, formats, and equaling service protocols with those used in Mexico.

With the purpose of better understanding the tastes, preferences and shopping habits of our customers, we adjusted our commercial plans, communication with the media, and those concerning points of sale. Greater attention was paid to improving our supply levels, especially with imported merchandise. We included products that in the past could only be found in traditional markets, and we guaranteed the best prices for items of greatest importance to our customers. Since we are committed to constantly improving our value proposition, we reinforced our strategy for Every Day Low Prices.

This year the benefits of regional integration were specifically observed and they are reflected in our growth and recovered profitability in Central America. Although both factors were temporarily impacted by our decision of setting the foundations for the Company's long-term strategy, we know there is still considerable potential for creating more synergies and efficiencies.

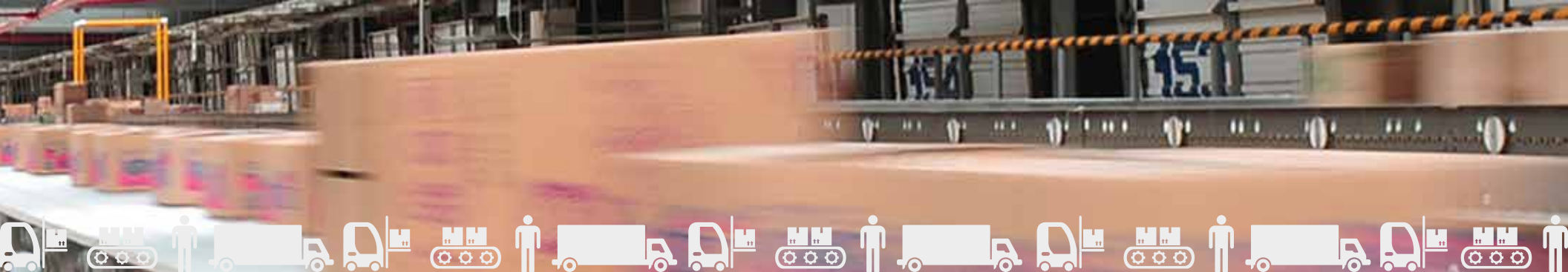




DRIVING

productivity

A complex economic arena brings with it new challenges. In order to be successful in the face of them, in 2013 we set our minds to being a more efficient business by optimizing resources, reducing expenses, and extending our supplier base, which in turn has allowed us to keep our costs low.



OUR STRENGTH HAS HISTORICALLY BEEN BASED LARGELY ON HAVING AN EFFICIENT OPERATION. THIS PREMISE DEMANDS HAVING LOW COSTS IN ORDER TO BE ABLE TO OFFER THE RIGHT PRICES, WHICH IS ACCOMPLISHED BY CONTINUOUSLY IMPROVING OUR PROCESSES, WHICH IN TURN ENSURES EFFICIENT EXECUTION AND OPERATION. THEREFORE, IN 2013 WE CREATED AN AREA THAT FORMALLY OVERSEES EFFICIENCY-RELATED PROJECT MANAGEMENT AND COORDINATES PRODUCTIVITY INITIATIVES FOR ALL FORMATS AND AREAS THROUGHOUT THE SIX COUNTRIES, AND ALL IN A CENTRALIZED MANNER.

PROGRESS IN PRODUCTIVITY, STORES, CLUBS AND DISTRIBUTION CENTERS

The productivity of our associates in stores and clubs in Mexico posted a comp unit improvement of 3.0%. This was accomplished the sale of items per hour worked.

Our logistics operation, which is an essential pillar in supporting the profitable growth of the business, consists of a broad distribution network with distribution centers throughout Mexico and Central America. With this infrastructure we are able to ensure efficient handling and timely delivery of the merchandise our customers want to find on the shelves of all our formats. Our distribution centers located in six cities in Mexico operate at a volume of over 1.8 billion cases, and we were able to improve our productivity by 12.2%, as compared to 2012. We traveled over 200 million kilometers and made almost 700,000 trips to deliver merchandise to our units and to other distribution centers.

Our distribution centers located in Central America were fully integrated to Walmart systems, thereby improving inventory and data management and achieving greater productivity. Likewise, we enhanced the efficiency of merchandise handling, moving more cases per man-hour.

Our distribution centers located in six cities in Mexico operate at a volume of over 1.8 billion cases, and we were able to improve our productivity by 12.2%, as compared to 2012.





PRODUCTIVITY IN ENERGY AND MERCHANDISING

Another accomplishment in productivity in Mexico is the savings stemming from a reduction in energy use in our stores –some 3.3% less and 61 million kWh- which is equal to the annual energy used by 34,000 homes and 30,000 tons less of CO₂ emitted into the atmosphere. Initiatives such as installing doors for refrigerated display cases in our stores, modernizing the lighting system with LED bulbs in our units, among others, helped us to achieve these savings.

Thanks to the new commercial structure and centralized system we now have, productivity in our merchandising departments improved significantly. By focusing on areas of specialization, greater efficiency in merchandise processes, selection and segmentation has been possible. Closer attention is paid to suppliers as they now have a single contact point instead of a different buyer in each format.

At a consolidated level, all these productivity initiatives and disciplined expense management has allowed us to post increases that are less than half the growth rate of our sales floor. On a comparable basis, excluding the store lease expense, general expenses increased 5.2%, whereas the average sales floor growth was 7.1%.

Another accomplishment in productivity in Mexico is the savings stemming from a reduction in energy use in our stores –some 3.3% less and 61 million kWh- which is equal to the annual energy used by 34,000 homes and 30,000 tons less of CO₂ emitted into the atmosphere.

MIGRATION OF ADMINISTRATIVE PROCESSES TO COSTA RICA

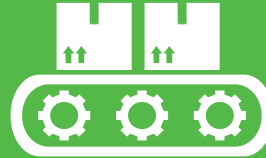
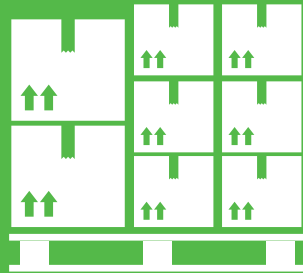
The need for a flexible organization, ready to adapt to the ever changing needs of the customers, also necessitates having a high-performance administration. This has been accomplished with the creation of our Global Shared Services for Latin America (GSSLA), located in San José, Costa Rica. It is here where we have consolidated the processing of financial operations and transactions, not just for Mexico and Central America, but for the other Latin American countries where Walmart operates.

GSSLA is a service-oriented organization that offers support to our internal customers by consolidating accounting processes, systems, and transactional operations. Among the more important operations that have migrated are: accounts payable and accounts receivable management; asset and master data management; central accounting; payroll processing; payment analysis; and supplier claims. The benefits of having centralized these activities are multiple, such as operational savings, process standardization, implementation of best practices, and leveraging costs and support services.

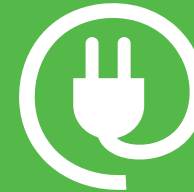


efficiency & productivity

MORE THAN 1.8 BILLION CASES OPERATED IN OUR DISTRIBUTION CENTERS LOCATED IN SIX CITIES IN MEXICO



CENTRAL AMERICAN DISTRIBUTION CENTERS WERE 100% INTEGRATED TO WALMART SYSTEMS



SAVINGS FROM A REDUCTION IN ENERGY CONSUMPTION IN MEXICO
-3.3% IN OUR STORES

EQUAL TO:
61 MILLIONS OF kWh
• ANNUAL ENERGY USED BY 34,000 HOMES
• 30,000 TONS LESS OF CO₂ EMITTED INTO THE ATMOSPHERE



800 MAN-HOURS OFFERED OF FREE COMMERCIAL ASSISTANCE THROUGH OUR WEBSITE



WE TRAVELED OVER 200 MILLION KILOMETERS AND MADE ALMOST 700,000 TRIPS TO DELIVER MERCHANDISE TO OUR UNITS AND TO OTHER DISTRIBUTION CENTERS

WE OFFERED TRAINING AND ASSISTANCE TO 1,700 SUPPLIERS IN MEXICO



PRODUCTIVITY IN MEXICO



+3.0% IN STORES & CLUBS

UNITS PER LABOR HOUR



+12.2% IN DISTRIBUTION CENTERS

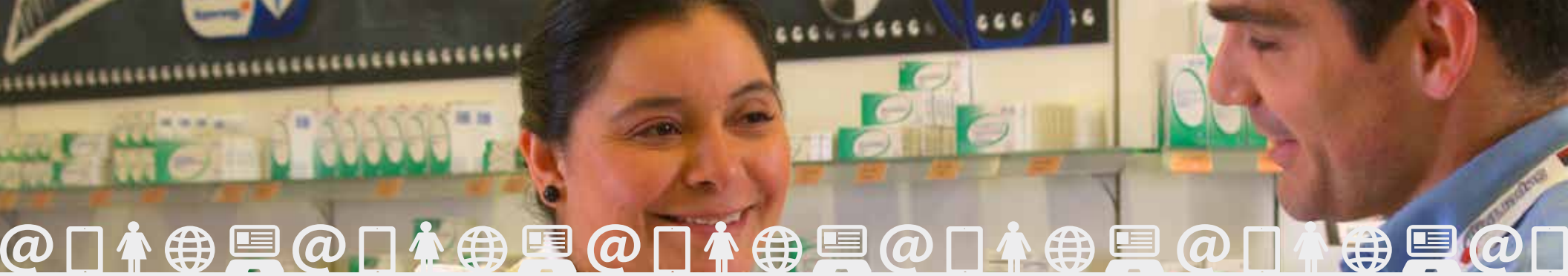
CASES PER LABOR HOUR



INVESTING IN OUR

future growth

One of our competitive advantages has been to constantly invest in our long-term growth. To build the business of the future, this year we conducted certain changes: integrating processes and systems in Central America, and standardizing their formats; migrating administrative processes through GSSLA; investing in our new units and in sustainable infrastructure; modernizing our distribution centers; and launching walmart.com.mx, through which we evolved and opened up new communication and sales channels for our customers.



SYSTEMS INTEGRATION IN CENTRAL AMERICA

During 2013 we completed the integration of processes and systems in Central America and standardized the formats with those that exist in Mexico. Now we have greater visibility into operations and inventories, thereby producing better commercial results. In the future, the information generated by our systems in Central America will help us better understand the shopping habits of our customers, optimize the value proposition, manage prices with flexibility, and align our formats.



GLOBAL SHARED SERVICES FOR LATIN AMERICA (GSSLA)

With the vision of continued growth and the optimization of our processes, we created the Global Shared Services Center for Latin America -GSSLA- located in San José, Costa Rica. It is here where we centralize administrative processes related to the Company's transactions, such as accounts payable and receivable; asset management, centralized accounting; payroll processing; payment analysis; and supplier claims.

The GSSLA strategy, in line with the three strategic pillars of growth, leveraging, and return on investment, will create benefits for the region's countries, organizations, areas, and associates it serves.





INVESTING IN NEW UNITS

With the confidence we have in the growth opportunities existing in the countries where we operate, we decided to continue extending our value proposition. During the year we invested 14.0 billion pesos in 235 new units from the different business formats, representing a 7.1% increase in installed capacity, as compared to the previous year. In this way we were able to take our value proposition to 36 new cities and now be present in a total of 540, with 2,861 units throughout Mexico and Central America and a total sales floor of 71.2 million square feet.

INVESTING IN SUSTAINABLE INFRASTRUCTURE CENTERS

If we are to continue growing sustainably without having our operation impact the environment, it is essential that our growth strategies consider reducing water and energy use, optimizing waste management, promoting environmental sustainability throughout the supply chain, and promoting care for biodiversity.

With this in mind, in 2013 we invested in several activities in Mexico, such as increasing the number of water treatment plants to 642, producing 7.9% reduction in comp-store water use, as compared to 2012. Doors were installed on refrigeration display cases in our units in Mexico, and we modernized our lighting system by installing LED technology, reducing energy use by 61 million kWh, which represents a savings of 3.3% over 2012. A new wind energy plant began operations in Tehuantepec, with the capacity to provide energy for 886 units. We also promote the best sustainable practices of our suppliers that reduce the use of raw materials and increase the use of recycled and renewable ones. Strategies, policies and procedures guaranteeing biodiversity protection during construction stages and throughout the operating life of our units have been put into place.

INVESTING IN INFRASTRUCTURE FOR THE DISTRIBUTION CENTERS

During 2013 we implemented multiple investment projects that helped make our logistics operation more efficient and increased our distribution capacity to our stores and clubs. We opened three new distribution centers in the metropolitan area of Mexico City, which serve over 100 clubs and optimize the receiving flow from suppliers and the transfer of merchandise among distribution centers.

Programs were implemented to optimize the use of our trailer fleet without affecting our operations. Each of our units is equipped with GPS, thereby improving the traceability of the vehicles for better decision making. We have automated more processes, making it easier to increase our response capacity during periods of high volume and to ensure merchandise arrival, for more successful shopping seasons.

In 2013 we invested in several activities in Mexico, such as increasing the number of water treatment plants to 642, producing 7.9% reduction in comp-store water use, as compared to 2012.



ECommerce

An ever increasing number of customers prefer the convenience of online shopping and therefore, in keeping with this reality concerning their shopping habits, in June we launched our eCommerce portal walmart.com.mx. In just seven months of operation, our site had more than 28 million hits. In fact, according to Comscore, walmart.com.mx is the eCommerce site with the largest audience in all of Mexico within the retail category. With over 60 eCommerce kiosks in certain units, our customers can interact with us, make their orders from the store, and pay at any of our many registers.

The launching of walmart.com.mx was added to other eCommerce portals we already have in operation: sams.com.mx, superama.com.mx and vudu.mx. Improvements were made this year to superama.com.mx and we relaunched the Superama app for iOS, Android and Windows. What is more, with its portal, the telephone, and the smartphone app, Superama had 7.5 million customers. According to Euromonitor International, superama.com.mx has become a consolidated leader in grocery sales via a website.

Vudu, our online movie site made progress over last year, with customer traffic of almost 5.2 million people.

It should be noted that due to the sales volume achieved with these channels, we now have an eCommerce-devoted distribution center. We have shown that we are working to become one of the best eCommerce companies in Mexico, with the best assortment, the best prices, the best shopping experience, and the best security for our customers.



MEDIMART

Medimart, our broad line of generic pharmaceutical products –launched in May 2007- is sold in all our formats and in a network of over 1,150 pharmacies from different companies throughout Mexico. With over 350 drugs for the most frequent illnesses in the country, such as diabetes, hypertension, obesity, depression, gastritis, respiratory ailments, and others, Medimart guarantees its customers at least 50% savings over market-leading brands. The drugs are made by 25 leading pharmaceutical companies who produce generic products and they are audited under the strictest quality standards before being sold by Walmart de México y Centroamérica.

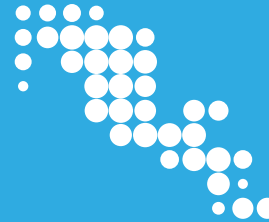


Medimart is sold in all our formats and in a network of over 1,150 pharmacies from different companies throughout Mexico. With over 350 drugs made by 25 leading pharmaceutical companies

growth & new channels



WE INVESTED 14.0 BILLION PESOS IN
235 NEW UNITS
 214 IN MEXICO
 21 IN CENTRAL AMERICA



+ 7.1%
 MEXICO AND
 CENTRAL AMERICA
 SALES FLOOR
 INCREASE



VUDU, OUR ONLINE MOVIE SITE
 RECEIVED ALMOST
5.2 MILLION VISITS

WALMART PRESENCE

WE REACHED 36 NEW CITIES

| | |
|------|----------------------------------|
| 2013 | 540 CITIES |
| | 71.2 MILLION SALES FLOOR SQ. FT. |
| 2012 | 504 CITIES |
| | 66.5 MILLION SALES FLOOR SQ. FT. |



IN JUST 7 MONTHS OF OPERATION,
walmart.com.mx
 HAD MORE THAN
28 MILLION HITS

SUPERAMA HAD
7.5 MILLION CUSTOMERS
 THROUGH ITS ECOMMERCE
 CHANNELS



+350 DRUGS COMMERCIALIZED
OVER 1,150 PHARMACIES
 FROM DIFFERENT COMPANIES
 IN MEXICO





OUR WAY OF WORKING WITH
responsibility

Respect for the individual, customer service, acting with integrity, and searching for excellence are the beliefs that comprise our Walmart way of working with responsibility.



WE ARE A COMPANY WITH GREAT VALUE AND OUR ACTIONS IMPACT SOCIETY IN MANY WAYS...



associates

Not only do we generate jobs, but we drive the development of our associates to be committed talent, in addition to promoting the quality of life, both at work as well with their families.



suppliers

We provide our suppliers -especially the SMEs, who are fundamental partners to executing our strategies- the tools needed to grow the business and be more competitive.



community

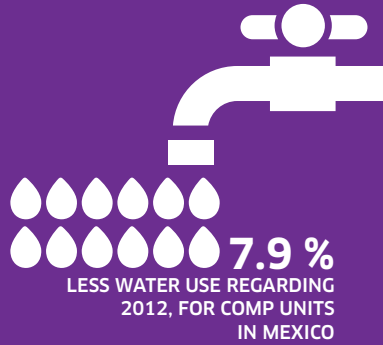
In conjunction with the community, we finance long-term projects that build production capacities that combat poverty, and with this in mind we provide our expertise, our people, and our infrastructure for their well-being.



environment

We reduce the impact to our environment by making responsible use of the resources need, by improving waste management, by promoting environmental sustainability, and by preserving biodiversity.

our impact



31%
OF OUR
EXECUTIVES
ARE WOMEN
IN MEXICO



379 MP
INVESTED IN ENERGY-
SAVING INITIATIVES



139,045
VOLUNTEERS

PARTICIPATING IN MORE
THAN 3,700 ACTIVITIES

OUR "GREEN BAG"
REDUCED THE USE
OF PLASTIC BAGS BY
10.3%



27,308 SUPPLIERS
THROUGHOUT THE REGION



WE PROMOTE
THE SUBSTITUTION
TO RECYCLABLE
MATERIALS



OPERATIONS AND OUR associates

WALMART DE MÉXICO Y CENTROAMÉRICA IS A LARGE EMPLOYER THAT OFFERS DEVELOPMENT OPPORTUNITIES TO ITS 226,289 ASSOCIATES. WE FOSTER A CULTURE OF INTEGRITY, RESPECT, SERVICE, AND EXCELLENCE, WITH EMPHASIS PLACED ON EQUALITY AND WORK-LIFE BALANCE FOR ALL OUR ASSOCIATES.

PEOPLE, TALENT AND LEADERSHIP

We nevertheless face the challenges stemming from growth, the incorporation of new generations into the labor force, and from belonging to a market that is constantly evolving. These challenges are attracting and retaining quality talent, developing competencies, and transforming our Company into a modern organization but without losing our essence and work ethic.

In order to rise to the challenges, we have worked on:

- Reinforcing the HR structure and management with a sounder and more strategic organization, in keeping with the needs of the business and with robust systems and policies;
- Attracting and developing the best talent, fostering their capacities in the organization through people-based leadership, with a pronounced focus on integrity and business results ; and
- Reinforcing Walmart culture, driving commitment, and enhancing the work experience in the Company.

STRUCTURE AND MANAGEMENT

Headed by the Senior Vice President of Human Resources, the modality of business partner was created, whose role is to ensure that Human Resources' value proposition meets the requirements for each area and that the strategic priorities are executed.

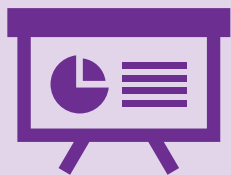
Moreover, HR areas devoted to the specific transversal knowledge of the organization were reinforced. These areas include Compensation and Benefits, and Talent and Organizational Development; the latter encompasses Work-Life Balance and Equality and Inclusion, which support and put into operations the initiatives designated by the Advisory Board on Equality and Inclusion who advises the CEO on related issues.

The company has defined policies and procedures and the internal communication needed for optimum human resource management. It also relies on sufficient processes to review its execution and periodic updating as needed.

WORK STANDARDS

In all the countries where we operate, the work standards outlined and governed by the company's policies and procedures are meant to ensure the following:

- A working environment that follows the principles of integrity, respect, service and excellence.
- No discrimination of race, gender, disability, sexual preference, ideology, or religion, as stated in the policies and procedures for recruitment, training, development and compensation system.
- A total rejection of child or forced labor.
- A safe and hygienic workplace, with risk prevention measures in place.
- Compliance with the law and enforceable regulation in the countries where we operate.
- Wages above those set forth by current legislation.
- Respect for work hours and days off, and the proper payment of overtime, when incurred.
- Equal opportunities for the development of our associates.
- Internal open and confidential channels of communication on violations of any type to any of the points described hereinabove.



98 MP INVESTED IN
TRAINING DURING THE YEAR



1.5 DAYS PER YEAR
OF TRAINING

TALENT DEVELOPMENT PLATFORM

It is essential to have a constant flow of trained talent that sustains our growth plans. Therefore, in addition to the recruitment performed by each HR team leader in his/her corresponding unit and the centralized talent recruitment for staff areas and executive positions, the task of positioning within universities also takes place. Our talent development plans focus on the following:

- Training. Designed for field and staff associates of all levels; development of skills such as leadership, teamwork, negotiation, and technical competencies for different levels and duties throughout the organization. The Walmart Training Center is in charge of classroom training. We also have SIGA -the Interactive System for Learning Management, and Walmart TV, the internal television channel that covers all Operations.
- Scholarship programs for bachelor degrees that foster the development of our associates, leveraging their growth within the organization.
- Coaching, mentoring and visibility to drive the development of associates with potential, with the help of internal and/or external experts, through individual and group processes.



- Merchandising and Operations academies, both of which undergo constant review and enhancement. This mode of training reinforces the vision, competencies, and the way of establishing more productive commercial relations within the team of buyers and those who lead our stores.
- Compensation and performance evaluation system. Designed to stimulate and recognize the development of competencies that are critical to the business; position requirements; and a results-oriented mentality. The evaluation entails individual performance –by semester and annual- as well as multidimensional 360° assessments, and all supported by a calibration process for executives. This latter helps to identify talent, which then leads to the creation of specific development plans.

WE PROMOTED MORE THAN 26,200 ASSOCIATES



CULTURE, COMMITMENT, AND A MODERN WAY OF WORKING

Our Walmart culture is the framework for reinforcing the commitment of all associates to the company. As a result, we reinforce the development of behaviors that are a reflection of our culture. We promote living by our culture through examples, recognition, training, and communication. The Culture Reinforcement Program includes diverse practices that lead to the recognition and reinforcement of behaviors aligned with our culture, including programs such as A+ in Culture, My Leader, and Cultural Transformation.

Each year, through an independent survey, we measure the engagement of our associates with the company and the level at which our culture is being experienced through the ongoing process known as Cultivating our Commitment. In addition, we have a program of tools such as the blog *Direct with Scot*, through which the channel of direct communication is opened so as to drive commitment, a sense of belonging, and closer rapport between the associates and their CEO.

OPPORTUNITIES FOR EVERYONE AND DIVERSITY

In addition to policies favoring the attraction of talent and development of our associates in an atmosphere of inclusion and respect for diversity, we have the Equity Advisory Board, whose members are Vice Presidents and Directors from different areas of the company.

- Inclusion of people with disabilities. Cultural Transformation, which focuses on building and reinforcing sensitivity and awareness of equality and inclusion.
- Training and Development with specific development programs in the field of gender equality. An outstanding example is the Special Certificate Program for Female Executives, offered by the PanAmerican University, in Mexico, with the 5th generation having completed their training in 2013; Taking the Stage training course, taught by women in executive positions; and Women in Retail, where 200 women over a period of three years to become store managers.
- Government and processes that review and implement policies and procedures that sustain and ensure a culture of equality: wages, recruitment processes, development, and equal opportunities.
- Flexibility, which reviews and makes proposals on new ways of working, both in the field and in our home offices.

The company's Gender Equality Model has been evaluated since 2009 by INMUJERES, the National Women's Institute, and in 2013 certification was awarded once again.

WORK-LIFE BALANCE, HEALTH AND SAFETY

Programs on work-life balance and the implementation of new ways of working seek to achieve a modern organization that promotes equilibrium between the personal and working lives of our associates, in addition to a healthy life style. We have reinforced the following programs:

- Workday flexibility, for which we are implementing Habitat, a new concept in the work environment that drives the collaborative work of teams in open work schemes and by functions, producing a work ethic concentrated on improving the work atmosphere, productivity, and results. The Flex Week program was also implemented, with the participation of staff associates. It entails adjusting work hours during the week, in such a way that these associates have Friday afternoons off.
- Medical insurance coverage was extended to include childbirth expenses.
- Postnatal leave for mothers was implemented, allowing them to have the maternity leave awarded by law, with a progressive return to their fulltime schedule during the first 7 months of the child's birth. Postnatal leave for fathers has been added; they are able to work flex-time during the first month after their child's birth.
- Agreements with health agencies have been renewed, whereby they can visit all stores nationwide, with the purpose of ensuring the well-being of our associates through actions such as: testing for hypertension, glucose, and cholesterol; checking height and weight; vaccines; and family planning.
- Continuity was given to agreements that allow our associates to have access to discounts for labs, gyms, health and welfare services, entertainment, and schools.

The accident prevention programs that are part of the overall safety measures are reinforced with a group of experts in safety and hygiene who constantly audit our units, with the purpose of creating action plans for any opportunities detected. We then document best practices and communicate them throughout the organization.



THE FLEX WEEK PROGRAM WAS ALSO IMPLEMENTED, WITH THE PARTICIPATION OF STAFF ASSOCIATES. IT ENTAILS ADJUSTING WORK HOURS DURING THE WEEK, IN SUCH A WAY THAT THESE ASSOCIATES HAVE FRIDAY AFTERNOONS OFF.



OPERATIONS AND OUR suppliers

OUR CUSTOMERS ARE IN CONSTANT CONTACT WITH NEW TRENDS, REGIONAL TRADITIONS, AND EVERYDAY HABITS THAT INFLUENCE THEIR SHOPPING NEEDS. IT IS POSSIBLE TO SERVE THEM EFFICIENTLY BY ESTABLISHING STRATEGIC, LONG-TERM RELATIONS WITH OUR SUPPLIERS, DEVELOPING REGIONAL SUPPLIERS, AND OFFERING TOP QUALITY PRODUCTS AT EXCELLENT PRICES.

STRUCTURE AND MANAGEMENT

We have a VP for self-service merchandising; for perishable merchandising; and one for customer insight and supplier development. The research constantly conducted by Customer Insight provides greater understanding of our customers, their lifestyles, shopping habits, and how satisfied they are with the service they receive. Moreover, there is an area -Compliance and Corporate Quality- that oversees the quality of the products and supplier compliance. This structure and additional tools help us obtain insight into our customers, create strategic relations, maintain quality standards, and increase the productivity of our company and suppliers.

Our suppliers have tools provided by the company such as Retail Link, which allows them to understand demand levels, measure product sell-thru and thereby improve strategies and response capacities.

SUPPLIER STANDARDS

The relationship with suppliers of services and of merchandise for sale in stores is covered under the agreement governing the commercial relationship, including clauses on ethical behavior, anticorruption, labor liabilities, and compliance with Supplier Standards, according to which the suppliers agree to the following:

- Full compliance with the law and regulations enforce, including those governing labor-related issues, immigration, health, hygiene, and the environment, among others.
- Ensure voluntary hiring. Labor relations between the supplier and its employees must be voluntary, thereby forbidding slave labor, child labor, forced labor, or indentured labor.
- Legal compliance regarding the number of hours per shift and days off for workers.
- Implementation of hiring and employment practices that verify employee data such as age and the right to work in the country, with a proper contract covering policies and practices for wages, dismissals, training, and working conditions, pursuant to law.
- Respecting the right of workers to peacefully and legally join the labor unions of their choice, and to collective bargaining.
- Ensure that all their practices comply with environmental legislation regarding water, air, and wastes; and that all raw materials come from legal sources.
- Accurate record keeping on all financial information related to commercial ties with Walmart.
- Providing all workers a safe and clean working environment and taking the preventive measures needed to mitigate accidents.
- Compliance with Walmart's right to audit and/or verify at any moment and without prior notice.

REGARDING CHALLENGES CONCERNING OUR SUPPLIERS

We have worked on:

1. Maintaining constant and open dialogue with our suppliers, through different channels:
 - a. The Supplier Advisory Board. Created in 2006, it consists of 14 countries in Mexico and Central America, and it is an opportunity to exchange ideas and foster best practices that increase the competitiveness of our companies.
 - b. The Supplier Survey. This is an annual evaluation mechanism with representation from large, small and medium-sized companies. It evaluates the Walmart way of operating regarding its relations with suppliers, and allows for identification of key points when increasing efficiencies. The representation of SMEs this year was 27%.
 - c. Supplier and Ethical hotlines. Run by independent merchandising areas, suppliers can communicate problems they are facing, make specific suggestions, or file complaints regarding non-compliance with the company's ethical standards.
 - d. Dialogue with suppliers of perishable products. Sessions are held with 450 small, medium and large-sized suppliers to identify areas of opportunity and new ways of working.
2. Strengthening the structure of Merchandising. Centralized Negotiations for GM, groceries, consumables, and Apparel in Self-service, regional buyers, and buyers for perishable categories at the national level. This allows them to develop a more strategic vision, develop products and improve the capacity to respond to customer needs. The Merchant Academy strengthens their training and development.
3. Ensuring quality standards and compliance regarding the products we sell. This is done through a quality and compliance verification process that ensures food safety, the origin of raw materials, and compliance with applicable legislation. We verify that 100% of our private label suppliers have currently audits, in addition to the suppliers of raw materials for processing in our stores and production centers are audited regarding the following:
 - Good Manufacturing Practices
 - Quality Systems
 - Process Control
 - Training
 - Pest Control
 - Facilities
 - Hazard Analysis and Control over Critical Points

Said verification processes are based on the following criteria:

- Perishables. Statistically representative product-quality inspections were performed on deliveries of perishables in Distribution Centers, as per product features concerning weight, temperature, and overall specifications. The inspection sample is taken statistically and action plans are established with suppliers. In addition, in Mexico we purchase 100% top quality, TIF-certified meat.
- Food Products. In Mexico, 79% of private label suppliers and in Central America, 7% of suppliers who outsource finished product in the Agroindustrial Development plants are certified through the global Food Safety Initiative, which is fostered by the business sector to achieve ongoing improvement of food security management systems, increased consumer confidence, and a guarantee of the availability of safe food products. Walmart requests that its private label suppliers obtain certification from any of the systems recognized by this initiative (SQF, BRC, FSSC22000, Global GAP, IFS, among others), once they have passed a Good Manufacturing Practices audit and prove the implementation of HACCP (Hazard Analysis and Critical Control Points). The number of certified suppliers varies each year in terms of the needs of the business and the company's commercial requirements.



- Pharmaceuticals. The audit of Medimart drug suppliers verifies the degree of compliance with Mexican standard NOM-059-SSA1-1993: best manufacturing practices for chemical-pharmaceutical industry establishments devoted to making drugs. As of 2014, audits will be conducted under standard NOM-059-SSA1-2013.
- Textiles. Testing laboratories based on NOM-004-1995. Inspections in distribution centers according to CATMEX-established criteria: visual, packaging, labeling and sizing. Audits by Factory Capability and Capacity Audit which verifies the production processes under the international criteria of Walmart Stores: lab, sample/design room, material warehouse, cut and merge, production and inspection processes, ironing, finish and packaging.

It should be noted that, should improvement opportunities be detected, an action plan is created or sanctions are applied to the type of opportunity in question, pursuant to established policies.

PRIVATE LABELS: SUPPLIER AUDITS

| CENTRAL AMERICA | |
|---|------|
| Audits underway, for BMP and HACCP diagnostics * | 86 % |
| Audits underway, for BMP and HACCP diagnostics for finished products* | 98 % |
| Food | 85 % |
| Agroindustrial Development | 40 % |

*Remaining % is certified or undergoing precertification process.
 BMP: Best Manufacturing Process
 HACPP: Hazard Analysis and Critical Control Points

| MEXICO | |
|-------------------------|-------|
| Food | 91 % |
| General Merchandise | 100 % |
| Pharmaceutical products | 72 % |
| Textiles | 90 % |

4. Broadening supplier base of regional, small, and medium-sized companies. Choose, supervise, and develop suppliers within their categories, providing them with improvement opportunities and access to programs that increase their capacities.
 - a. Training and consultancy for over 1,700 suppliers in Mexico, in terms of commercial value and competitive factors. We offered over 800 man-hours in free commercial consultancy through our website and presence in events such as National ANTAD Week and SME Week. In Central America we assist 299 suppliers in 17 sessions.
 - b. Financing and payment terms; support for supplier growth and development. Through the Credimpulsa program, sponsored by Banco Walmart, financing is offered at very competitive rates. We improved the commercial conditions for more than 600 of our SME suppliers, permanently reducing the original payment terms, an average of 21 days, thus helping to boost their liquidity.
 - c. Execution on the sales floor, through a shared promo program in more than 1500 stores, allowing small-sized businesses to efficiently raise their presence at the point of sale, and with highly competitive costs, as compared to the market in general.

The Supplier Excellence Award is given out each year in Mexico and in Central America, whereby the results for principal indicators are evaluated on an annual basis: sales, profitability, inventories, and fill-rates.



5. Ensuring the purchase of agricultural, aquacultural, and fishery products in the proper volume, at the right price, and with optimum conditions of freshness and food safety so as to reduce the risk of physical, chemical, and microbiological contamination represents a major challenge in the way we:

Purchase our merchandise:

- a. Creating a structure of experts who buy product families and categories, nationwide; who are fully aware of production seasons and cycles, and who serve the different businesses, with the purpose of creating a better value proposition for our customers, thanks to improved planning.
- b. Ensuring product quality through the use of standardized product cards adapted to seasonality, audits, and product-quality certification. The greatest challenges consist of food safety, the supply of quality water systems, supplier labor and working conditions, the logistics network, and collection centers.
- c. Extending the process used for direct purchases from national growers, thus obtaining lower prices and increased freshness. There is a sustainable agriculture program in both Mexico and throughout Central America that helps farmers increase their production capacity for direct delivery, and to verify practices and yields. Through this program, the farmers receive training in logistics and market-related matters.

In order to help small suppliers who have low-income levels and live in remote areas of the country, we have developed differentiated commercial programs for payment terms, special conditions in distribution centers, and personalized assistance from Merchandising and subjects related to production processes, administration, and post-harvest management, thereby resulting in an independent organization and support from the Company through its areas of corporate responsibility in Central America and the Walmart de México Foundation.

In Central America we purchased over 1.6 million pesos in products from these suppliers, representing 69% of the produce and grains sold in our stores.

Move our merchandise: By reducing the days spent in the distribution centers, applying a flexible quality system, and limiting the sell-thru of overly mature products, we are able to increase the days of freshness for our customers. The incorporation of Food Banks in the network allows for full use of the merchandise. The company's logistics network is a key efficiency point for our business, and for the growers it means an increase in the shelf-life of their perishables.

Sell our merchandise: By increasing freshness, ensuring supply and the best possible prices for our customers, we are able to have a positive impact on their shopping experience.

1. EFFICIENT SUPPLY
2. IMPROVE INVENTORY TURNOVER
3. OFFER FRESH DAYS
4. SELL MORE TO OUR CUSTOMERS



THREE KEY PRIORITIES TO IMPROVE STORE-PROFIT CONTRIBUTION IN PERISHABLES





OUR OPERATIONS AND THE community

THE SOCIAL IMPACT OF EACH OF OUR UNITS IN THE COMMUNITIES WHERE WE OPERATE ENTAILS THE CREATION OF FORMAL EMPLOYMENT IN A COMPANY THAT OFFERS CONSTANT DEVELOPMENT OPPORTUNITIES, A WIDE RANGE OF PRODUCTS AT LOW PRODUCTS -THUS ALLOWING THEM TO SAVE MONEY- AND THE OPPORTUNITY FOR LOCAL SUPPLIERS TO GROW WITH US. THESE IMPACTS ARE ENRICHED THROUGH A COMMUNITY SUPPORT PROGRAM THAT IS ALIGNED WITH THE MISSION OF OUR COMPANY IN EACH COUNTRY WHERE WE ARE PRESENT, LETTING US DIRECT THE STRENGTHS OF THE BUSINESS IN FAVOR OF THESE COMMUNITIES AND AFFIRM THAT WE CONTRIBUTE TOWARDS IMPROVING THE QUALITY OF LIFE OF THE FAMILIES IN ALL THE COUNTRIES WHERE OUR COMPANY OPERATES.

The community support program is based on defined criteria, in terms of the strategic alignment of the business and its capacity to generate value:

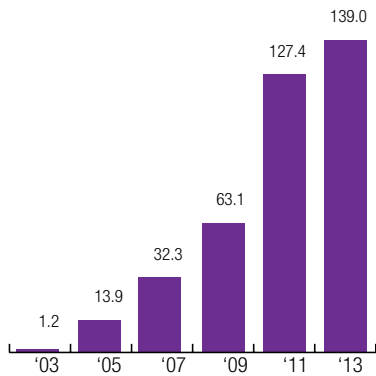
- a. **Supporting nutrition through food banks.** Given the fact that food items represent 60% of our company, it is fundamental for countries with high food poverty rates to make good use of any merchandise that is suitable for human consumption but not suitable for sale. Moreover, associates have priceless experience that serves to offer advice to food Banks in the efficient handling of food products.

We have worked daily with more than 330 food banks and institutions that receive and distribute food products and general merchandise to those who most need, benefiting over 160,000 people. In collaboration with other companies in Central America, six food banks have been set up in Guatemala, Honduras, Nicaragua, Costa Rica and El Salvador.

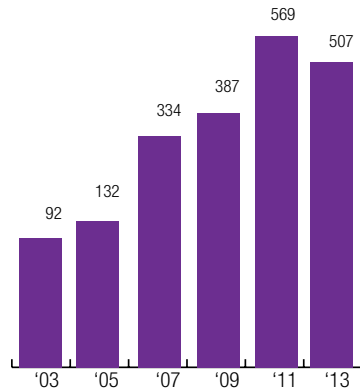
In Mexico we focused on reinforcing data management through a new system and processes on the social impact of donations we have given said institutions, thus enabling us to improve productivity and lend a hand towards achieving greater professionalization.



VOLUNTEERISM
THOUSAND OF ASSOCIATES



DONATIONS CHANNIELED
MILLION PESOS



In Nicaragua, we promote the empowerment of female entrepreneurs with funds that will directly benefit 54 female banana growers and their families who are organized in two cooperatives. This program, jointly operated with other associations, foresees an increase in production numbers and in the quality of the bananas harvested by these women; an improvement in the manufacturing practices and the business skills of the cooperatives to which they belong; and a rise in crop profitability and the income produced, thanks to technical assistance and the transfer of technology. What is more, Walmart de México y Centroamérica will guarantee the purchase and marketing of Coopemad's production, all under the highest standards of quality, handling and processing.

WE SOLD AGRICULTURAL AND ARTISANAL PRODUCTS FROM OVER 5,800 PRODUCERS IN THE REGION

- b. Developing farming capacities and the manufacturing of handicrafts in the poorest of communities in the countries where we operate.** Since we are part of the retail sector, we have considerable experience with markets, commercial channels, product development and quality, and volunteerism. Our company's ability to develop the production skills low-income small farmers is our primary strength that falls naturally in alignment with the objective of this program. In countries coping with poverty, the creation of production capacities is one of the most important strategies towards increasing income, and with it, the standard of living.
- c. Empowering women.** The majority of our customers are women and opportunities for them are limited in all the countries where we operate. This situation is even more serious where there is poverty because many of them have had scarce schooling, and many are heads of family. It is therefore fundamental for our company to especially focus on the empowerment of women in all the programs we develop.

During the year, we conducted the following programs, among others:

In Mexico, "Women Can Count on Us" is a program whose purpose is to finance training courses so women may start up a new business, or improve an existing one, as well as offering scholarships for those women who wish to conclude their high school education or attend a technological university. During the second year of this program, 25,456 women registered so they could participate; this figure, added to that of last year, totals over 60,000 who are actively part of our program. It should be noted that of the total number registered, 66% earn less than 5,000.00 pesos per month; 27% completed Junior High School; 41% are either single, widows or divorced.



54,325 WOMEN DEVELOPED THEIR CAPACITIES AND WERE EMPOWERED

d. Promoting volunteerism among our associates. In Mexico and Central America most of our associates are living in the same cities where they work. This represents an opportunity and a responsibility for the company of continuing its support for communities and, at the same time, influencing our associates to be better and more committed citizens through a volunteer program developed in each unit throughout the region. The program encompasses different activities.

- Conferences given to female entrepreneurs by Walmart VPs in Mexico;
- Consultancy services offered to small growers and manufacturers by associates from Merchandising;
- Assistance during natural disasters, such as merchandise drives, classification and packaging with the Mexican Red Cross and in Distribution Centers;
- Maintenance activities for schools;
- Cleanup and maintenance for green areas, beaches, rivers and lakes; and
- Reforestation.

139,045 ASSOCIATES PARTICIPATED AS VOLUNTEERS THROUGHOUT THE REGION

e. Providing assistance in natural disasters. We operate in 541 cities, all of them potential sites for natural disasters. Therefore, in the case of an incident of this type, our first priority is the safety of our associates and our customers, reestablishing operations and with it the supply of products needed by all, and using our logistics network and the proximity with its customers to multiply help for disaster victims.

During the disasters in Mexico caused by hurricanes Ingrid and Manuel, we set up 887 collection centers in our stores. With the Kilo by Kilo campaign, the Foundation matched the 944 tons of food items donated by our customers, thereby channeling 1,888 tons to the Mexican Red Cross. Our associates affected by the hurricanes received support from the company, others worked as volunteers with the Red Cross, and the use of the logistics network was fundamental to these relief efforts, in addition to the response capacity of the Center for Operations Continuity; with representatives from all areas of the company, this center operates continuously during a disaster, ensuring the supply of products to the stores in the disaster areas.



CONTRIBUTION GUIDELINES

The Walmart de México Foundation celebrates its 10th anniversary as a not-for-profit organization that channels community support from the company.

The Foundation has a board of directors of 11 members, 6 of which are independent directors; the board meets at least 4 times a year. Its primary duty is to define the direction of the Foundation, goals and objectives, approve projects, and follow up on results.

Board for the Walmart de México Foundation

- Scot Rank (Chairman)**
- Mercedes Aragonés*
- Roberto Delgado Gallart*
- Jorge Familiar Haro*
- Martha Smith*
- Marinela Servitje*
- Karina Awad**
- Rafael Matute**
- Javier Soní*
- José Luis Torres**
- Manuel Álvarez**

* Independent director

** Related director

In Central America this is done through a Committee on Social Responsibility, consisting of seven key leaders for the business and who meet twice a year.

Community support consists of contributing financial and in-kind resources and promoting volunteerism. The company has guidelines for granting support and transparency and anti-corruption mechanisms that ensure compliance with the purpose for which said support is granted.

Donation policies and processes include the following:

- Open call on line, once a year for a defined period of time, with guidelines regarding the causes and the desired social impact, the type of not-for-profit and non-governmental organizations that are eligible and a defined period of time for receiving projects on line.
- Project evaluation by a pre-selection committee, consisting of members from academia, the business world and Walmart associates who do not work for the Foundation.
- Special compliance review concerning applicable laws.
- Review and selection by majority vote for projects deemed the best by the Pre-Selection Committee, and by the Board of Directors for the Walmart de México Foundation.
- Contract-writing processes, with clauses that include anti-corruption measures, references on the recipient to ensure authorization to receive donations, clauses on project development, compliance with objectives, and follow-up.
- Follow-up process for indicators through an electronic system, and visits in person.

- In the case of in-kind donations, the selection of the recipient is based on the capacity to pick-up in-kind donations at assigned unit(s), as well as the capacity to generate a greater social impact as per programs and list of beneficiaries. Also covered are points regarding information, special reviews on compliance with any and all applicable legislation, contracts and clauses that include anti-corruption measures, and visits in person.

The electronic control system for donations allows for obtaining information relative to the institution and the project, and the social impact indicators. There are restrictions for company users, which prohibit changing the data provided by the institution receiving the help, and also disallowing said institution to alter the information once the project has been approved, or from allowing it to change its own reports once they have been delivered, pursuant to contract clauses.

In Central America, the process is overseen by Corporate Affairs department, as per the same anticorruption measures, contracts and project follow-up.





OUR OPERATIONS AND
 the environment

REDUCING WATER AND ENERGY USE, IMPROVING WASTE MANAGEMENT, PROMOTING ENVIRONMENTAL SUSTAINABILITY IN THE SUPPLY CHAIN, AND CARING FOR THE EARTH'S BIODIVERSITY ARE ESSENTIAL FACTORS IN MITIGATING THE IMPACT OF OUR OPERATIONS ON THE ENVIRONMENT AND IN INCREASING OUR COMPANY'S PRODUCTIVITY.

To meet this goal, the following is considered fundamental:

- Having environment-friendly operating standards for water, energy, waste management, products, packaging, and biodiversity.
- Implementing and measuring initiatives that favor increasingly sustainable operations.
- Adopting the best practices available.

We have a strategy with clearly-defined short, medium and long term goals; a team of associates led by a Director in charge of the management; and policies and procedures that support it all. The objectives are part of those established by top management, and reports are made to the Board of Directors regarding progress and performance. The operating formats, in turn, share in the responsibility of the same.

**1.1 BILLION PESOS INVESTED
 IN SUSTAINABLE PROJECTS**

2013 RESULTS
 % VARIATION

| | Mexico | Central America |
|--|---------------|------------------------|
| CO ₂ / GEI | -2.0 | -6.8 |
| Energy | -3.3 | -4.5 |
| Water (total units) | -7.3 | NA |
| Plastic Bags | -10.3 | N/A |
| Recycled wastes (Zero wastes, % sent to sanitary landfills) | 73 | 61 |

NA: NOT AVAILABLE
 N/A: NOT APPLICABLE

WATER

We ensure water quality for processes related to human consumption, we ensure efficient use during our operations, and we improve the disposal of wastewater.

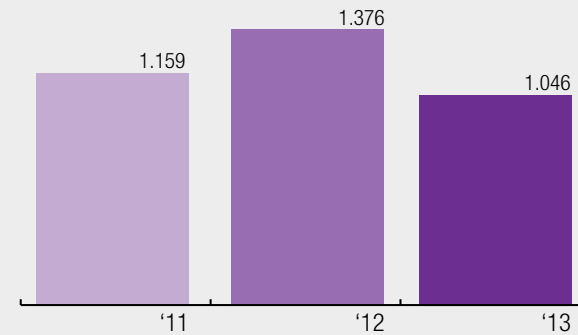
In all areas related to human consumption, such as in preparing meals, we ensure quality through the use of filtration equipment and by disinfecting water from the public supply network.

We continued with the implementation of water-efficient equipment.

We extended the number of treatment plants to 642, with which more than 1,680 million cubic meters of wastewater were treated in Mexico, and 28% of them were reused in WCs and for irrigation purposes.

In Mexico we reduced 7.9 % water use regarding 2012, for comp units.

MEXICO WATER USE PER AREA UNIT (m³ / m²)



ENERGY

Core factors in the reduction of carbon emissions, improvements in sustainability and positive impacts on the company's productivity are energy-efficient use of equipment for lighting and systems, the use of renewable sources, an increasing responsible culture, and having eco-efficient products.

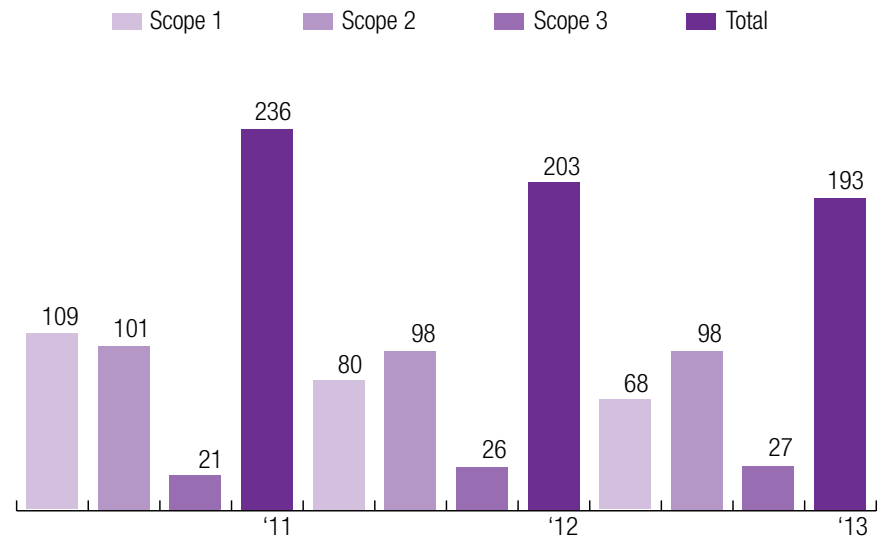
During 2013 the goal of achieving 3,000 GWh of renewable energy by 2020 was announced; all energy-saving initiatives that are implemented continue supporting energy efficiency for the company and we continue incorporating new technologies in openings and in remodeled units.

A new wind energy plan began operations in Tehuantepec, Mexico, with the capacity to generate 85 MWh and feed 886 business units which, together with the 68 MWh generated by the Oaxaca I Lamatalaventosa wind farm since 2010, will enable us to generate 320 MWh of renewable energy for 1,233 operating units.

Moreover, different initiatives were strengthened, such as LED lighting, doors installed for refrigeration cases, the use of capacitor Banks, internal energy-efficiency campaigns, and the monitoring of energy control systems.

OVER 81,900 TONS OF CO₂eq NOT GENERATED DUE TO ENERGY SUPPLY FROM THE WIND FARM

MEXICO & CENTRAL AMERICA TOTAL CO₂ eq EMISSIONS (TON/MIL m²)



We encourage the efficient use of energy by our suppliers in their processes and the sale of eco-efficient products such as household appliances, low energy-using electronic devices and equipment, compact fluorescent bulbs and LED lighting.

For the first time, our GEI inventory for 2012 was verified by an independent third party -SOLAL S.C. (SOLAL-ÓVVALO), which is in conformity with the requirements for GEI Corporate Standards for Accounting and Reporting (WBCSD and WRI, 2005) at a limited verification level.

WASTES

With the purpose of reducing, reusing and recycling wastes, in our stores we have programs to recover materials that can be recycled or reused from our operations and from products used by our customers. We also have programs for the safe disposal of organic wastes and expired pharmaceuticals.

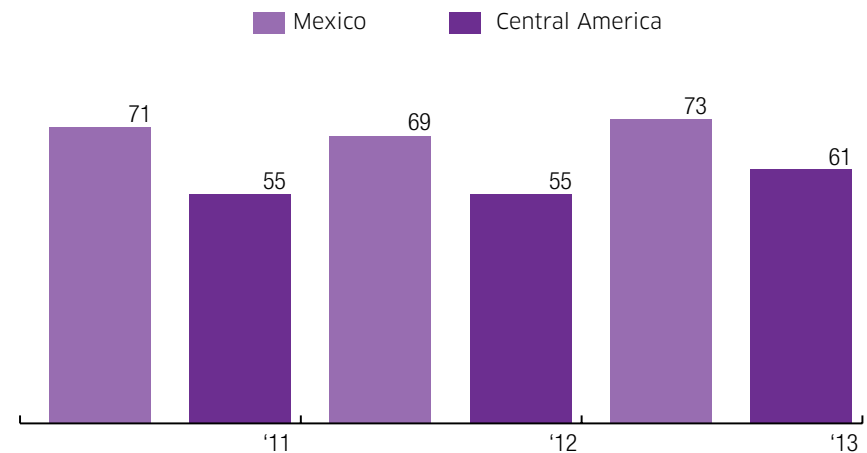
There are programs with 80% coverage in our stores in Mexico and 100% of those in Central America for the recovery of recyclable materials such as cardboard, flexible plastic, clothes hangers, paper, and multi-layer and PET containers. The “Green Bag” program in Mexico reduced the use of plastic bags by 10.3%, which is equivalent to 1.28 tons of plastic. We promote best practices with our suppliers so they can reduce the use of raw materials and use recyclable, renewable or recycled materials.

Over 245,000 tons of wastes were recycled or transformed. The reduction of waste in food has been a priority for the company. Initiatives undertaken to impact the different life cycles perishable products have helped to reduce this type of waste by 25%, as compared to the baseline in 2011, thereby surpassing the goal of 15% reduction by 2015; and in Central America, food waste as compared to the baseline for 2010 dropped 27.4%, thus exceeding the reduction goal of 5% for 2015. These achievements, together with the donation of food products and general merchandise items to food Banks –a total of 14,005 tons of food products- allows for a better use of these products. We continue with our programs aimed at recovering edible fat and oils so as to reuse them in the making of soap, candles, and pet and cattle feed.

What is more, 166 stores are involved in the Mexican program for collecting expired medical products, operated jointly with the National Chamber of the Pharmaceutical Industry and National System for Drug Packaging Waste Management, so as to properly and safely dispose of them. In 2013, some 19.2 tons of medicines were collected.



MEXICO & CENTRAL AMERICA WASTE RECYCLING RATE



TRANSPORTATION

Having the best qualified operators, making efficient use of fuel, producing less wear and tear on tires, and reducing toxic emissions are crucial to maintaining the highest standards of transportation quality and engineering.

From the beginnings of the Clean Transportation Program in Mexico, Walmart de México y Centroamérica has reduced CO² emissions by 11,284 tons, which is equivalent to taking 2,000 vehicles off the road. The company has also saved 4.1 million liters of diesel, a savings equal to 50 million pesos. For the third year, we have received recognition from the Clean Transportation Program, sponsored by the Secretary of the Environment and Natural Resources, and the Secretary of Transportation. Trips have been reduced by 7.4 million kilometers, which is equal to making 580 trips around the world.

In Central America, the “Backhauling” initiative, conducted with our suppliers, has saved 121,230 gallons of diesel and 1,235 tons CO² emissions of GHG, which is the same as taking 247 vehicles off the road for a full year.



PRODUCTS

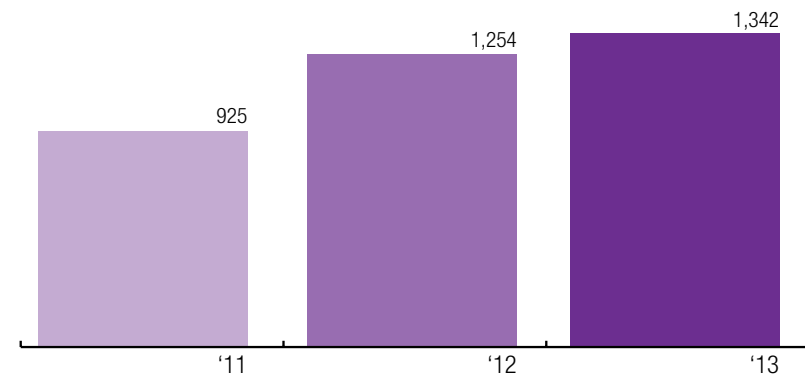
Promoting more sustainable products entails having packaging that makes better use of materials, reducing environmental impact during product life cycles, marketing organic products, pesticide-free products and those with low-energy use, as well as encouraging the adoption of low environmental-impact farming practices. (See subchapter on suppliers).

We drive the optimization of product packaging and containers. Preference has been given to substituting materials such as plastic for ones such as PET, which are easier to recycle, or with lighter packaging.

We have discovered solutions with our suppliers such as loading more merchandise on the trucks and thereby reducing carbon emissions. We promote improvements to product life cycles so as to produce even greater reductions in environmental impact, regarding energy, materials and/or distribution. Moreover, we continue communicating newer and better ways to care for the environment to our customers.

Our Walmart and Superama formats have an area set aside for organic products, including milk, cereals, sugar, and coffee, to name just a few. We also promote the sale of pesticide-free products.

MEXICO NO. OF PRODUCTS WITH LOW ENVIRONMENTAL IMPACT



BIODIVERSITY

The company has a mid-range impact on biodiversity, primarily due to product distribution and the operation of our units, our respect for biodiversity during the construction and opening of new units, and the use of natural resources and CO₂ emissions from products sold in our stores.

1. Protecting biodiversity during the building of units.

The Vice Presidency of Real Estate has strategies, policies, procedures and contractual clauses that are aimed at protecting the biodiversity as well as achieving sustainable use of natural resources, from the purchase of the property, unit construction by third parties, and unit design.

- a. Environmental assessment of the properties prior to purchase or sale, so as to verify the existence of protected flora and fauna, soil contamination, and bodies of water, to determine project viability and any required mitigation and compensation measures.
- b. Project design adapted to environmental regulations for Green areas, permeable areas, the use of renewable energy sources, and the handling of vegetation.
- c. Environmental measures and compensations during the construction process. Proper waste management, flora and fauna conservation, atmospheric emissions, noise pollution, and measures set for the by the environmental authorities.
- d. Joint responsibility with third parties. Contractual clauses and bidding processes for construction companies and suppliers to provide materials from authorized banks, waste management pursuant to applicable legislation, wastewater management, and compliance with their responsibility in these matters.



2. Preventing water pollution and soil degradation during farming practices, fishery activities and the overexploitation of forestry resources.

Wood products such as pallets come from authorized sources, either local or from abroad. Pulp products use post-consumption recycled fiber and printer paper for internal supplies are Forest Stewardship Council (FSC) certified.

We have an established policy for the use of certified palm oil in the products we sell under our private label by 2015. Our purpose is to prevent the deforestation of tropical zones.

We make sure that 100% of imported aquaculture products have Best Aquaculture Practices (BAP) best practices certification. In 2014 this will be extended to include domestic aquaculture.

BEST PRACTICES

Exchanging best practices, driving innovation, and accessing more efficient technologies have a positive effect on environmental sustainability by raising both company and supply chain standards.

With our suppliers we jointly develop projects aimed at having more efficient supply chains, both in economic and environmental terms, which in turn optimize packaging, recycling and overall energy efficiency, thus improving logistics and reducing wastes.

We launched an Eco-efficient Chains portal (<http://cadenasecoefficientes.net>) to train micro and small companies in eco-efficiency and the exchange of best practices.

Sustainability Forum 2013: United for a Better Planet. Consumer goods and green technology companies attended the forum to share initiatives and new technologies in the fields of energy efficiency, renewable energy, sustainable water management, integrated waste management, optimization of packaging, and carbon print measurements, with an audience of over 2,000 people.

In Mexico, together with the IberoAmerican University, the first sustainable innovation award was given. This contest was open to all Mexican university students who presented business proposals in the fields of energy, water, and wastes. Over 180 proposals were sent in from 17 states nationwide. Two students from the Center for Industrial Design Research were judged the winners, and the top 30 projects were each presented with a recognition award.

CORPORATE GOVERNANCE

Our Company is built on foundations of integrity and the highest of ethical standards, always ensuring strict adherence to applicable legislation. For many years we have worked on reinforcing our compliance program, and therefore we have recently decided to strengthen our organizational structure. Hence, we now have an Executive Vice President and Chief Officer for Legal and Government Affairs for Mexico and Central America, and a Senior Director for Compliance. We reiterate our ongoing commitment to have all our activities follow the highest of ethical standards and generate value for our stakeholders: customers, shareholders, associates, suppliers, communities, and the environment.

The structure and responsibilities of the Board of Directors, our Code of Ethics and, in general, all the activities performed by our Company follow corporate governance best practices.

BOARD OF DIRECTORS

Our Board of Directors is charged with overseeing the management of the business.

MAKE-UP

- All the members are appointed on a yearly basis by the shareholders at the annual meeting.
- Independent Directors must comprise a minimum of 25% of the total number of Board Directors.
- Minority shareholders whose shares represent at least 10% of total owners' equity shall have the right to appoint a Director and the corresponding Alternate; neither may be removed until the other members of the Board of Directors are also removed.
- The Board meets a minimum of four times a year.

PRIMARY RESPONSIBILITIES

- Choosing the Chief Executive Officer.
- Acting as consultant/counsel for Company top management.
- Working actively with the CEO to develop general corporate strategies for the Company and any organizations the Company controls.
- Overseeing the performance of key Company Officers.
- Approving all information policies and communication with shareholders and the market.

OTHER PRACTICES

- The duties of Chairman of the Board of Directors and of the CEO are kept separate.
- The Board evaluates the performance of each Director.
- Independent Directors have experience in the Company line of business.
- The Board has access to independent consultants.
- The Chairman of the Board is forbidden from acting as Secretary or presiding over Board committees.

The Board of Directors has three committees, whose duties include detailed analysis of matters pertaining to its sphere of action and making suggestions to the Board so it may study the information and make the decision most suitable to creating the best possible value for all shareholders.

Board of Directors as of December 31, 2013

| Chairman | |
|-------------------|----------------------------|
| Eduardo Solórzano | |
| Directors | Alternate Directors |
| Adolfo Cerezo* | Renzo Casillo |
| Pedro Farah | Olga Gonzalez |
| Rafael Matute | Farley Sequeira |
| Doug McMillon | Ernesto Vega* |
| Kristin Oliver | |
| Secretary | |
| Enrique Ostalé | Alberto Sepúlveda |
| Salvador Paiz* | |
| Scot Rank | |
| Cathy Smith | Assistant Secretary |
| Blanca Treviño* | Antonio Pérez de la Riva |

*Independent Director

Note: Wal-Mart de México, S.A.B. de C.V. held its annual general ordinary shareholders' meeting on March 20, 2014 and the integration of the new Board of Directors was determined:

| Board of Directors | |
|--------------------|----------------------------|
| Chairman | |
| Enrique Ostalé | |
| Directors | |
| Enrique Ostalé | Alternate Directors |
| David Cheesewright | Ernesto Cervera* |
| Scot Rank | Olga Gonzalez |
| Brett Biggs | Renzo Casillo |
| Rafael Matute | Farley Sequeira |
| Pedro Farah | Secretary |
| Carmen Bauza | Alberto Sepúlveda |
| Adolfo Cerezo* | |
| Blanca Treviño* | Assistant Secretary |
| Salvador Paiz* | Enrique Ponzanelli |
| Robert Newell* | |

*Independent Director

AUDIT AND CORPORATE PRACTICES COMMITTEES

There are three Directors, all of them independent.

PRIMARY RESPONSIBILITIES

- Appointing the Independent Auditor for the Company; establishing fees.
- Overseeing internal controls and ensuring they meet all applicable legal and accounting regulations; and reviewing related-party transactions conducted by the Company.
- Reviewing Financial Statements to ensure they reflect and accurate and true overview of the Company's financial situation. These Committees have the necessary procedures to receive, safeguard and respond to all complaints regarding accounting practices and controls, and all audit-related matters. Also, the Committees have the necessary resources and are authorized to retain legal counsel and any other required outside consultancy so they can meet their obligations.
- Reducing the potential risk of conducting transactions that could compromise Company assets or that could favor a specific group of shareholders.
- Approving policies that govern the use and possession of Company assets.

- Authorizing related-party transactions, total compensation for the CEO, and all policies regarding total compensation for top management.
- Assisting the Board of Directors in its duty of producing reports on accounting practices.
- Holding private meetings and receiving periodic reports from Internal Audit, Legal and Compliance, and Ethical Behavior.
- Calling shareholder meetings and ensuring all pertinent matters are included in the order of business for the meeting.

PRINCIPAL PRACTICES AND REQUIREMENTS

- All members are Independent Directors, with experience in finance.
- Independent auditors are not allowed to perform consultancy services for the Company.
- The partner from the Independent Audit firm who renders an opinion on Financial Statements for the Company must be periodically changed.

MEMBERS OF THE AUDIT AND CORPORATE PRACTICES COMMITTEES:

Adolfo Cerezo (Chairman)
Blanca Treviño
Ernesto Vega

Note: Wal-Mart de México, S.A.B. de C.V. held its annual general ordinary shareholders' meeting on March 20, 2014 and the integration of the new Audit and Corporate Practices Committees was determined. All members are Independent Directors:

Adolfo Cerezo (Chairman)
Roberto Newell
Blanca Treviño
Ernesto Cervera (Alternate)

EXECUTIVE COMMITTEE

There are three Directors. Among their duties is that of strategic planning for the Company.

MEMBERS OF THE EXECUTIVE COMMITTEE:

Doug McMillon (Chairman)
Enrique Ostalé
Scot Rank

Note: Wal-Mart de México, S.A.B. de C.V. held its annual general ordinary shareholders' meeting on March 20, 2014 and the integration of the new Executive Committee was determined:

Enrique Ostalé (Chairman)
David Cheesewright
Scot Rank

CORPORATE RESPONSIBILITY

Corporate responsibility is the company's commitment to doing what is right and managing government, social and environmental issues related to the business and its operation. Those in charge of Corporate Responsibility are the Executive Vice President and Chief Officer for Legal and Government Affairs for Mexico and Central America, the Senior Director for Compliance, and a specialized team. In turn, the strategy is reviewed in the Corporate Executive Committee, and developed in conjunction with the areas involved in each of the fields of endeavor; the Board of Directors is informed on these activities. It is fundamental to establish work plans, indicators, and policies and procedures so as to involve the organization in building a company with an increasingly robust Corporate Responsibility.

SAID STRATEGY INVOLVES THE FOLLOWING PILLARS:

- Ethics and corporate governance
- Associates
- Suppliers
- Community
- Environment

THE STRATEGY COVERS THE FOLLOWING POINTS:

- Risk analysis, impact and evaluation of primary stakeholders regarding the same, and associate opinion surveys on each subject.
- Strategic detection of points with the greatest impact.
- Development of Action Plans and appointment of those to be in charge within the organization.
- Design of indicators, and then include them in corporate plans; these indicators are linked to performance.
- Follow-up.
- Incorporating assessment results into improvement analyses and plans; assessment is performed by outside evaluators of Corporate Sustainability and Responsibility throughout the year.

CORPORATE RESPONSIBILITY COMMITTEE

PRIMARY DUTIES:

- Analyzing areas of opportunity and detecting areas for improvement through processes for risk detection, needs, and concerns of our stakeholders.
- Defining the strategy for corporate social responsibility, approving the action plan, and establishing measurement systems with indicators.
- Supervising and following up on performance in social corporate responsibility, complying with all corresponding legislation in force.

MEMBERS OF THE CORPORATE RESPONSIBILITY COMMITTEE:

Scot Rank
Karina Awad
Alberto Sepúlveda
Rafael Matute
Mónica Loaiza
Simona Visztová
Renzo Casillo

CODE OF ETHICS

For Walmart de México y Centroamérica, integrity is our non-negotiable core value, and we always ensure that it permeates and governs all our activities.

The following are some of the primary points covered in our Code of Ethics:

- Non-discrimination
- Conflicts of interest
- No gifts and gratuities
- Privileged information
- Inappropriate behavior
- Harassment
- Appropriate use of Company assets
- Sexual harassment
- No repercussions
- Fair trade practices
- Financial integrity
- Anticorruption

Walmart de México y Centroamérica's Ethics and Compliance area, which reports to the Executive Vice President and Chief Officer for Legal and Government Affairs for Mexico and Central America, is in charge of promoting a culture of ethical commitment and strict adherence to the statutes governing our Company, as well as taking care of the ethical cases presented. The Audit Committee periodically receives reports from this area.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS

REGARDING OPERATION RESULTS AND FINANCIAL STANDING OF THE COMPANY

The Company announced on September 10, 2013 that it reached a definitive agreement with ALSEA, S.A.B. de C.V., under which ALSEA will acquire 100% of the restaurant division of Walmex. The closing of this transaction is still subject to the approval of regulatory authorities.

Last October 17, 2013, the Company announced that we would now report results separating the restaurant division as discontinued operations, in conformity with the International Financial Reporting Standard Number 5.

International Accounting Standards (IAS 17):

For the fourth quarter, there is a one-time non-cash expense impacting results, which does not affect cash flow. Beginning in the year 2013, rent expenses under operating leases with third parties are being recognized on a straight-line basis over the term of the leases agreements, in conformity with International Accounting Standards (IAS 17), in which the commencement date of the lease agreement is generally considered the possession date of the leased property.

As a result, the Company recorded a one-time catch-up expense of 464 million pesos (360 for Mexico and 104 for Central America) and 61 million pesos related to the current year straight-line method in Mexico.

I. RESULTS

MEXICO

Total income amounted to 367.7 billion pesos, an increase of 3.4% over last year, and 86.5% of total consolidated income.

We opened 214 units from different business formats, representing 7.2% increase in the sales floor in Mexico.

| | % of total sales | sq. ft. of sales floor | Openings | Units | Cities |
|-------------------|------------------|------------------------|----------|-------|--------|
| Bodega Aurrerá | 38.4 | 26,112,367 | 168 | 1,589 | 420 |
| Walmart | 28.0 | 20,537,055 | 16 | 243 | 78 |
| Sam's Club | 25.5 | 11,959,374 | 14 | 156 | 86 |
| Superama | 4.4 | 1,611,349 | 2 | 92 | 18 |
| Suburbia | 3.7 | 4,663,686 | 10 | 109 | 42 |
| Medimart Pharmacy | - | 28,686 | 4 | 10 | 1 |
| Banco | - | - | - | 201* | 22 |

*Branches

CENTRAL AMERICA

Our income totaled 57.4 billion pesos, an increase of 2.1%, which is 5.7% on a constant currency basis. This income represents 13.5% of total consolidated income.

We opened 21 units in the five countries of Central America, increasing our installed capacity by 6.1%.

| | % of total sales | sq. ft. of sales floor | Openings | Units | Cities |
|-------------|------------------|------------------------|----------|-------|--------|
| Costa Rica | 45.3 | 2,207,427 | 9 | 214 | 14 |
| Guatemala | 26.9 | 2,111,393 | 4 | 209 | 34 |
| Honduras | 10.2 | 637,867 | 3 | 75 | 26 |
| El Salvador | 9.5 | 902,524 | 4 | 84 | 17 |
| Nicaragua | 8.1 | 442,789 | 1 | 80 | 22 |

CONSOLIDATED

Total income amounted to 425.2 billion pesos, some 13.1 billion more than the previous year. This represented an increase of 3.2% over total income obtained in 2012.

GROSS MARGIN

Mexico's gross margin was 22.0%, some 10 basis points lower than that posted in 2012.

The gross margin for Central America was 22.4%, that is, 170 basis points higher than the previous year, primarily due to the benefits of the integration with Mexico regarding systems, processes, and formats.

Consolidated gross margin was 22.0%, some 10 basis points higher than that posted in 2012.

GENERAL EXPENSES

On a comparable basis, excluding the store lease expense, consolidated expenses increased 5.2%. In Mexico expenses grew 5.3% and 4.8% in Central America.

CONSOLIDATED OPERATING MARGIN AND EBITDA

Operating income totaled 31.5 billion pesos, which represents a growth of 2.0% over 2012, excluding the store lease expense effect. Moreover, EBITDA posted 40.2 billion pesos, an increase of 2.2%.

NET INCOME AND EARNINGS PER SHARE

Excluding the store lease expense effect, net income dropped 0.8% during the year. In 2013 we repurchased 96 million shares, 69 million more than the previous year. Earnings per share were 1.284 pesos.

INCOME STATEMENT

| | Mexico | | | | Central America | | | | % Increase ex one-time store lease expense | |
|------------------------------------|--------|-------|------------|---------------------------------|-----------------|------|------------|-------------------------|--|-------------------------|
| | | | % Increase | | | | % Increase | | | |
| | 2013 | 2012 | % | ex one-time store lease expense | 2013 | 2012 | In pesos | Constant currency basis | In pesos | Constant currency basis |
| Total revenues (billions of pesos) | 367.7 | 355.8 | 3.4 | 3.4 | 57.4 | 56.3 | 2.1 | 5.7 | 2.1 | 5.7 |
| % of revenues | | | | | | | | | | |
| Gross margin | 22.0 | 22.1 | 2.8 | 2.8 | 22.4 | 20.7 | 10.1 | 14.0 | 10.1 | 14.0 |
| General expenses | 14.0 | 13.6 | 6.1 | 5.3 | 18.6 | 18.0 | 5.8 | 9.6 | 4.8 | 8.5 |
| Operating income | 8.0 | 8.5 | -3.0 | -1.6 | 3.7 | 2.6 | 45.0 | 50.1 | 52.1 | 57.5 |
| EBITDA | 10.0 | 10.4 | -0.8 | 0.3 | 6.0 | 4.9 | 24.3 | 28.7 | 28.0 | 32.6 |

| | Consolidated | | | |
|------------------------------------|--------------|-------|------------|---------------------------------|
| | | | % Increase | |
| | 2013 | 2012 | % | ex one-time store lease expense |
| Total revenues (billions of pesos) | 425.2 | 412.1 | 3.2 | 3.2 |
| % of revenues | | | | |
| Gross margin | 22.0 | 21.9 | 3.8 | 3.8 |
| General expenses | 14.6 | 14.2 | 6.1 | 5.2 |
| Operating income | 7.4 | 7.6 | 0.3 | 2.0 |
| EBITDA | 9.5 | 9.7 | 0.9 | 2.2 |

Financial information under International Financial Reporting Standards

II. BALANCE CASH AND CASH EQUIVALENTS

Our cash generation amounted to 40.0 billion pesos, allowing us to finance an investment of 14.0 billion pesos in fixed assets and repay our shareholders with 19.4 billion pesos, a record figure for Walmex. We repurchased 3.3 billion pesos worth of own shares and paid 16.1 billion pesos in dividends. Our cash position upon closing of 2012 amounted to 21.1 billion pesos, of which, 17.2 billion comes from Mexico, 2.6 billion from Central America, and 1.3 billion pesos from Banco Walmart.

Cash is invested in short-term debt securities. The Company neither conducts transactions with derivatives, nor does it invest in the stock market. The Company has not conducted any transactions not recorded in the Financial Statements.

Our cash generation and sound finances allowed us to invest in prices, open 235 new units, remodel existing stores, and also pay dividends and repurchase own shares.

USES OF CASH

- Investments in fixed assets: We continue reinvesting our earnings in projects that serve to modernize our operating structure, from information systems to logistics networks and the renovation of our stores and clubs, including the opening of new units.
- Dividends: The following chart shows the dividends paid during the last four years (with values adjusted due to the split conducted in 2010), with 2013 being a record year in dividend payments.

| Year | 2010 | 2011 | 2012 | 2013 |
|------------------------------------|-------|-------|-------|--------|
| Dividend per share (pesos) | 0.35 | 0.55 | 0.55 | 0.92 |
| % of earning for the previous year | 35% | 50% | 44% | 69% |
| Cash spent (millions of pesos) | 5,743 | 9,659 | 9,612 | 16,056 |

- Repurchase of shares: The shareholders authorize the maximum amount available for the repurchase of shares. Shares repurchased are subtracted from shareholders' equity at the moment of repurchase and are formally cancelled each year during the Shareholders' Assembly. The following chart shows the investment in the repurchase of shares during the last four years (with values adjusted due to the split conducted in 2010).

| Programs | Repurchased shares (millions) | Invested amount (millions of pesos) |
|----------|-------------------------------|-------------------------------------|
| 2010 | 112 | 3,472 |
| 2011 | 103 | 3,455 |
| 2012 | 27 | 1,088 |
| 2013 | 96 | 3,328 |

WORKING CAPITAL

In 2013, the Company continued operating with negative working capital requirements, which has historically allowed for the self-financing of growth and modernization.

The inventory balance as of December 31, 2013 amounted to 43.8 billion pesos, which was financed by accounts payable to suppliers totaling 47.6 billion pesos.

WALMEX SHARE

We are the third most traded stock on the Mexican Stock Exchange -with a weight of 7.05%-, where we have traded since 1977. For the second consecutive year we are included in the Dow Jones Sustainability Index for Emerging Markets, and for the third consecutive year we are included in the Mexican Stock Exchange Sustainable Index.

AUDIT AND CORPORATE GOVERNANCE COMMITTEES REPORT

WAL-MART DE MÉXICO, S.A.B. DE C.V.

ANNUAL REPORT
BOARD OF DIRECTORS OF WAL-MART DE MÉXICO, S.A.B.
DE C.V.

DEAR SIRs,

In accordance with article 43 of the Securities Market Law ("LMV", as per its initials in Spanish) in effect and with the internal regulations approved by the Board of Directors of Wal-Mart de México, S.A.B. (the "Company"), we hereby inform you of the activities undertaken during fiscal year ended December 31, 2013.

In the performance of our duties, we have maintained strict compliance not only with LMV, but we have also considered the recommendations contained in the Code of Corporate Best Practices issued by the Consejo Coordinador Empresarial, A.C. and the Company's Code of Ethics.

In order to comply with our supervisory process, the Audit and Corporate Governance Committees have held quarterly meetings to examine a general overview of the company's most relevant accounting, legal, operating and ethical issues, supplemented by our involvement in the results analysis meetings, Ethics Committee and monthly meetings with the CEO and Legal areas, and an emphasis on the following:

I. AS TO CORPORATE GOVERNANCE:

- a) We were informed by Management of the following:
1. Performance assessment processes for relevant executives and the authorized replacement plan, with no observations noted.
 2. Processes followed along the year to conduct transactions with related parties and relevant transfer price study, concepts which are mentioned by management in Note 10 to the Financial Statements of the Company, with no observations noted.
- We were also informed of a sale transaction involving the restaurant division of Wal-Mart de México S.A.B. de C.V. mentioned in Note 1, Paragraph b), Number II, to the financial statements.
3. Processes to determine comprehensive compensation packages for the CEO and other relevant executives listed under Note 10 to the Financial Statements of the Company, with no observations noted.
- b) The Board of Directors did not grant any waivers to board members, relevant executives or any other person with any of the authorities specified under Article 28, Section III, Paragraph f) of the Securities Market Law.
- c) During 2013, the Company's Management have been continuously informing us on the progress of the investigations conducted by Walmart Stores, Inc.'s Audit Committee with support from independent lawyers and other advisors on corrupt practices and of all measures taken by the Company to reinforce internal organization by training managing executives and associates and strengthening processes to be leaders in compliance worldwide, as explained in detail in Note 1, Paragraph b, Number I, to the Financial Statements of Wal-Mart de México, S.A.B. de C.V. and Subsidiaries as of December 31, 2013. Additionally, it is our knowledge that the Company shall willingly cooperate with such investigations.

II. AS TO AUDITING:

- a) We analyzed the status of the internal control system and were informed in detail of the Internal and Independent Audit programs and work development, as well as the main aspects requiring improvement and follow-up on preventive and corrective measures implemented by Management based on the results from investigations relating to compliances with the operating and accounting recording guidelines and policies of the Company and Subsidiaries. Therefore, it is our opinion that effectiveness requirements have been properly met for the Company to operate under a general control environment.
- b) We evaluated the performance of the independent auditors who are responsible for rendering an opinion on the reasonability of the Company's Financial Statements and their compliance with International Financial Reporting Standards. We consider that the partners at Mancera, S.C. (a member of Ernst & Young Global) meet the necessary requirements of professional qualifications and independence for intellectual and financial action and we, therefore, recommend their appointment to examine and issue a report on the financial statements of Wal-Mart de México, S. A. B. de C.V. and Subsidiaries as of December 31, 2013. No additional or supplementary services for this concept were provided during 2013.
- c) We attended several meetings to review the annual and quarterly financial statements of the Company and at that time, recommended releasing such financial information.
- d) We were informed of the accounting policies approved and followed during year 2013 and any amendments, and it is important to mention the policy on assets and liabilities for sale and discontinuous transactions which was included as a result of the Restaurant division sale transaction, whose effect is described on Note 7 to the Company's financial statements.
- e) We were informed of the progress on the investment plan and of any impacts on the results sent to the Mexican Stock Exchange based on the adjustments made to the store opening processes, with no observations noted.
- f) We followed up on relevant observations made by shareholders, directors, relevant executives, associates and, in general, any third party as to the accounting, internal controls and matters relating to internal and external audits.
- g) We followed up on the agreements reached at the Shareholders' and Board meetings of the Company, with no observations noted.

Based on performed work and an opinion from the independent auditors, it is our conclusion that the accounting and reporting policies and criteria followed by the Company are adequate and sufficient, and have been consistently applied. As a result, the information submitted by the CEO reasonably reflects the Company's financial position and results.

Therefore, we recommend that the Company's Board of Directors submit the Financial Statements of Wal-Mart de México, S.A.B. de C.V. and Subsidiaries for the year ended on December 31, 2013 for approval before the Shareholders' Meeting.

Sincerely,



Adolfo Cerezo, Eng.
President
Audit and Corporate Governance Committees

Mexico City, February 17, 2014.

GLOSSARY

| | |
|---------------------------|---|
| ADR | American Depositary Receipt |
| Apparel stores | Offering the best in fashion for the whole family at the best possible price |
| Associate | Employee who works at Walmart de México y Centroamérica |
| Banco Walmart | Universal banking institution aimed at Walmart de México customers, with an initial offering of basic banking and financial products and services |
| Bodegas & discount stores | Austere stores offering basic merchandise, food and household items at the best prices |
| Clubs | Membership warehouse clubs focused on businesses and consumers who seek the best possible prices |
| CO ₂ eq | Carbon dioxide equivalent |
| Distribution Center | Location for the receipt of goods from suppliers and store distribution |
| EBITDA | Earnings Before Interest, Taxes, Depreciation, and Amortization |
| Every Day Low Prices | Permanent philosophy of Walmart de México y Centroamérica, in order to contribute towards improving the quality of life for the region |
| GDP | Gross Domestic Product |
| GHG | Greenhouse gas emissions |
| GRI | Global Reporting Initiative |
| ISR | Income Tax |
| IVA | Value Added Tax |
| MSE | Mexican Stock Exchange |
| Net sales | Income from the goods sold in our stores |
| Restaurants | Leading chain in the restaurant cafeteria segment |
| Sales floor | Surface area set aside for merchandise retail |
| SMEs | Small and Medium-sized Businesses |
| Supermarkets | Self-service stores located in residential areas |
| Total revenues | Net sales plus other income |
| Walmart | Self-service stores providing the widest assortment of goods from groceries and fresh, to apparel and general merchandise |
| WALMEX | Stock Symbol for Wal-Mart de México S.A.B. de C.V. |

REPORT OF INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF WAL-MART DE MÉXICO, S.A.B. DE C.V.

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries, which comprise the consolidated statements of financial position at December 31, 2013 and 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, as well as a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries at December 31, 2013 and 2012, and their consolidated financial performance and cash flows for the years then ended, in conformity with the International Financial Reporting Standards.

Our audit opinion and the accompanying financial statements and footnotes have been translated from the original Spanish version to English for convenience purposes only.

Mancera, S.C.
A Member Practice of
Ernst & Young Global



Enrique García

Mexico City, February 4, 2014

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Notes 1 and 3)

Amounts in thousands of Mexican pesos

| | December 31, 2013 | December 31, 2012 |
|---|------------------------|------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents (Note 4) | Ps. 21,129,491 | Ps. 28,163,229 |
| Accounts receivable, net (Note 5) | 12,778,413 | 10,376,438 |
| Inventories (Note 6) | 43,794,897 | 39,091,595 |
| Prepaid expenses and other assets | 1,013,525 | 1,016,091 |
| Assets held for sale (Note 7) | 3,932,746 | - |
| Total current assets | 82,649,072 | 78,647,353 |
| Non-current assets: | | |
| Property and equipment, net (Note 8) | 121,082,727 | 117,376,902 |
| Intangible assets (Note 9) | 25,957,186 | 25,928,040 |
| Other non-current assets | 573,148 | 333,412 |
| Total assets | Ps. 230,262,133 | Ps. 222,285,707 |
| Liabilities and equity | | |
| Current liabilities: | | |
| Accounts payable to suppliers (Note 10) | Ps. 47,609,438 | Ps. 44,769,655 |
| Other accounts payable (Note 11) | 15,549,473 | 14,969,365 |
| Taxes payable | 1,596,262 | 2,424,526 |
| Liabilities relating to assets held for sale (Note 7) | 966,227 | - |
| Total current liabilities | 65,721,400 | 62,163,546 |
| Long-term liabilities: | | |
| Other long-term liabilities (Note 12) | 13,766,917 | 12,638,523 |
| Deferred tax (Note 13) | 6,851,658 | 6,588,903 |
| Employee benefits (Note 14) | 971,577 | 1,058,117 |
| Total liabilities | 87,311,552 | 82,449,089 |
| Equity (Note 15): | | |
| Capital stock | 45,777,573 | 45,959,724 |
| Legal reserve | 6,949,333 | 5,785,575 |
| Retained earnings | 92,551,723 | 90,370,930 |
| Other comprehensive income items | 397,799 | 162,781 |
| Premium on sale of shares | 2,314,940 | 2,067,980 |
| Employee stock option plan fund | (5,061,161) | (4,646,088) |
| Equity attributable to owners of the parent | 142,930,207 | 139,700,902 |
| Non-controlling interests | 20,374 | 135,716 |
| Total equity | 142,950,581 | 139,836,618 |
| Total liabilities and equity | Ps. 230,262,133 | Ps. 222,285,707 |

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Notes 1 and 3)

Amounts in thousands of Mexican pesos

| | Year ended December 31 | |
|---|------------------------|-----------------|
| | 2013 | 2012 |
| Net sales | Ps. 420,577,021 | Ps. 407,843,715 |
| Other revenues (Note 16) | 4,584,420 | 4,216,505 |
| Total revenues | 425,161,441 | 412,060,220 |
| Cost of sales | (331,537,855) | (321,832,560) |
| Gross profit | 93,623,586 | 90,227,660 |
| General expenses | (62,101,772) | (58,541,066) |
| Income before other income (expenses), net | 31,521,814 | 31,686,594 |
| Other income (expenses), net | 9,833 | (264,892) |
| Operating income | 31,531,647 | 31,421,702 |
| Financial (expenses) income, net (Note 17) | (14,642) | 400,937 |
| Income before taxes on profits | 31,517,005 | 31,822,639 |
| Taxes on profits (Note 13) | (9,516,938) | (9,236,797) |
| Net Income from continuing operations | 22,000,067 | 22,585,842 |
| Net income from discontinued operations (Note 7) | 713,153 | 682,821 |
| Consolidated net income | Ps. 22,713,220 | Ps. 23,268,663 |
| Other comprehensive income items: | | |
| Items that were not reclassified to profit and loss of the year: | | |
| Actuarial gain (loss) on employee benefits | Ps. 57,007 | Ps. (217,680) |
| Items that may be reclassified subsequently to profit and loss: | | |
| Cumulative translation adjustment | 178,011 | (1,259,101) |
| | 235,018 | (1,476,781) |
| Comprehensive income | Ps. 22,948,238 | Ps. 21,791,882 |
| Net income attributable to: | | |
| Owners of the parent | Ps. 22,716,891 | Ps. 23,275,163 |
| Non-controlling interests | (3,671) | (6,500) |
| | Ps. 22,713,220 | Ps. 23,268,663 |
| Comprehensive income attributable to: | | |
| Owners of the parent | Ps. 22,951,909 | Ps. 21,798,382 |
| Non-controlling interests | (3,671) | (6,500) |
| | Ps. 22,948,238 | Ps. 21,791,882 |
| Basic earnings per share from continuing operations attributable to owners of the parent (in pesos) | Ps. 1.244 | Ps. 1.273 |
| Basic earnings per share attributable to owners of the parent (in pesos) | Ps. 1.284 | Ps. 1.312 |

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(Notes 1, 3 and 15)

Amounts in thousands of Mexican pesos

| | Capital stock | Legal reserve | Retained earnings | Other comprehensive income items | Premium on sale of shares | Employee stock option plan fund | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
|---|-----------------------|----------------------|-----------------------|---|---------------------------------|--|--|------------------------------|------------------------|
| Balance at January 1, 2012 | Ps. 45,966,579 | Ps. 4,672,883 | Ps. 78,866,293 | Ps. 1,639,562 | Ps. 1,911,758 | Ps. (4,190,174) | Ps. 128,866,901 | Ps. 316,176 | Ps. 129,183,077 |
| Movements in employee stock option plan fund | | | | | 156,222 | (455,914) | (299,692) | | (299,692) |
| Increase in legal reserve | | 1,112,692 | (1,112,692) | | | | - | | - |
| Repurchase of shares | (70,234) | | (1,017,619) | | | | (1,087,853) | | (1,087,853) |
| Dividends paid | | | (9,611,672) | | | | (9,611,672) | | (9,611,672) |
| Shares issued for the payment of the contingent liability | 63,379 | | | | | | 63,379 | | 63,379 |
| Purchase of shares of non-controlling interests | | | (28,543) | | | | (28,543) | (173,960) | (202,503) |
| Comprehensive income | | | 23,275,163 | (1,476,781) | | | 21,798,382 | (6,500) | 21,791,882 |
| Balance at December 31, 2012 | 45,959,724 | 5,785,575 | 90,370,930 | 162,781 | 2,067,980 | (4,646,088) | 139,700,902 | 135,716 | 139,836,618 |
| Movements in employee stock option plan fund | | | | | 246,960 | (415,073) | (168,113) | | (168,113) |
| Increase in legal reserve | | 1,163,758 | (1,163,758) | | | | - | | - |
| Repurchase of shares | (249,310) | | (3,079,173) | | | | (3,328,483) | | (3,328,483) |
| Dividends paid | | | (16,056,467) | | | | (16,056,467) | | (16,056,467) |
| Shares issued for the payment of the contingent liability | 67,159 | | | | | | 67,159 | | 67,159 |
| Purchase of shares of non-controlling interests | | | (236,700) | | | | (236,700) | (111,671) | (348,371) |
| Comprehensive income | | | 22,716,891 | 235,018 | | | 22,951,909 | (3,671) | 22,948,238 |
| Balance at December 31, 2013 | Ps. 45,777,573 | Ps. 6,949,333 | Ps. 92,551,723 | Ps. 397,799 | Ps. 2,314,940 | Ps. (5,061,161) | Ps. 142,930,207 | Ps. 20,374 | Ps. 142,950,581 |

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Notes 1 and 3)

Amounts in thousands of Mexican pesos

| | Year ended December 31 | |
|--|------------------------|----------------|
| | 2013 | 2012 |
| Operating activities | | |
| Income before taxes on profits | Ps. 31,517,005 | Ps. 31,822,639 |
| Items related to investing activities: | | |
| Depreciation and amortization | 8,689,694 | 8,393,098 |
| Loss from disposal of property and equipment | 187,803 | 46,928 |
| Impairment in goodwill and contingent liability | - | 121,911 |
| Stock option compensation expense | 351,898 | 342,957 |
| Interest earned | (539,565) | (673,161) |
| Items related to financing activities: | | |
| Interest payable under finance leases | 1,113,361 | 1,055,550 |
| Accrued interest on contingent liability | 42,206 | 44,891 |
| Discontinued operations | 1,261,230 | 975,460 |
| Cash flow from results of operations | 42,623,632 | 42,130,273 |
| Variances in: | | |
| Accounts receivable | (2,169,222) | 1,045,546 |
| Inventories | (4,803,437) | (201,926) |
| Prepaid expenses and other assets | (273,549) | 33,870 |
| Accounts payable to suppliers | 2,887,686 | (5,532,394) |
| Other accounts payable | 905,405 | 810,628 |
| Taxes on profits | (9,997,166) | (8,680,470) |
| Employee benefits | (19,774) | 35,436 |
| Discontinued operations | (450,736) | - |
| Net cash flow from operating activities | 28,702,839 | 29,640,963 |
| Investing activities | | |
| Purchase of property, equipment and software | (13,987,014) | (14,659,555) |
| Employee stock option plan fund | (520,011) | (642,649) |
| Interest collected | 539,565 | 673,161 |
| Purchase of shares of non-controlling interests | (348,371) | (189,720) |
| Proceeds from sale of property and equipment | 182,212 | 514,554 |
| Discontinued operations | (157,272) | - |
| Net cash flow used in investing activities | (14,290,891) | (14,304,209) |
| Financing activities | | |
| Dividends paid | (16,056,467) | (9,611,672) |
| Repurchase of shares | (3,328,483) | (1,087,853) |
| Payment of finance leases | (1,352,533) | (1,292,407) |
| Discontinued operations | (39,517) | - |
| Net cash flow used in financing activities | (20,777,000) | (11,991,932) |
| Effect of changes in the value of cash | (668,686) | (347,979) |
| Net (decrease) increase in cash and cash equivalents | (7,033,738) | 2,996,843 |
| Cash and cash equivalents at beginning of year | 28,163,229 | 25,166,386 |
| Cash and cash equivalents at end of year | Ps. 21,129,491 | Ps. 28,163,229 |

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2013 AND 2012

Amounts in thousands of Mexican pesos, except where otherwise indicated

1.- DESCRIPTION OF THE BUSINESS AND RELEVANT EVENTS:

a. Description of the business

Wal-Mart de México, S.A.B. de C.V. (**WALMEX** or “the Company”) is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Colonia Santa Cruz Acayucan, C.P. 02770, in Mexico City, Mexico. The principal shareholder of **WALMEX** is Wal-Mart Stores, Inc., a U.S. corporation, through Intersalt, S. de R.L. de C.V., a Mexican company.

WALMEX holds 99.9% equity interest in the following groups of companies in Mexico and Central America:

| Group | Line of business |
|-------------------------|--|
| Nueva Walmart | Operation of 1,589 (1,423 in 2012) Bodega Aurrerá discount stores, 243 (227 in 2012) Walmart hypermarkets, 156 (142 in 2012) Sam’s Club membership self-service wholesale stores, 92 (90 in 2012) Superama supermarkets and 10 (6 in 2012) Medimart pharmacies. |
| Suburbia | Operation of 109 (100 in 2012) Suburbia stores specializing in apparel and accessories for the entire family. |
| Vips | Operation of 262 (266 in 2012) Vips restaurants serving international cuisine, 92 (in both years) El Porton restaurants serving Mexican food and 6 (7 in 2012) Ragazzi restaurants specializing in Italian food. |
| Importing companies | Import goods for sale. |
| Real estate | Property developments and management of real estate companies. |
| Service companies | Rendering of professional services to Group companies and not-for-profit services to the community at large, and shareholding. |
| Walmart Bank | Operation of 201 (263 in 2012) bank branches. |
| Walmart Central America | Operation of 466 (459 in 2012) discount stores (Despensa Familiar and Palí), 100 (97 in 2012) supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 75 (67 in 2012) discount warehouse stores (Maxi Bodega and Maxi Palí), 20 (17 in 2012) Walmart hypermarkets and 1 (2 in 2012) ClubCo membership self-service wholesale stores. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador. |

b) Relevant events

I. Legal proceedings

Wal-Mart de México, S.A.B. de C.V. (“**WALMEX**”) is a subsidiary of Wal-Mart Stores, Inc. (“**WMT**”). **WMT** owns approximately 70% of the shares and voting power in **WALMEX** and has the ability to designate at least a majority of the directors of **WALMEX**. The remaining shares of **WALMEX** are publicly traded on the Mexican Stock Exchange and, to the best of the knowledge of **WALMEX**, no shareholder other than **WMT** and its affiliates owns more than 2% of the outstanding shares of **WALMEX**.

Currently, the Board of Directors of **WALMEX** is composed of 11 directors and 6 alternates. The Audit Committee and the Corporate Governance Committee of the Board of Directors are composed exclusively of independent directors (including alternate directors).

WMT is subject to a wide variety of laws and regulations in the United States of America and in the countries in which it operates, including but not limited to the U.S. Foreign Corrupt Practices Act (the “**FCPA**”).

As **WALMEX** publicly disclosed on April 23, 2012, **WMT** is the subject of an investigation under the **FCPA** by the U.S. Department of Justice and the U.S. Securities and Exchange Commission following a disclosure that **WMT** made to those agencies in November 2011.

The Audit Committee of the Board of Directors of **WMT**, which is composed solely of independent directors, is conducting an internal investigation into, among other things, alleged violations of the **FCPA** and other alleged crimes or misconduct in connection with foreign subsidiaries, including **WALMEX** and whether prior allegations of such violations and/or misconduct were appropriately handled by **WMT**. The Audit Committee of **WMT** and **WMT** have engaged outside counsel from a number of law firms and other advisors who are assisting in the on-going investigation of these matters. **WALMEX** has also engaged outside counsel to assist in these matters.

WMT is also conducting a voluntary global review of its policies, practices and internal controls for **FCPA** compliance. **WMT** is engaged in strengthening its global anti-corruption compliance programs through appropriate remedial anti-corruption measures. **WALMEX** is taking part in such voluntary global review and strengthening of programs.

Furthermore, lawsuits relating to the matters under investigation have been filed by several of **WMT**’s shareholders against it, its current directors, certain of its former directors, certain of its current and former officers and certain of **WALMEX**’s current and former officers.

WALMEX is cooperating with **WMT** in the review of these matters and it intends to continue fully cooperating in such regard.

A number of federal and local government agencies in México have also recently initiated investigations of these matters. **WALMEX** is cooperating with the Mexican governmental agencies conducting these investigations.

The Audit Committee and the Corporate Governance Committee of the Board of Directors of **WALMEX**, as well as the Board of Directors of **WALMEX**, have been informed about these matters and have determined, by a unanimous vote of the independent directors only, that it is in the best interests of **WALMEX** to continue to cooperate at this time with WMT and the U.S. and Mexican agencies conducting these investigations.

WALMEX could be exposed to a variety of negative consequences as a result of the matters noted above. There could be one or more enforcement actions in respect of the matters that are the subject of some or all of the ongoing government investigations, and such actions, if brought, may result in judgments, settlements, fines, penalties, injunctions, cease and desist orders or other relief, criminal convictions and/or penalties. The shareholder lawsuits may result in judgments against WMT and its current and former directors and current and former officers of WMT and **WALMEX** named in those proceedings. **WALMEX** cannot predict accurately at this time the outcome or impact of the government investigations, the shareholder lawsuits, the internal investigation and review. In addition, **WALMEX** expects to incur costs in responding to requests for information or subpoenas seeking documents, testimony and other information in connection with the government investigations, and it cannot predict at this time the ultimate amount of all such costs. These matters may require the involvement of certain members of **WALMEX**'s senior management that could impinge on the time they have available to devote to other matters relating to the business. **WALMEX** may also see ongoing media and governmental interest in these matters that could impact the perception among certain audiences of its role as a corporate citizen.

On June 20, 2012, **WALMEX** publicly disclosed a downward adjustment to its 2012 growth plan.

WALMEX, its Board of Directors and its Audit Committee and Corporate Governance Committee will at all times ensure compliance with applicable Mexican law and ensure that they create value to **WALMEX**, acting diligently and adopting reasoned decisions, without favoring any shareholder or group of shareholders.

Although **WALMEX** does not presently believe, based on the information currently available and the advise of its external Mexican counsel, that these matters will have a material adverse effect on its business, given the inherent uncertainties in such situations, **WALMEX** can provide no assurance that these matters will not be material to its business in the future.

II. Sale of the restaurant line of business

On September 10, 2013, the Company reached a final agreement with ALSEA, S.A.B. de C.V. (ALSEA) for this company to acquire 100% of **WALMEX**' restaurant line of business, which includes the Vips, El Portón, Ragazzi and La Finca ("VIPS") restaurant chains. The closing of the transaction is subject to the approval of Mexico's Federal Economic Antitrust Commission (Note 7).

2.- NEW ACCOUNTING PRONOUNCEMENTS:

In 2012, the International Accounting Standards Board (IASB) issued the following International Financial Reporting Standards (IFRS).

- a. IFRS 10, *Consolidated Financial Statements* - This standard establishes a single model of control that is applicable to any entity (including special purpose entities). IFRS 10 supersedes IAS 27, *Consolidated and Separate Financial Statements*, and SIC 12, *Consolidation - Special Purpose Entities*.
- b. IFRS 11, *Joint Arrangements* - This standard establishes the principles for financial reporting by parties to a joint arrangement. The option of applying the proportional consolidation method is eliminated for joint ventures (understood based on the new definition). This standard supersedes IAS 31, *Interests in Joint Ventures*, and SIC 13, *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.
- c. IFRS 12, *Disclosure of Interests in Other Entities* - This standard brings all of the different disclosure requirements for subsidiaries, joint arrangements, associates and structured entities together in a single standard.
- d. IFRS13, *Fair Value Measurement* - This standard defines the concept of fair value and requires the disclosure of fair value measurements.

These new standards became effective for fiscal years beginning on or after January 1, 2013. The adoption of these standards had no material effect on the Company's financial statements.

3.- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the significant accounting policies used in the preparation of the consolidated financial statements is described below. These policies have been applied consistently with those applied in the year ended December 31, 2012.

a. Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with IFRS issued by the IASB, as well as all the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued by the former Standing Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared on a functional basis, which allows for the disclosure of cost of sales separately from other costs and expenses, in conformity with IAS 1, *Presentation of Financial Statements*. The consolidated statement of comprehensive income also includes a separate operating income line to provide a better understanding of the Company's business performance.

The preparation of consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions in some items.

Walmart Bank's financial statements, which are included in the Company's consolidated financial statements, were prepared based on the accounting criteria established by the Mexican National Banking and Securities Commission (CNBV per its acronym in Spanish), as issued as part of the General Provisions for Credit Institutions. At date, there are no significant differences between these standards and IFRS.

Before the financial statements of the Company's foreign subsidiaries are consolidated, they are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the year-end exchange rate for the consolidated statement of financial position, in conformity with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity.

WALMEX has sufficient resources to continue operating as a going concern and accordingly, the accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis. The Mexican peso is the Company's functional currency and reporting currency.

b. Risk factors

The Company is exposed to the effects of future events that could affect the purchasing power and/or buying habits of its population. These events may be economic, political or social in nature and some of the most important are described below:

I. Employment and salary. Positive or negative changes in employment and/or real salary levels could affect Mexico's per capita income and, consequently, the Company's business performance.

II. Changes in interest rates and exchange rates. Historically, Walmart has generated cash surpluses in Mexico and Central America on which it earns financial income. A reduction in interest rates could cause a decrease in the Company's financial income, which would affect its earnings growth. However, the Company believes that a reduction in interest rates would actually have a positive effect on its business in the medium and long-term, since it would help improve the purchasing power of its customers. On the other hand, exchange rate fluctuations tend to put upward pressure on inflation and reduce the population's purchasing power, which could ultimately hinder the Company's sales.

In compliance with its corporate governance policies, the Company has no transactions with derivative financial instruments.

III. Competition. The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company's market share at risk. Other factors affecting the Company's market share could be the business expansion of its competitors and the possible entrance of new competitors into the market.

IV. Inflation. Over the last few years, the inflation rates in Mexico and Central America have remained at low levels. A significant increase in inflation rates could have a direct effect on the purchasing power of the Company's customers and the demand for its products and services.

V. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, they could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates.

c. Consolidation

The accompanying consolidated financial statements include the Financial Statements of **WALMEX** and those of its subsidiaries in Mexico and abroad, which are grouped as described in Note 1 paragraph a, and they are prepared for the same accounting period. All related party balances and transactions have been eliminated in the consolidation, in conformity with IFRS 10, *Consolidated Financial Statements*.

Non-controlling interests represent the portion of equity interest in the net assets of a subsidiary not attributable to the controlling company. Non-controlling interests is presented as a separate component of equity.

d. Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits and highly liquid investments with original maturities of less than 90 days. Such investments are stated at historical cost plus accrued interest, not in excess of their market value.

Walmart Bank makes the monetary regulation deposits required by Banco de México (the Central Bank), the amounts of which are calculated based on traditional deposits in Mexican pesos.

e. Financial instruments

The Company has no transactions with derivative financial instruments.

f. Accounts receivable and reserve for bad debts

The balance of Walmart Bank's loan receivables portfolio is represented by outstanding loan balances, plus uncollected earned interest. The preventive allowance for credit risks is presented net of portfolio balances.

WALMEX recognizes the reserve for bad debts at the time the legal collection process begins in conformity with its internal procedures.

g. Inventories

Inventories are valued using the retail method, except for merchandise for the Sam's Club, ClubCo and distribution centers, which are valued using the average-cost method, and Vips restaurant inventories, which are valued using the first-in, first-out method. These inventory valuation methods are the same as those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at amounts not in excess of their net realizable value.

Inventory pertaining to the Agro-industrial Development of grains, edibles and meat is valued using the average-cost method.

Buying allowances are recognized in the income statement based on the turnover of the inventories that gave rise to them.

h. Prepaid expenses

Prepaid expenses are recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. At the time the goods are received, prepaid expenses are charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

i. Property and equipment

Property and equipment are recorded at acquisition cost and presented net of accumulated depreciation.

Depreciation of property and equipment is computed on a straight-line method at the following annual rates:

| | | | |
|---|------|----|-------|
| Buildings, facilities and leasehold improvements | 2.5% | to | 33.3% |
| Furniture and equipment | 5.0% | to | 33.3% |

j. Lease

In conformity with IAS 17, *Leases*, the Company classifies its property lease agreements as either finance or operating leases.

A lease is considered a finance lease if it transfers substantially all the risks and rewards incident to ownership of the underlying property to the lessee, considering the renewals established in each lease agreement. Rent is recognized in the income statement over the lease term as incurred.

Lease agreements that do not qualify as finance leases are treated as operating leases. Fixed lease payments are recognized in the income statement on a straight-line method over the lease term. The commencement date of lease is considered the occupancy date of the leased property, including the lessee's rights to renewal. Variable lease payments are based on a percentage of the Company's sales, and are recognized as an expense in the period in which they are incurred.

k. Impairment in the value of property and equipment

Based on the guidelines of IAS 36, *Impairment of Assets*, the Company recognizes impairment in the value of property and equipment by applying the expected present value technique to determine value in use, considering each store or restaurant as the minimum cash generating unit.

The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit. These budgets generally cover five years and for those projected beyond five years, an expected growth percentage is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income in the other income (expenses), net line.

l. Intangible assets

Intangible assets are valued at the lower of either acquisition cost or their fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are tested annually for impairment, in conformity with IAS 36, *Impairment of Assets*. Definite-lived assets are amortized using the straight-line method.

m. Assets and liabilities held for sale and discontinued operations

In conformity with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are not subject to depreciation and are measured at the lower of their previous carrying amount and fair value less costs to sell.

Assets and liabilities that meet the criteria to be classified as held for sale are presented separately in the statement of financial position from the rest of the assets and liabilities.

Income, expenses and costs related to this transaction are separately disclosed and recognized as part of the discontinued operations line in the consolidated statement of comprehensive income.

n. Liabilities and provisions

In conformity with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, accrued liabilities are recognized whenever the Company has current obligations (legal or assumed) resulting from past events, that can be reasonably estimated and that will most likely give rise to a future cash disbursement for their settlement. Reimbursements are recognized net of the related obligation when it is certain that the reimbursement will be obtained. Provision expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

Liabilities for traditional deposits of the Walmart Bank are comprised of demand deposits in debit card accounts and compulsory term deposits. These liabilities are recorded at deposit or placement cost, plus accrued interest.

o. Contingent liabilities

The contingent liability related to the acquisition of Walmart Central America is valued at present value at the date of the financial statements.

The acquisition will require additional payments in shares and in cash provided Walmart Central America reaches a certain profitability level during a period of no longer than ten years after the agreement signing date.

p. Taxes on profits

Deferred taxes on profits are recognized using the asset and liability method, in conformity with IAS 12, *Income Taxes*. Under this method, deferred taxes are recognized on all temporary differences between the financial reporting and tax values of assets and liabilities, applying the enacted income tax rate, effective as of the date of the consolidated statement of financial position, or the enacted rate that will be in effect when the deferred tax assets and liabilities are expected to be recovered or settled.

The Company periodically evaluates the possibility of recovering deferred tax assets.

Current year taxes on profits are presented as a short-term liability or current asset, net of prepayments made during the year.

q. Employee benefits

In conformity with the laws of each country in which the Company operates, the termination benefits for retirement or death to which the Company's employees are entitled, are as follows:

Mexico:

Seniority premiums accruing to employees under the Mexican Labor Law are recognized as a cost of the years in which services are rendered, based on actuarial computations made by an independent expert, using the projected unit credit method, in conformity with IAS 19, *Employee Benefits*.

Actuarial gains and losses are recognized as they accrue directly in the consolidated statement of comprehensive income, in conformity with IAS 19.

Employee profit sharing is presented in operating results as part of the general expenses line and represents a liability due and payable in less than one year.

All other payments accruing to employees or their beneficiaries in the event of involuntary retirement or death, in terms of the Mexican Labor Law, are expensed as incurred.

Central America:

Termination retirement benefits to which employees of the Walmart Central America companies are entitled under the labor laws of each country and are recorded as liabilities based on actuarial valuations carried out by independent experts.

In Guatemala, employees are entitled to termination benefits after three years of service in the Company, except in the case of justified dismissals.

In El Salvador and Honduras, employees are entitled to termination benefits after one year of service in the Company, except in the case of justified dismissals.

In Nicaragua, payouts for termination benefits vary from one to five months of salary for the period the services were provided.

In Costa Rica, termination benefits are paid to employees based on current corporate policy and in conformity with the laws of such country.

r. Equity

Legal reserve:

In conformity with the Mexican Corporations Act, the Company appropriates at least 5% of the net income of each year to increase the legal reserve. This practice must be continued each year until the legal reserve reaches 20% of the value of the Company's capital stock.

Employee stock option plan fund:

The employee stock option plan fund is comprised of **WALMEX** shares presented at acquisition cost. The plan is designed to grant stock options to executives of the companies in the Group, as approved by the CNBV.

All employee stock options are granted to executives of subsidiary companies at a value that is no less than the market value on the grant date.

In accordance with current corporate policy, **WALMEX** executives may exercise their option to acquire shares in equal parts over five years. The right to exercise an employee stock option expires after ten years as of the grant date or after sixty days following the date of the employee's termination.

The compensation cost of stock option is calculated using the Black-Scholes financial valuation technique, in conformity with IFRS 2, *Share-Based Payments*.

Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares granted under the stock option plan and the value at which such shares were sold to executives of companies in the Group, net of the corresponding income tax.

s. Revenue recognition

Revenue from merchandise sales is recognized in the consolidated statement of comprehensive income at the time ownership of the products sold is transferred to the customer and the services income at the time the service is provided, in conformity with IAS 18, *Revenue*.

Sam's Club and ClubCo membership income is deferred over the twelve-month term of the membership and it is presented in the other revenues line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the terms of the lease agreements entered into with third parties and it is presented in the other revenues line in the consolidated statement of comprehensive income.

The Company recognizes the net amount of cell phone minutes revenues in the net sales line in its consolidated statement of comprehensive income at the time the service is provided.

Walmart Bank's interest and fee revenues are recognized as they accrue in the other revenues line in the consolidated statement of comprehensive income.

Revenues from the sale of waste, extended warranties and service commissions are recognized in the other revenues line in the consolidated statement of comprehensive income at the time ownership of the products sold is transferred to the customer or the service is provided.

t. Basic earnings per share attributable to owners of the parent

The basic earnings per share is the result of dividing the net income of the year attributable to owners of the parent by the weighted average number of outstanding shares, in conformity with the guidelines of IAS 33, *Earnings per Share*. Diluted earnings per share is the same as basic earnings per share since there is currently no potentially dilutive common stock.

u. Operating segments

Segment financial information is prepared based on the information used by the Company's senior management to make business decisions and assess the Company's performance. Segment information is presented based on the geographical zones in which the Company operates, in conformity with IFRS 8, *Operating Segments*.

v. Foreign currency transactions

The Company's foreign currency denominated assets and liabilities are translated to Mexican pesos at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income under the Financial (expenses) income, net line, in conformity with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

4.- CASH AND CASH EQUIVALENTS:

An analysis of cash and cash equivalents at December 31, 2013 and 2012, is as follows:

| | December 31, 2013 | | December 31, 2012 | |
|-------------------------------|-------------------|------------|-------------------|------------|
| Cash and cash in banks | Ps. | 7,826,506 | Ps. | 8,318,695 |
| Highly marketable investments | | 13,302,985 | | 19,844,534 |
| | Ps. | 21,129,491 | Ps. | 28,163,229 |

5.- ACCOUNTS RECEIVABLE, NET:

An analysis of accounts receivable at December 31, 2013 and 2012, is as follows:

| | December 31, 2013 | | December 31, 2012 | |
|--|-------------------|------------|-------------------|------------|
| Walmart Bank loan portfolio | Ps. | 5,307,153 | Ps. | 4,035,917 |
| Recoverable taxes | | 3,958,463 | | 3,308,944 |
| Trade receivables | | 3,549,235 | | 3,065,220 |
| Other accounts receivable | | 606,153 | | 489,200 |
| Walmart Bank allowance for credit risks | (| 523,340) | (| 364,063) |
| Reserve for bad debts (trade receivables and others) | (| 119,251) | (| 158,780) |
| | Ps. | 12,778,413 | Ps. | 10,376,438 |

6.- INVENTORIES:

An analysis of inventories at December 31, 2013 and 2012, is as follows:

| | December 31, 2013 | | December 31, 2012 | |
|-----------------------------|-------------------|------------|-------------------|------------|
| Merchandise for sale | Ps. | 41,262,225 | Ps. | 37,426,732 |
| Agro-industrial development | | 641,094 | | 548,748 |
| | | 41,903,319 | | 37,975,480 |
| Merchandise in transit | | 1,891,578 | | 1,116,115 |
| | Ps. | 43,794,897 | Ps. | 39,091,595 |

7.- ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS:

As part of its business strategy, **WALMEX** reached a final agreement with ALSEA for this company to acquire 100% of **WALMEX'** restaurant line of business, which includes the Vips, El Portón, Ragazzi and La Finca ("VIPS") restaurant chains. The total sale price is Ps. 8,200 million. This deal is subject to the approval of Mexico's Federal Economic Antitrust Commission. Additionally, ALSEA shall pay **WALMEX** in the future rent for those restaurant units that are located where other **WALMEX'** stores are located.

The Vips restaurant business consists of 360 restaurants of which 262 operate under the "Vips" brand name, 92 units operate under the "El Portón" brand name and 6 units operate under the "Ragazzi" brand name. Additionally, this transaction includes the transfer of intellectual property related to the four brands, menus, product development, and operating processes, among others.

An analysis of assets and liabilities classified as held for sale at December 31, 2013, is as follows:

| | December 31, 2013 | |
|-------------------------------|-------------------|-----------|
| Current assets | Ps. | 794,106 |
| Property and equipment, net | | 3,116,581 |
| Other assets | | 22,059 |
| | Ps. | 3,932,746 |
| Accounts payable to suppliers | Ps. | 180,996 |
| Other liabilities | | 345,282 |
| Current liabilities | | 526,278 |
| Non-current liabilities | | 439,949 |
| Total liabilities | Ps. | 966,227 |

Main lines of the results from discontinued operations shown in the consolidated statement of comprehensive income for the years ended December 31, 2013 and 2012, are as follows:

| | December 31, 2013 | | December 31, 2012 | |
|---|-------------------|------------|-------------------|------------|
| Total revenues | Ps. | 5,987,465 | Ps. | 5,990,781 |
| Costs, expenses and taxes | (| 5,274,312) | (| 5,307,960) |
| Net income from discontinued operations | Ps. | 713,153 | Ps. | 682,821 |

8.- PROPERTY AND EQUIPMENT, NET:

An analysis of property and equipment at December 31, 2013 and 2012, is as follows:

| | Property and equipment owned by the Company | | | | | | | | | | |
|---------------------------------------|---|---------------|----------------|---------------|-----------------------|----------------------|---------------|----------------|------------------|-----------------------|----------------------|
| | January 1, 2012 | Additions | Disposals | Transfers | Translation effect | December 31, 2012 | Additions | Disposals | Transfers | Translation effect | December 31, 2013 |
| Land | Ps. 27,295,427 | Ps. 1,992,763 | Ps. (270,023) | Ps. (12,437) | Ps. (220,610) | Ps. 28,785,120 | Ps. 942,375 | Ps. (60,796) | Ps. (186,479) | Ps. 52,910 | Ps. 29,533,130 |
| Buildings | 40,803,393 | 3,677,521 | (222,732) | 632,148 | (320,502) | 44,569,828 | 2,627,787 | (73,056) | (2,802,621) | 102,590 | 44,424,528 |
| Facilities and leasehold improvements | 33,835,629 | 2,929,457 | (331,765) | 62,117 | (209,436) | 36,286,002 | 3,403,164 | (432,713) | 579,073 | 36,634 | 39,872,160 |
| Furniture and equipment | 41,430,843 | 5,610,947 | (889,283) | 271,306 | (419,920) | 46,003,893 | 5,233,276 | (2,325,188) | (1,498,123) | 75,731 | 47,489,589 |
| Total | 143,365,292 | 14,210,688 | (1,713,803) | 953,134 | (1,170,468) | 155,644,843 | 12,206,602 | (2,891,753) | (3,908,150) | 267,865 | 161,319,407 |
| Accumulated depreciation | (46,489,962) | (7,701,317) | 1,074,595 | (46,764) | 189,043 | (52,974,405) | (8,241,071) | 2,549,535 | 3,445,588 | (42,463) | (55,262,816) |
| Work in process | 3,591,072 | 247,085 | 116,540 | (820,162) | (105,131) | 3,029,404 | 1,677,410 | 5,965 | (2,128,258) | 27,417 | 2,611,938 |
| Total owned property and equipment | Ps. 100,466,402 | Ps. 6,756,456 | Ps. (522,668) | Ps. 86,208 | Ps. (1,086,556) | Ps. 105,699,842 | Ps. 5,642,941 | Ps. (336,253) | Ps. (2,590,820) | Ps. 252,819 | Ps. 108,668,529 |

| | Leased property and equipment | | | | | | | | | | |
|-------------------------------------|-------------------------------|---------------|----------------|---------------|-----------------------|----------------------|---------------|----------------|------------------|-----------------------|----------------------|
| | January 1, 2012 | Additions | Disposals | Transfers | Translation effect | December 31, 2012 | Additions | Disposals | Transfers | Translation effect | December 31, 2013 |
| Property | Ps. 11,566,148 | Ps. 1,145,128 | Ps. (3,774) | Ps. - | Ps. (132,705) | Ps. 12,574,797 | Ps. 1,454,057 | Ps. (145,643) | Ps. (553,583) | Ps. 30,658 | Ps. 13,360,286 |
| Furniture and equipment | 1,491,246 | 357,106 | (4,780) | (126,233) | - | 1,717,339 | 420,528 | (4) | (241,253) | - | 1,896,610 |
| Total | 13,057,394 | 1,502,234 | (8,554) | (126,233) | (132,705) | 14,292,136 | 1,874,585 | (145,647) | (794,836) | 30,658 | 15,256,896 |
| Accumulated depreciation | (2,151,298) | (509,467) | 165 | 53,880 | (8,356) | (2,615,076) | (566,847) | 54,967 | 324,569 | (40,311) | (2,842,698) |
| Total leased property and equipment | Ps. 10,906,096 | Ps. 992,767 | Ps. (8,389) | Ps. (72,353) | Ps. (141,061) | Ps. 11,677,060 | Ps. 1,307,738 | Ps. (90,680) | Ps. (470,267) | Ps. (9,653) | Ps. 12,414,198 |
| Total | Ps. 111,372,498 | Ps. 7,749,223 | Ps. (531,057) | Ps. 13,855 | Ps. (1,227,617) | Ps. 117,376,902 | Ps. 6,950,679 | Ps. (426,933) | Ps. (3,061,087) | Ps. 243,166 | Ps. 121,082,727 |

Depreciation expense for the years ended December 31, 2013 and 2012, was Ps. 8,496,420 and Ps. 7,841,915, respectively.

At December 31, 2013, the transfers column includes the reclassification of fixed assets held for sale in the amount of Ps. 3,116,581 pertaining to the restaurant line of business.

Work in process mostly consists of Company's investments mainly for the construction of new stores.

9.- INTANGIBLE ASSETS:

An analysis of intangible assets at December 31, 2013 and 2012, is as follows:

| | December 31, 2013 | December 31, 2012 |
|-----------------------|----------------------|----------------------|
| Goodwill | Ps. 24,745,086 | Ps. 24,745,086 |
| Trademarks | 620,167 | 609,428 |
| Licenses and software | 445,893 | 415,740 |
| Trade receivables | 102,484 | 115,441 |
| Patents | 43,556 | 42,345 |
| | Ps. 25,957,186 | Ps. 25,928,040 |

For the years ended December 31, 2013 and 2012, the Company acquired software in the amount of Ps. 288,454 and Ps. 201,783, respectively.

Amortization expense for the years ended December 31, 2013 and 2012, was Ps.193,274 and Ps. 221,358, respectively.

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America at the acquisition date, plus the fair value of the non-controlling interests, computed in conformity with the guidelines in IFRS 3, *Business Combinations*.

Goodwill was computed in conformity with IAS 38, *Intangible Assets*, applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

The Company engaged the services of an independent expert to test its goodwill for impairment. This evaluation was performed in conformity with IAS 36, *Impairment of Assets*, using the discounted cash flow technique (expected present value) to estimate the value in use of each cash generating unit based on the estimated revenues, costs, expenses, working capital requirements and fixed asset investments of each unit. This technique includes projection assumptions and value estimates and is consistent with the technique used to determine the purchase price of Walmart Central America at the time of the acquisition, which was the basis for estimating the goodwill to be allocated to each country.

Recoverable goodwill was computed based on value in use, which was calculated using cash flow projections considering the five-year business plan that underlies the decision making of the Company's senior management, except for El Salvador and Nicaragua, where the business plan covers ten years.

As a result of this study, at December 31, 2013, there were no indicators of impairment in the value of the Company's goodwill. At December 31, 2012, the Company recognized an impairment loss of Ps. 5,023,011 in the other income (expenses), net line.

As a result of the above, the Company reassessed the contingent liability recognized in February 2010 as part of the acquisition of Walmart Central America. As a result of this analysis, no adjustment was made to the contingent liability at December 31, 2013. Conversely, at December 31, 2012, the Company cancelled Ps. 4,901,100 of the contingent liability, recognizing income of Ps. 4,649,277 in the other income (expense), net line, and a cancellation of interest in the amount of Ps. 251,823 that is presented in the financial (expense) income, net line.

10.- RELATED PARTIES:

a) Related party balances

At December 31, 2013 and 2012, the consolidated statement of financial position includes the following balances with related parties:

| | December 31, 2013 | December 31, 2012 |
|---|----------------------|----------------------|
| Accounts payable to suppliers: | | |
| C.M.A. - U.S.A., L.L.C. (affiliate) | Ps. 343,919 | Ps. 615,185 |
| Global George, LTD. (affiliate) | 34,451 | 17,109 |
| | Ps. 378,370 | Ps. 632,294 |
| Other accounts payable: | | |
| Wal-Mart Stores, Inc. (holding company) | Ps. 413,092 | Ps. 377,254 |

At December 31, 2013 and 2012, balances receivable due from and payable due to related parties consist of current accounts that bear no interest, payable in cash and without guarantees.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Agreement for imports of merchandise for sale, interest-free and payable monthly.
- Agreement for purchase commissions with Global George that are payable on a recurring basis.
- Agreement for technical assistance and services with Walmart Stores that are payable monthly.
- Agreement for royalties for trademark use with Walmart Stores, payable quarterly based on a percentage of sales of the retail businesses.

The Company had the following transactions with related parties during the years ended December 31, 2013 and 2012:

| | December 31, 2013 | December 31, 2012 |
|---|----------------------|----------------------|
| Import of merchandise for sale: | | |
| C.M.A. - U.S.A., L.L.C. (affiliate) | Ps. 3,131,719 | Ps. 3,138,902 |
| Global George, LTD. (affiliate) | 47,003 | 17,072 |
| | <u>Ps. 3,178,722</u> | <u>Ps. 3,155,974</u> |
| Technical assistance, services and royalties: | | |
| Wal-Mart Stores, Inc. (holding company) | Ps. 2,164,810 | Ps. 2,146,203 |

c) Remuneration of principal officers

An analysis of remuneration to the Company's principal officers for the years ended December 31, 2013 and 2012 is as follows:

| | December 31, 2013 | December 31, 2012 |
|----------------------|----------------------|----------------------|
| Short-term benefits | Ps. 754,508 | Ps. 695,027 |
| Termination benefits | 83,303 | 64,477 |
| Share-based payments | 93,951 | 53,906 |
| | <u>Ps. 931,762</u> | <u>Ps. 813,410</u> |

11.- OTHER ACCOUNTS PAYABLE:

An analysis of other accounts payable at December 31, 2013 and 2012, is as follows:

| | December 31, 2013 | December 31, 2012 |
|-----------------------------------|-----------------------|-----------------------|
| Accrued liabilities and others | Ps. 8,830,905 | Ps. 9,101,897 |
| Walmart Bank traditional deposits | 4,807,951 | 4,249,943 |
| Provisions | 606,153 | 597,918 |
| Finance lease (Note 12) | 723,059 | 476,019 |
| Related parties (Note 10) | 413,092 | 377,254 |
| Contingent liability (Note 12) | 127,674 | 131,685 |
| Dividends | 40,639 | 34,649 |
| | <u>Ps. 15,549,473</u> | <u>Ps. 14,969,365</u> |

At December 31, 2013, the Company has commitments totaling Ps. 10,150,325 (Ps. 9,003,254 in 2012) for the acquisition of inventories, property and equipment, as well as for maintenance services.

12.- OTHER LONG-TERM LIABILITIES:

At December 31, 2013 and 2012, the other long-term liabilities line includes the Company's obligations beyond one year under its finance leases and contingent liability, as described below:

a) Leases:

In order to determine if the suppliers transfer the right to use an asset, **WALMEX** analyses the provision of services agreement that do not have the legal form of a lease but that involve the use of an asset. **WALMEX** does not have a provision of services agreement that must be classified as a lease, in conformity with IFRIC 4, *Determining Whether an Arrangement Contains a Lease*.

The Company has entered into operating leases with third parties. Rental expense under these leases is recognized on a straight-line basis over the term of the lease agreements considering as the commencement date of the lease the occupancy date of the leased property and including the lessee's rights to renewal.

The Company has entered into property lease agreements that qualify as finance leases. These agreements are recorded at the lower of either the present value of future minimum lease payments or at the market value of the property, and they are amortized over the term of the lease agreements, which includes the lessee's rights to renewal.

The Company has entered into property lease agreements with third parties for compulsory terms ranging from 2 to 15 years.

The Company has also entered into finance leases for the rental of residual water treatment plants used to meet environmental protection standards. The terms of these agreements range from 7 to 10 years.

Future rental payments are as follows:

| Year | Operating leases (compulsory term) | Finance leases (minimum payments) |
|---------------------|---------------------------------------|--------------------------------------|
| 2014 | Ps. 321,429 | Ps. 723,059 |
| 2015 | Ps. 311,318 | Ps. 817,880 |
| 2016 | Ps. 272,739 | Ps. 915,406 |
| 2017 | Ps. 193,867 | Ps. 509,273 |
| 2018 | Ps. 130,490 | Ps. 439,997 |
| 2019 and thereafter | Ps. 478,282 | Ps. 9,622,614 |

At December 31, 2013, the liability derived from the use of the straight-line method under operating leases was Ps. 524,784, of which Ps. 25,085 is presented in the current liabilities line.

Total rent under operating leases charged to the income statement during the years ended December 31, 2013 and 2012 was Ps. 4,551,209 and Ps. 3,614,455, respectively.

b) Contingent liability

At December 31, 2013 and 2012, the Company recognized a contingent liability for contingent compensation related to the acquisition of Walmart Central America of Ps. 1,069,197 and Ps. 1,190,933, respectively, including amounts payable in less than one year of Ps. 127,674 and Ps. 131,685, respectively. This contingent compensation represents future payments in shares and in cash.

An analysis of the payments made by the Company in cash and shares in February of each year to cover the contingent liability payable as part of acquisition is as follows:

| | 2013 | 2012 |
|---------------------------------------|-------------|-------------|
| Payment in shares | Ps. 67,159 | Ps. 63,379 |
| Payment in cash | 64,526 | 60,894 |
| Total payment of contingent liability | Ps. 131,685 | Ps. 124,273 |
| Number of Series "V" shares issued | 1,606,084 | 1,586,861 |

13.- TAXES ON PROFITS:

Through December 31, 2013, the Company and its subsidiaries, except Walmart Bank and Walmart Central America, have been authorized by the Ministry of Finance and Public Credit to determine their tax results on a consolidated basis. Beginning January 1, 2014, each of the companies of **WALMEX** shall determine and pay income tax on an individual basis.

An analysis of taxes on profits charged to the income statement for the years ended December 31, 2013 and 2012, is as follows:

| | December 31, 2013 | December 31, 2012 |
|------------------|----------------------|----------------------|
| Current year tax | Ps. 9,165,940 | Ps. 8,736,951 |
| Deferred tax | 350,998 | 499,846 |
| Total | Ps. 9,516,938 | Ps. 9,236,797 |

An analysis of the effects of the temporary differences giving rise to deferred tax assets and liabilities at December 31, 2013 and 2012, is as follows:

| | December 31, 2013 | December 31, 2012 |
|---|----------------------|----------------------|
| Property and equipment | Ps. 9,133,637 | Ps. 8,200,595 |
| Inventories | (663,248) | (787,232) |
| Repatriation of earnings of Walmart Central America | 1,238,918 | 1,206,647 |
| Walmart Bank available tax loss carryforward | (1,039,272) | (846,616) |
| Advance collections | (191,539) | (224,350) |
| Other long-term liabilities | (239,131) | (243,378) |
| Other items, net | (1,387,707) | (716,763) |
| Total | Ps. 6,851,658 | Ps. 6,588,903 |

At December 31, 2013, the consolidated effective tax rate is 30.2% (29.0% in 2012). The difference between the statutory tax rate and the effective tax rate is due basically to the effects of annual inflation adjustment and other permanent items.

In Mexico, the legal income tax rate is 30%. For the other countries, the legal income tax rates are as follows:

| | Rate |
|-------------|------|
| Costa Rica | 30% |
| Guatemala | 31% |
| Honduras | 30% |
| Nicaragua | 30% |
| El Salvador | 30% |

The goodwill resulting from the acquisition of Walmart Central America is not deductible under the Mexican Income Tax Law and thus, it has no effect on the Company's calculation of deferred taxes.

The Company has tax losses from Walmart Bank that, in conformity with the current Mexican Income Tax Law, may be carried forward against the taxable income generated in future years.

An analysis of the Company's available tax loss carryforward at December 31, 2013 is as follows:

| Year of expiration | Amount |
|--------------------|----------------------|
| 2017 | Ps. 124,163 |
| 2018 | 683,098 |
| 2019 | 833,739 |
| 2020 | 811,847 |
| 2021 | 633,663 |
| 2022 | 145,605 |
| | <u>Ps. 3,232,115</u> |

14.- EMPLOYEE BENEFITS:

Mexico:

The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Workers make no contributions to this fund. These obligations are estimated using the projected unit credit method.

At December 31, 2013 and 2012, an analysis of the Company's assets and liabilities for seniority premiums and retirement benefits is as follows:

| | Seniority premiums | | Retirement benefits | |
|----------------------------|--------------------|--------------------|---------------------|--------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| Defined benefit obligation | Ps. 736,256 | Ps. 786,744 | Ps. 97,307 | Ps. 103,353 |
| Plan assets | (612,821) | (603,038) | - | - |
| Net projected liability | <u>Ps. 123,435</u> | <u>Ps. 183,706</u> | <u>Ps. 97,307</u> | <u>Ps. 103,353</u> |

An analysis of the Company's obligations for seniority premiums and retirement benefits for the years ended December 31, 2013 and 2012 is as follows:

| | Seniority premiums | | Retirement benefits | |
|---------------------------|--------------------|-------------------|---------------------|-------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| Current-year service cost | Ps. 107,431 | Ps. 86,338 | Ps. 6,303 | Ps. 4,970 |
| Net interest | 11,342 | 6,892 | 6,522 | 5,930 |
| Cost of defined benefits | <u>Ps. 118,773</u> | <u>Ps. 93,230</u> | <u>Ps. 12,825</u> | <u>Ps. 10,900</u> |

Payouts for seniority premiums in Mexico for the year ended December 31, 2013 were Ps. 61,199 (Ps. 53,113 in 2012).

At December 31, 2013, the plan assets have been invested through the trust as follows: 94% in money market instruments and 6% in mutual funds.

Central America:

For the years ended December 31, 2013 and 2012, an analysis of the liabilities associated with termination benefits in Central America is as follows:

| Country | Defined benefit obligation | | | |
|-------------|----------------------------|---------|-------------------|---------|
| | December 31, 2013 | | December 31, 2012 | |
| Costa Rica | Ps. | 73,892 | Ps. | 62,522 |
| Guatemala | | 534,557 | | 564,658 |
| Honduras | | 80,526 | | 77,342 |
| Nicaragua | | 11,781 | | 12,798 |
| El Salvador | | 50,079 | | 53,738 |
| Total | Ps. | 750,835 | Ps. | 771,058 |

For the years ended December 31, 2013 and 2012, an analysis of the cost of termination benefits in Central America is as follows:

| Country | Current-year service cost | | Net interest | |
|-------------|---------------------------|-------------------|-------------------|-------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| Costa Rica | Ps. 13,328 | Ps. 47,289 | Ps. 14,297 | Ps. 8,968 |
| Guatemala | 67,935 | 53,825 | 39,712 | 42,175 |
| Honduras | 16,878 | 16,802 | 8,210 | 7,844 |
| Nicaragua | 4,069 | 4,489 | 1,483 | 1,639 |
| El Salvador | 10,898 | 11,076 | 3,532 | 5,146 |
| Total | Ps. 113,108 | Ps. 133,481 | Ps. 67,234 | Ps. 65,772 |

Termination benefits paid out for the year ended December 31, 2013 were Ps. 161,318 (Ps. 147,720 in 2012).

At December 31, 2013, the actuarial assumptions used in the actuarial study for each country are as follows:

| Country | Discount rate | Salary increase rate |
|-------------|---------------|----------------------|
| Mexico | 7.50% | 5.25% |
| Costa Rica | 10.12% | 5.50% |
| Guatemala | 8.50% | 4.50% |
| Honduras | 13.29% | 6.00% |
| Nicaragua | 12.99% | 7.50% |
| El Salvador | 8.30% | 3.10% |

15.- EQUITY:

- a. At ordinary and extraordinary meetings held on March 14, 2013, the shareholders adopted the following resolutions:
 1. Approval of a cap of Ps. 5,000,000 on the amount the Company would use in 2013 to repurchase its own shares.
 2. Cancellation of 24,917,540 series "V" shares resulting from the repurchase of shares.
 3. Increase in the legal reserve of Ps. 1,163,758 to be charged to retained earnings.
 4. A declared cash dividend of Ps. 0.46 pesos per share to be paid on April 23, 2013 and two extraordinary cash dividends of Ps. 0.29 pesos per share and Ps. 0.17 pesos per share to be paid on April 23 and on November 26, 2013, respectively.
 5. Approval of the comprehensive amendment to the Company's bylaws.
- b. At ordinary and extraordinary meetings held on March 27, 2012, the shareholders adopted the following resolutions:
 1. Approval of a cap of Ps. 5,000,000 on the amount the Company would use in 2012 to repurchase its own shares.
 2. Cancellation of 100,997,000 series "V" shares resulting from the repurchase of shares.
 3. Increase in the legal reserve of Ps. 1,112,692 to be charged to retained earnings.
 4. A declared cash dividend of Ps. 0.44 pesos per share and an extraordinary cash dividend of Ps. 0.11 pesos per share. Both dividends were to be paid on April 30, 2012.

- c. Capital stock is represented by registered shares with no par value. The Company's capital stock must be represented by a minimum of 3,000,000,000 shares and a maximum of 100,000,000,000 shares.

At December 31, 2013 and 2012, an analysis of historical paid-in stock and the number of shares representing it is as follows:

| Capital stock | December 31, 2013 | | December 31, 2012 | |
|--|-------------------|----------------|-------------------|----------------|
| Fixed minimum capital | Ps. | 5,591,362 | Ps. | 5,591,362 |
| Variable capital | | 37,215,773 | | 37,381,747 |
| Total | Ps. | 42,807,135 | Ps. | 42,973,109 |
| Number of freely subscribed common shares: | | 17,627,200,951 | | 17,721,594,867 |

During the year ended December 31, 2013, **WALMEX** repurchased 96,000,000 (27,084,540 in 2012) of its own shares, of which 2,167,000 were cancelled as per the resolution adopted at the shareholders' meeting held on March 27, 2012). As a result of the share repurchases, the Company's historical capital stock was reduced by Ps. 233,133 (Ps. 65,670 in 2012). The difference between the theoretical value and the repurchase cost of the shares acquired was reflected against retained earnings.

- d. Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances are subject to income tax, in conformity with Articles 11 and 89 of the Mexican Income Tax Law.

At December 31, 2013 and 2012, the total balance of these two tax accounts is Ps. 143,033,415 and Ps. 135,398,711, respectively.

- e. The employee stock option plan fund consists of 231,976,659 **WALMEX** shares, which have been placed in a trust created for the plan.

The total compensation cost charged to operating results in the years ended December 31, 2013 and 2012 was Ps. 351,898 and Ps. 342,957, respectively, which represented no cash outlay for the Company.

Changes in the stock option plan are as follows:

| | Number of shares | Weighted average price per share (pesos) |
|------------------------------------|---------------------|--|
| Balance at January 1, 2012 | 261,291,765 | 19.27 |
| Granted | 37,202,679 | 39.79 |
| Exercised | (41,817,426) | 14.82 |
| Cancelled | <u>(6,031,950)</u> | 29.54 |
| Balance at December 31, 2012 | 250,645,068 | 22.81 |
| Granted | 38,214,955 | 39.21 |
| Exercised | (55,080,437) | 15.52 |
| Cancelled | <u>(9,002,077)</u> | 35.67 |
| Balance at December 31, 2013 | <u>224,777,509</u> | 26.87 |
| Shares available for option grant: | | |
| At December 31, 2013 | <u>7,199,150</u> | |
| At December 31, 2012 | <u>1,962,028</u> | |

At December 31, 2013, an analysis of granted and exercisable shares under the stock option plan fund is as follows:

| Year | Granted | | | | Exercisable | |
|-------|--------------------|-----------------------------------|--|------------------------|--------------------|--|
| | Number of shares | Average remaining life (in years) | Weighted average price per share (pesos) | Range of price (pesos) | Number of shares | Weighted average price per share (pesos) |
| 2004 | 8,157,071 | 0.2 | 8.47 | 8.45-9.09 | 8,157,071 | 8.47 |
| 2005 | 14,306,364 | 1.2 | 9.90 | 9.90 | 14,306,364 | 9.90 |
| 2006 | 15,086,813 | 2.2 | 14.40 | 14.40-15.02 | 15,086,813 | 14.40 |
| 2007 | 13,563,239 | 3.2 | 21.54 | 21.54 | 13,563,239 | 21.54 |
| 2008 | 20,966,495 | 4.2 | 19.35 | 19.35 | 20,966,495 | 19.35 |
| 2009 | 29,590,705 | 5.2 | 15.99 | 15.85-22.80 | 18,225,167 | 16.02 |
| 2010 | 25,955,056 | 6.2 | 29.70 | 29.69-31.05 | 11,624,761 | 29.69 |
| 2011 | 28,698,940 | 7.2 | 33.75 | 33.70-33.75 | 6,894,443 | 33.75 |
| 2012 | 32,806,854 | 8.2 | 39.77 | 34.74-40.05 | 4,178,833 | 39.64 |
| 2013 | <u>35,645,972</u> | 9.2 | 39.20 | 39.17-41.89 | - | - |
| Total | <u>224,777,509</u> | 5.8 | 26.87 | | <u>113,003,186</u> | 19.13 |

16.- OTHER REVENUES:

For the years ended December 31, 2013 and 2012, an analysis of other revenues related to the Company's primary business activities is as follow:

| | December 31, 2013 | | December 31, 2012 | |
|-----------------------|-------------------|------------------|-------------------|------------------|
| Memberships | Ps. | 1,212,672 | Ps. | 1,211,604 |
| Walmart Bank revenues | | 1,338,474 | | 943,158 |
| Rental | | 839,743 | | 789,967 |
| Gasoline | | 306,159 | | 337,154 |
| Sale of waste | | 328,758 | | 311,622 |
| Service commissions | | 272,387 | | 259,318 |
| Parking | | 126,413 | | 139,938 |
| Other | | 159,814 | | 223,744 |
| Total | Ps. | <u>4,584,420</u> | Ps. | <u>4,216,505</u> |

17.- FINANCIAL (EXPENSES) INCOME, NET:

An analysis of financial (expenses) income, net for the years ended December 31, 2013 and 2012, is as follows:

| | December 31, 2013 | | December 31, 2012 | |
|--|-------------------|------------------|-------------------|------------------|
| Financial income | | | | |
| Financial income | Ps. | 1,086,330 | Ps. | 1,211,522 |
| Exchange gain | | 54,595 | | 9,368 |
| | | <u>1,140,925</u> | | <u>1,220,890</u> |
| Financial expenses | | | | |
| Interest on finance leases | | 1,113,361 | | 1,026,885 |
| Accrued interest on contingent liability | | 42,206 | | (206,932) |
| | | <u>1,155,567</u> | | <u>819,953</u> |
| Total | Ps. | <u>(14,642)</u> | Ps. | <u>400,937</u> |

Financial income primarily consists of interest earned on investments and income earned on factoring transactions.

Based on the analysis of the contingent liability, the Company cancelled accrued interest of Ps. 251,823 at December 31, 2012.

18.- SEGMENT FINANCIAL INFORMATION:

Segment financial information is prepared based on the information used by the Company's senior management to make business decisions and on the criteria established in IFRS 8, *Operating Segments*.

The Company operates in Mexico and Central America and sells to the general public, and it is primarily engaged in operating self-service stores.

The Company has identified the following operating segments by geographical zone:

Mexico:

- Self-service: Operation of discount stores, hypermarkets, wholesale-price membership stores and supermarkets.
- Financial services: Operation of bank branches to provide banking and credit services.
- Other: Consists of department stores and real estate transactions with third parties.

Central America:

Operation of discount stores, supermarkets, hypermarkets, warehouse stores and wholesale-price membership stores in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

An analysis of financial information by operating segments and geographical zones is as follows:

| Segment | Year ended December 31, 2013 | | | |
|--|------------------------------|------------------|-------------------------|--------------------------------|
| | Total revenues | Operating income | Financial expenses, net | Income before taxes on profits |
| Mexico: | | | | |
| Self-service | Ps. 352,606,541 | Ps. 27,789,651 | Ps. - | Ps. - |
| Financial services | 1,338,474 | (414,715) | - | - |
| Other | 13,786,148 | 2,040,758 | - | - |
| Central America: | | | | |
| Self-service | 57,430,278 | 2,115,953 | - | - |
| Consolidated | Ps. 425,161,441 | Ps. 31,531,647 | Ps. (14,642) | Ps. 31,517,005 |
| Segment | Year ended December 31, 2012 | | | |
| | Total revenues | Operating income | Financial income net | Income before taxes on profits |
| Mexico: | | | | |
| Self-service | Ps. 341,480,071 | Ps. 28,612,287 | Ps. - | Ps. - |
| Financial services | 943,158 | (569,744) | - | - |
| Other | 13,374,759 | 2,293,166 | - | - |
| Central America: | | | | |
| Self-service | 56,262,232 | 1,459,727 | - | - |
| Impairment of goodwill and cancelation of contingent liability | - | (373,734) | - | - |
| Consolidated | Ps. 412,060,220 | Ps. 31,421,702 | Ps. 400,937 | Ps. 31,822,639 |

| Segment | Year ended December 31, 2013 | | | |
|-----------------------------------|------------------------------------|-------------------------------|------------------------|-----------------------|
| | Purchase of property and equipment | Depreciation and amortization | Total assets | Current liabilities |
| Mexico: | | | | |
| Self-service | Ps. 10,843,668 | Ps. 6,712,881 | Ps. 148,930,714 | Ps. 45,484,529 |
| Financial services | 73,334 | 20,367 | 6,350,972 | 5,055,558 |
| Other | 774,467 | 628,514 | 9,842,266 | 2,049,251 |
| Unassignable items | - | - | 12,351,574 | 3,441,417 |
| Held for sale | - | - | 3,932,746 | 966,227 |
| Central America: | | | | |
| Self-service | 2,295,545 | 1,327,932 | 24,108,775 | 8,596,744 |
| Goodwill and contingent liability | - | - | 24,745,086 | 127,674 |
| Consolidated | <u>Ps. 13,987,014</u> | <u>Ps. 8,689,694</u> | <u>Ps. 230,262,133</u> | <u>Ps. 65,721,400</u> |

| Segment | Year ended December 31, 2012 | | | |
|-----------------------------------|------------------------------------|-------------------------------|------------------------|-----------------------|
| | Purchase of property and equipment | Depreciation and amortization | Total assets | Current liabilities |
| Mexico: | | | | |
| Self-service | Ps. 10,539,380 | Ps. 6,126,671 | Ps. 145,087,260 | Ps. 42,562,503 |
| Financial services | 68,350 | 32,761 | 5,271,426 | 4,436,619 |
| Other | 894,838 | 592,148 | 16,827,486 | 3,549,776 |
| Unassignable items | - | - | 8,219,668 | 3,600,944 |
| Central America: | | | | |
| Self-service | 3,156,987 | 1,311,693 | 22,134,781 | 7,882,019 |
| Goodwill and contingent liability | - | - | 24,745,086 | 131,685 |
| Consolidated | <u>Ps. 14,659,555</u> | <u>Ps. 8,063,273</u> | <u>Ps. 222,285,707</u> | <u>Ps. 62,163,546</u> |

Unassignable items refer primarily to reserve land, cash and cash equivalents of the parent and real estate companies, as well as income tax payable.

Assets and liabilities held for sale refer to the restaurant line of service.

19.- APPROVAL OF THE FINANCIAL STATEMENTS:

The accompanying consolidated financial statements and its notes for the year ended December 31, 2013 and 2012 were approved for issue and public release by the Company's management on February 4, 2014. These financial statements were subsequently approved by the Company's Board of Directors in a meeting held on February 18, 2014.

GRI GUIDELINES

1. REPORT GUIDELINE

The report has been structured in accordance with guidelines published by the Global Reporting Initiative (GRI), and at Walmart de México y Centroamérica we seek to provide continuity with the clear and honest publication of our performance. In this edition we have published under Guide 3.1, with an A GRI Checked application level.

2. REPORT SCOPE

The report presents the multi-format performance by Walmart de México y Centroamérica in the six countries where we operate. This includes the operation of our units, distributions centers and home offices.

3. REPORTING PERIOD

The information included in this report covers the period from January 1st to December 31, 2013.

4. STAKEHOLDERS

We recognize the relationship between activities, products and services with the different groups, and in this way we conducted the following classification:
Level A: Customers, associates, shareholders, suppliers, community and environment
Level B: Social organizations, businesses, competitors, etc.

We pursue inclusion in our participation processes with different stakeholders. In this manner and with transparent information practices, two way communication channels, advisory boards, among others, we hope to better understand their interests and expectations.

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*This index is a simplified version, to find the full version click [here](#)

GRI Content

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GRI Content

| INDICATOR | DISCLOSURE | PAGE |
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| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|--|--|---|---|---|
| EC1 Economic value. | <p>Economic Value Generated (EVG)</p> <ul style="list-style-type: none"> Total income (mp) <p>Economic Value Distributed (EVD)</p> <ul style="list-style-type: none"> Operational costs (mp) Community investments (mp) | <p>355,798</p> <p>277,235</p> <p>581.6</p> | <p>56,262</p> <p>44,597</p> <p>42.6</p> | <p>367,731</p> <p>286,946</p> <p>464</p> | <p>57,430</p> <p>44,591</p> <p>42.7</p> |
| EC2 Financial consequences and other risks and opportunities on activities due to climate change. | <p>Walmart México y Centroamérica strategy, through corporate objectives and internal/external periodical communication, considers risks and opportunities evaluations, as well as initiatives for energy efficiency and reduction of Greenhouse Gas emissions. All initiatives undergo a strict review process to ensure alignment with Walmart's general business strategy before approval. Risks and opportunities are evaluated at company, market and asset level, considering the scope of their impact. Information is continuously gathered from all possible sources to identify risks or opportunities: corporate offices, sales floor associates, industry contacts, consulting firms, government and non-government entities, news agencies, professional organizations, legislators, investors and members of the financial community.</p> <p>Risks:</p> <ul style="list-style-type: none"> Increase in energy costs. Greater impact and frequency of natural disasters affecting location of stores, and their operation. Increase in the cost of raw materials and products due to limitations in availability of non-renewable resources such as water and agricultural inputs. Legislation on climate change. Taxes or regulation limits for greenhouse gas emissions. <p>Opportunities:</p> <ul style="list-style-type: none"> Renewable energy supply. Economic incentives to reduce greenhouse gas emissions. Less dependency on water supply from the network and increase in water reuse percentage. Optimization in use of raw material, specifically packaging. Enhance Logistics network efficiency and trip reduction. Less number of associate commuting via the use of teleconferences. | <p>Walmart de México y Centroamérica strategy, through corporate objectives and internal/external periodical communication, considers risk and opportunity evaluations, as well as initiatives for energy efficiency and reduction of Greenhouse Gas emissions. All initiatives are subject to a strict review process to ensure alignment with Walmart's general business strategy before approval. Risks and opportunities are evaluated at company, market and asset level, considering the scope of their impact. Information is continuously gathered to identify risks or opportunities from all possible sources: Corporate Offices, sales floor associates, industry contacts, consulting firms, government and NGOs, news agencies, professional organizations, lawmakers, investors and members of the financial community.</p> <p>Risks:</p> <ul style="list-style-type: none"> Increased energy costs. Greater impact and frequency of natural disasters affecting location of stores, and their operation. Disruption of distribution routes due to Natural Disasters. Increase in the cost of raw materials and products due to limited availability of non-renewable resources such as water and agricultural inputs. Changes on the Legislation on climate change, which can impact on raw material or operation costs. Taxes or regulation limits on direct carbon emissions or the supply chain. <p>Opportunities:</p> <ul style="list-style-type: none"> Renewable energy supply which offers greater stability in energy costs through time. Economic incentives to reduce greenhouse gas emissions. Less dependency on water supply from the network and increase in water reuse percentage. Optimization in use of raw material, specifically packaging. Enhance Logistics network efficiency and trip reduction. Less number of associate commuting via the use of teleconferences. | | | |
| EC3 Coverage of the organization's defined benefit plan obligations. | <p>Retirement Plans</p> | <p>Pension benefits granted according to law. Mexican Social Security Institute grants retirees old-age pension. Requirements: Being 60 or 65 years of age, and having worked at least 500 weeks under the registration of the Mexican Social Security Institute (by the 1973 law), or 1,250 weeks (by the 1997 law). The Company grants the extra benefit of a three-month payment for retirees, included in its Severance Policy.</p> | <p>Pension Plan in line with current legislation in each country.</p> | <p>Pension benefits granted according to law. Mexican Social Security Institute grants retirees old-age pension. Requirements: Being 60 or 65 years of age, and having worked at least 500 weeks under the registration of the Mexican Social Security Institute (by the 1973 law), or 1,250 weeks (by the 1997 law). The Company grants the extra benefit of a three-month payment for retirees, included in its Severance Policy.</p> | <p>Pension Plan in line with current legislation in each country.</p> |

| INDICATOR | CONTENT | 2012 MEXICO | | | 2012 CAM | | | 2013 MEXICO | | | 2013 CAM | | |
|--|---|--|----|--------------|--|-----------|------|---|----|--------------|--|----|-------------|
| | Other programs | | | | | | | | | | | | |
| | • Benefited associates | | %W | %M | | %W | %M | | %W | %M | | %W | %M |
| | • Transfers / Relocations | 6,327 | 52 | 48 | 3,254 | 34.3 | 65.7 | 5,385 | 53 | 47 | 2,878 | 35 | 65 |
| | • Work/Life Balance Website (# hits) | | | 236,833 | Not implemented in CAM | | | | | 165,849 | Not implemented in CAM | | |
| | Victims of natural disasters and emergencies | | | | | | | | | | | | |
| | • Supported associates | | | | | | 29 | | | 1,005 | | | 10 |
| | • Support amount | | | | | \$239,123 | | | | \$9,353,644 | | | \$89,398.75 |
| | Agreements to benefit associates | | | | | | | | | | | | |
| | • Benefited associates | | | | | | - | | | 217,050 | | | - |
| | • Agreements to benefit associates | | | 360 | | | - | | | 265 | | | - |
| | • Savings from agreements to benefit associates | | | \$46,269,447 | | | - | | | \$36,634,580 | | | - |
| | Medical support (government-related) (comprehensive vaccination campaigns, identification campaign and guidance) | | | | | | | | | | | | |
| | • Benefited associates | | | 47,973 | | | - | | | 28,406 | | | - |
| | - Healthy cafeteria in Azcapotzalco home office: + 1,200 associates benefited | | | | NA | | | | | | NA | | |
| | - Nutritionist available in Toreo corporate office | | | | | | | | | | | | |
| | - Communication of healthy menus provided by Mexico's Social Security | | | | | | | | | | | | |
| | - "My Sustainability Plan" (MSP) for staff associates to enhance habits and have a positive impact on quality of life and in benefit for the community | | | | | | | | | | | | |
| | - Development of the "Start Today, Live Healthy" program, focused on health, stress and nourishment of associates | | | | | | | | | | | | |
| | - Healthy cafeteria in Azcapotzalco home office: + 1,200 associates benefited. | | | | | | | | | | | | |
| | - Nutritionist available in Toreo corporate office. | | | | | | | | | | | | |
| | - Communication of healthy menus provided by Mexico's Social Security. | | | | | | | | | | | | |
| | - "My Sustainability Plan" (MSP) for staff associates to enhance habits and have a positive impact on quality of life and in benefit for the community. | | | | | | | | | | | | |
| | - Development of the "Start Today, Live Healthy" program, focused on health, stress and nourishment of associates. | | | | | | | | | | | | |
| EC4 Government financial assistance. | | We do not receive financial assistance from any government | | | | | | | | | | | |
| EC5 Wages for significant locations of operation. | | The company complies with legally established salaries. | | | Every country in CAM has a statutory minimum wage , the company complies with wages fixed by the authorities. | | | The company complies with and exceeds the minimum wage established by the authorities. | | | Every country in CAM has a statutory minimum wage , the company complies with wages fixed by the authorities. | | |
| | | The company's general pay band is 17% and 27% over the minimum professional wages, depending on the geographical area. | | | Minimum wage in each country equals the minimum contractual point, both for men and women at the entry-level positions of the Company. | | | Depending on the geographic area, our general pay scale is between 24.6 % and 31.4% above the average minimum wage. | | | Minimum wage in each country equals the minimum contractual point, both for men and women at the entry-level positions of the Company. | | |
| | Geographic Area "A" | | | | | | | | | | | | |
| | General tab | | | | | | | \$477.20 | | 24.6% | | | |
| | Select tab | | | | | | | \$887.20 | | 45.7% | | | |
| | Geographic Area "B" | | | | | | | | | | | | |
| | General tab | | | | | | | \$578.60 | | 31.4% | | | |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|--|---|----------------------------------|--|----------------------------------|
| | Select tab | | | \$988.60 | 53.7% |
| | Geographic Area "C" | | | | |
| | General tab | | | N/A | N/A |
| | Select tab | | | N/A | N/A |
| | General tab: no border and no major problems attracting candidates cities. | | | | |
| | * Average Salary | | | \$2,976.75 | 53.2% |
| | Select Tab: border cities, beaches and problems attracting candidates. | | | | |
| | * Average Salary | | | N/A | N/A |
| | Ranked lowest rank in the company subject to basic salary only (no tips or commissions) and corresponding to auxilliary cleaning was considered. | The Federal District and the states of Guadalajara and Monterrey have the highest headcount. Wherever the Company has significant operations, wages are based on the minimum ones | | The Federal District and the states of Guadalajara and Monterrey have the highest headcount. Wherever the Company has significant operations, wages are based on the minimum ones. | |
| EC6 Policy, practices and ratio of spending on locally-based suppliers at significant locations of operation. | % of merchandise acquired in Mexico/Central America | 95 | 95.0 | 96.3 | 95.5 |
| | Total suppliers | 22,817 | 5,767 | 23,132 | 4,176 |
| | • % domestic suppliers | 85 | 59 | 84.3 | 61 |
| | Medi-Mart | | | | |
| | Domestic laboratories | 16 | NA | 16 | NA |
| | International laboratories | 9 | NA | 9 | NA |
| | • Total active products | 340 | NA | 369 | NA |
| | • New product launches | 40 | NA | 25 | NA |
| | • Medi-Mart: savings in medication (mp) | 1,483 | NA | 1,845 | NA |
| | Private Label | | | | |
| | Products | 1,685 | 1,167 | 1,915 | 1,144 |
| | Suppliers | 236 | 189 | 268 | 182 |
| | • % domestic/regional suppliers | 77 | 84 | 76.1 | 87 |
| | • % sale domestic/regional supplier | 97 | 88 | 92.8 | 91 |
| | • % sales from Private Label | 7.6 | 11 | 8.2 | 10 |
| | • % import suppliers | 23 | 16 | 23.9 | 13 |
| | Fruits and Vegetables | | | | |
| | • % purchases from domestic/regional supplier | 89.7 | 77 | 89.6 | 80 |
| | • % purchases of domestic/regional produc | 80.2 | 77 | 78.0 | 80 |
| | • % purchases directly from local grower | 67.0 | 58 (including "Fertile Soil") | 69.2 | 69 (including "Fertile Soil") |
| | • % direct imports | 10.3 | 17 | 13.0 | |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|-----------|---|--|--|--|--|
| | Meat | | | | |
| | • % purchases from domestic/regional supplier | 88 | 95 | 94 | |
| | • % purchases of domestic/regional product | 91 | 95 | 85 | 91 |
| | • % purchases directly from local grower | 87.7 | 85 | 91 | 83 |
| | • % direct import | 8.9 | 15 | 6 | 57 |
| | Fish and Seafood | | | | |
| | • % purchases from domestic/regional supplier | 95 | 47 | 92 | 53 |
| | • % purchases of domestic/regional product | 37.7 | 50 | 36 | 50 |
| | • % purchases directly from local grower | 18.3 | 40 | 14 | 42 |
| | • % direct imports | 5.0 | 60 | 8 | 63 |
| | Poultry | | | | |
| | - % Domestic suppliers | | 95 | | 99 |
| | - % Direct Buys from producer | | 50 | | 100 |
| | Definition of "local" | Local supplier: supplier providing a product or service within its own area of operation or State (ex., Veracruz suppliers provide for stores in Veracruz). | Local supplier is that which sells in the country; it may be manufacturer, distributor or importer. | Local supplier: supplier providing a product or service within its own area of operation or State (ex., Veracruz suppliers provide for stores in Veracruz). | Local supplier is that which sells in the country; it may be manufacturer, distributor or importer. |
| | Report if the organization has preferential policies or practices with local growers. Reasons that impact supplier selection, besides geographical location | There are no preferential conditions for local suppliers, although we do have programs to develop local suppliers and incorporate them in our portfolio (e.g. regional fairs, SME consultancy programs, and incorporation of local suppliers as 70-typed suppliers). There are programs in place, with the support of the Secretary of Economy, such as the installation of "SAP Business One" . Business consultancy COMPITE". | There are no preferential conditions for local suppliers, although we do have programs to develop local suppliers and incorporate them in our portfolio: "One Hand to Grow"(manufacturing suppliers) and Fertile Soil (agricultural & industrial suppliers). | There are no preferential conditions for local suppliers, although we do have programs to develop local suppliers and incorporate them in our portfolio (e.g. regional fairs, SME consultancy programs, and incorporation of local suppliers as 70-typed suppliers), the Sustainable Agriculture program and the marketing program for low-income farmers. There are programs in place, with the support of the Secretary of Economy, such as the installation of "SAP Business One" . Business consultancy COMPITE". | There are no preferential conditions for local suppliers, although we do have programs to develop local suppliers and incorporate them in our portfolio: "One Hand to Grow"(manufacturing suppliers) and Fertile Soil (agricultural & industrial suppliers). |
| | Factors influencing the selection of suppliers in addition to their geographical location. | Innovation, competitive cost vs. market, delivery capability, compliance with legal, quality and sanitary standards required for the product, sustainable practices to contribute improve the environment and the community. | | | |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|--|--|--|--|--|
| EC7 Procedures for local hiring, and ratio of senior management hired from the local community in locations of significant operation. | | The company has a diversity policy, thus the hiring process is focused in finding the best candidate for the position, regardless of this candidate's residence Process: interviews, selection, psychometric evaluations, interview with the business unit committee, selection, financial offer, documents, file integration, entering, welcome and training | By law, local residents have preference to a job. This only applies domestically, not for the political division of the countries (provinces, departments, etc) | "The company has a diversity policy, thus the hiring process is focused in finding the best candidate for the position, regardless of this candidate's residence Process: interviews, selection, psychometric evaluations, interview with the business unit committee, selection, financial offer, documents, file development, entering, welcome and training" | In keeping with local legislation, local residents have preference to a job. |
| | Nationality | | | | |
| | • Mexican / Central America | 99.9% | 99.9% | 99.9% | 99.9% |
| | • Foreign / Expat | 0.1% | 0.1% | 0.02% | 0.1% |
| | Definition of "senior management" | Assistant Director, Director and Vice President are senior management positions | | | |
| EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial engagement. | Suppliers | | | | |
| | SME Supplier Development Program | | | | |
| | • % SMEs in consultancy | 67 | 51 | 70 | 51 |
| | • Attending information sessions | 123 | 1,000 people | - | 571 people |
| | • Attending seminars | - | | - | |
| | • In training | - | 489 participants in 20 sessions | 1,787 | 299 participants in 17 sessions |
| | New SME suppliers | | | | |
| | • Sales from new suppliers (mp) | 25.3 | - | 395 | |
| | • Walmart consultancy | 1,000 man-hours | - | 805 man-hours | |
| | New suppliers | 73 | 287 | 257 | 25 |
| | Items from new suppliers | 565 | - | 3,424 | - |
| | Regional Buyer Program | | | | |
| | - New Suppliers entered through Regional Suppliers | | | 50 | NA |
| | - Sales generated in 2013 | | | 142 | |
| | Regional Fairs | | | | |
| | • Fairs | 4 | 5 business rounds | - | 5 business rounds |
| | • Participating store | 114 | - | - | |
| • Participating suppliers | 91 | 139 companies | - | 122 companies | |
| • Items | 349 | - | - | - | |
| • Sales from fairs (million pesos) | 29.5 | - | - | - | |
| CAT-MEX | | | | | |
| • Synergies with domestic suppliers | 72 | - | 77 | - | |
| • New synergies | 5 | - | 3 | - | |
| • Products developed | 8,745 | - | 9,438 | - | |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|--|--|---|--|---|
| | <ul style="list-style-type: none"> • Inspected garment • Private labels supplied through CAT-MEX • Exported pieces to Central America | 47.3 million 16 0 | - - - | 58.2 million 19 115,674 | - - - |
| | | | <p>Fertile Soil Program</p> <ul style="list-style-type: none"> -Small and Medium-sized farmers supported 3,408 -Benefited families 7,338 -Purchases generated (mp) 986 <p>One hand to grow</p> <ul style="list-style-type: none"> - Suppliers 549 - Total sales (mp) 572.1 | | <p>Fertile Soil Program</p> <ul style="list-style-type: none"> -Small and Medium-sized farmers supported 1,733 -Benefited families 5,051 -Purchases generated (mp) <p>One hand to grow</p> <ul style="list-style-type: none"> - Suppliers 289 - Total sales (mp) 367.3 |
| EC9 Understanding and description of significant indirect economic impacts, including its scope. | <p>Improving the quality of life</p> <ul style="list-style-type: none"> • Openings • New job opportunities | 263 61,428 | 22 7,213 | 214 12,624 | 21 1,070 |
| | Customer satisfaction | <ul style="list-style-type: none"> - Availability of medications, products and services for low income level people, improving their quality of life and financial capability. - Promoting social awareness in sustainability and community support. - Strengthening several areas, such as the textile industry. - Double Freshness Guarantee, program that guarantees our customers will get their money back and a new similar item in case the fresh item they bought does not meet their standards. - Customer Service Call Center (CAT) or call center for information, comments and suggestions (PR5). | Customer Service Call Center (SAC) or call center started operating throughout the region in 2010 to answer customer questions, receive their suggestions and complaints (PR5). | <ul style="list-style-type: none"> - Strengthening several areas, such as the textile industry. - Double Freshness Guarantee, program that guarantees our customers will get their money back and a new similar item in case the fresh item they bought does not meet their standards. - Customer Service Call Center (CAT) or call center for information, comments and suggestions (PR5). | Customer Service Call Center (SAC) or call center started operating throughout the region in 2010 to answer customer questions, receive their suggestions and complaints (PR5). |
| | Supplier development | We work closely with suppliers of all sizes that start showing their product in several stores. If their product is profitable, it is distributed in all stores of that business format. SMEs (many of them family-owned) have an increase in productivity, profitability, equipment and number of employees, among others. | | | |

environment

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM | |
|--|---|------------------|------------------------------|------------------|------------------------------|-------|
| EN1 Materials used by weight or volume. | Materials used | | | | | |
| | Non-renewable | | | | | |
| | • Diesel | 3,222,291 kg | 502,378 kg ⁽¹⁾ | 4,171,302 kg | 718,643 kg | |
| | • Natural Gas | 27,096,857 kg | | 25,000,262 kg | | |
| | • L.P. Gas | 45,942,077 kg | 1,161,525 kg ⁽¹⁾ | 44,082,163 kg | 1,107,766 kg | |
| | Direct | | | | | |
| | • Bond paper (prints, TAB) | 7,899,887 kg | 237,600 kg ⁽¹⁾ | 93,000,000 kg | 354,433 kg | |
| | • Toilet paper | 771,470 kg | 97,862 kg ⁽¹⁾ | 127,258 kg | 216,344 kg ⁽²⁾ | |
| | • Cleaning supplies | 805,624 kg | 97,955 kg | 4,458,446 kg | NA | |
| | • Plastic (shrink-wrap and bags) | 14,246,933 kg | 262,922 kg | 19,608,154 kg | 248,424 kg | |
| | • Wood | 400,000 kg | | 17,500 kg | | |
| | Volume or total weight of materials used | 99,613,670 kg | 2,360,242 kg | 190,465,085 kg | 2,645,610 kg | |
| | Non-renewable | | | | | |
| • Fossil fuels | 76,261,225 kg | 1,663,903 kg | 73,253,727 kg | 1,826,409 kg | | |
| • Plastics | 14,246,933 kg | 262,922 kg | 19,608,154 kg | 248,424 kg | | |
| EN2 Percentage of materials used that are recycled input materials. | Plastic | | Material recycling % | | Material recycling % | |
| | • Plastic (bags with 30% recycled resin) | 4,086,749 kg | 741,598.20 kg. | 30 | 4,119,907 kg | 0 |
| | • Shrink-wrap recovered for recycling | 11,389,979 kg | | - | 19,401,619 kg | - |
| | Wood | | | | | |
| | • Repaired and reconditioned pallets (cubic meters) | 904,755 pieces | 1,085,706 (m ³) | - | 1,204,259 pieces (96 ha) | - |
| | Paper | | | | | |
| | • Bond paper | 4,561,897 kg | | - | 4,561,897 | - |
| • Toilet paper | 771,470 kg | | - | 127,258 | - | |
| EN3 Direct energy use broken down by primary energy source. | Total direct energy use (GJ) | 3,830,491 | 81,668⁽¹⁾ | 3,675,173 | 89,165 | |
| | Renewable sources | - | - | | | |
| | Non renewable sources (GJ) | | | | | |
| | - L.P. Gas | 151,448 | 58,076 | 2,204,108 | 55,388 ⁽²⁾ | |
| | - Natural gas | 2,297,104 | - | 1,275,013 | | |
| | - Diesel | 1,381,940 | 23,612 | 196,051 | 33,776 ⁽²⁾ | |
| EN4 Indirect energy use broken down by primary source. | Total indirect energy use (GJ) | 6,903,487 | 974,224⁽¹⁾ | 8,003,182 | 988,132⁽²⁾ | |
| | • Renewable sources (GJ) | | | | | |
| | - Wind power (wind farm energy supply) | 916,719 | 0 | 598,638 | - | |
| | - Mix of Renewables * | NA | 604,993 | 0.621 | 612,642 | 0.621 |
| | • National network electric power (GJ) | 5,986,767 | 369,231 | 7,404,544 | 375,490 | |

Semarnat: Secretary of the Environment and Natural Resources
 CEDIs: Distribution Center
 (1) Forecast at 2012
 (2) Forecast at 2013

environment

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|--|--|---|---|---|
| EN5 Total energy saved due to conservation and efficiency improvements. | Total energy savings Total energy savings (million KWh) | 237,578 65.9 | N/A | 220,155 61.1 | 35,740 9.9 |
| EN6 Initiatives to provide energy-efficient or renewable energy-based products and services, and energy use saved as a result of said initiatives. | Savings initiatives <ul style="list-style-type: none"> • Energy management system • Conversion to T5 light • Magnetic induction in parking lot • Remote metering system • Optimization of control system • LED lighting • Door installation in open freezers 2025 goal: 100% powered by renewable energy <ul style="list-style-type: none"> • Implementation of renewable energy - Wind Farm - Federal/state electric power companies | estimated savings % N/A 12 N/A 2.5 3 30 (applied in Suburbia) 12 38 15 23 - Installation of LED lamps in parking lots and stores. - Optimization of the energy management system. - Installation of doors on open refrigerators. - Best practices internal campaign to reduce energy use. - Remote measuring system. | - Changes in lightening - Energy control, low-energy use equipment, energy savings best practices in operating areas - Energy savings campaign with store best practices 62.1 - 62.1 - Installation of LED lamps in parking lots. - Installation of energy management devices. - Installation of equipment to reduce relative humidity. - Low energy use refrigeration equipment and air conditioning. | estimated savings % 2 6.5 2.5 3 30 12 (applied in Suburbia) 38 15 23 - Installation of LED lamps in parking lots and stores. - Optimization of the energy management system. - Installation of doors on open refrigerators. - Best practices internal campaign to reduce energy use. - Remote measuring system. | - Changes in lightening - Energy control, low-energy use equipment, energy savings best practices in operating areas - Energy savings campaign with store best practices 0 - 0 - Installation of LED lamps in parking lots. - Installation of energy management devices. - Installation of equipment to reduce relative humidity. - Low energy use refrigeration equipment and air conditioning. |
| EN7** Initiatives to reduce indirect energy use and reductions achieved. | Reduction of indirect energy use | 3.8% | NA | 3.3% | 4.4% |
| (**) Indicator taken from comp store data for comp months. | <ul style="list-style-type: none"> • Use per area (kWh/m²) • Energy use (kWh) Include assumptions and methodology used to calculate energy use, as well as the source of the information | 260.55 1,662,990,932 Total sum of energy use based on year-end billing, compared to LY energy use (comp stores in the same billing months). | 218.47 270,617,722 ⁽¹⁾ Total sum of energy use based on year-end billing, compared to LY energy use (comp stores in the same billing months). | 248.14 1,808,874,077 Total sum of energy use based on year-end billing, compared to LY energy use (comp stores in the same billing months). | 218.88 274,481,039 ⁽²⁾ Total sum of energy use based on year-end billing, compared to LY energy use (comp stores in the same billing months). |
| EN8 Total water catchment by source. | Total catchment (m³) <ul style="list-style-type: none"> • Public network supply • Wells • Comp unit use (m³) • Use per (m³/m²) • Rainwater catchment (m³) | 8,077,692 8,041,932 35,760 3,174,474 0.88 2,495 | NA | 7,680,392 7,646,391 34,001 3,186,298 (base 2012) 0.79 1,328 | NA |
| EN9 Water sources significantly affected by water catchment. | Regional use is not significant based on corresponding criteria. | - | - | Regional use is not significant based on corresponding criteria. | - |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|--|---|---|--|---------------------------------------|
| EN10 Percentage and total volume of water recycled and reused. | <p>Water reused m³</p> <ul style="list-style-type: none"> • % vs. total water use Water treatment plants | <p>1,470,000</p> <p>18.2%</p> <p>580</p> | <p>NA</p> <p>NA</p> <p>208</p> | <p>1,686,592</p> <p>22.0%</p> <p>642</p> | <p>NA</p> <p>NA</p> <p>221</p> |
| EN11 Description of land in, or adjacent to, protected natural areas or unprotected biodiverse areas. | <p>Bodega Aurrerá Playa Maya (20,813 m²) The sites had forest vegetation and the corresponding authorizations to build were obtained in advance from Semarnat (Secretary of the Environment and Natural Resources).</p> | <p>WMT Constitution - (27,373 sqm) 1,516 trees planted in lands and 8,434 planted in "El Cedral" Natural Protected Area to offset emissions, construction of two surface run-off retaining structures, protection works in Quebrada Sur and Quebrada El Arenal, creation and stabilization of slopes, installation of fire fighting systems, emergency plan.</p> | <p>Supercenter Polígono Sur. Cancún (22,465 m²) The site had forest vegetation hence Semarnat authorizations were to be obtained and Flora and Fauna rescue activities were carried out. In addition forest offset equivalent to the land area was put in place.</p> | <p>WMTt Constitution - (27,373 sqm) 1,516 trees planted in lands and 8,434 planted in "El Cedral" Natural Protected Area to offset emissions, construction of two surface run-off retaining structures, protection works in Quebrada Sur and Quebrada El Arenal, creation and stabilization of slopes. Distribution Center Coyal - CR. Relocation of fill material within the same property (balancing sites) avoiding the transfer and disposal of the material (300,000 m³).</p> | |
| EN12 Description of significant impacts of activities, products and services on biodiversity in protected or unprotected natural areas. | <p>Sustainable agriculture: 20,157 farmers were trained, 8,992 women included</p> <p>Sustainable fishery: 2015 objective: 100% tilapia fish from China and basa fish from Vietnam will be certified by the Best Aquaculture Practices (BAP) organization. Result: 100% of purchases have BAP certification.</p> <p>Palm oil: 2015 objective: 100% of private label products with certified palm oil. Result: Private label products with palm oil were identified and the baseline for each was established (2010). Key buyers were trained in 2012, and the substitution plan was determined for 2015.</p> <p>Recycled fiber paper: Tabs distributed in stores are printed on recycled fiber paper.</p> <p>FSC- certified paper: Internal printing paper is certified by the Forest Stewardship Council (FSC).</p> <p>Authorized wood: Wood pallets purchased by Walmart de México come from authorized sources</p> | <p>Sustainable fishery: - Aquaculture: ES, 58%; CR, 72%; NC, 11%; HN, 70%, and GT, 59% (vs. total sales).</p> <ul style="list-style-type: none"> • CR: <ul style="list-style-type: none"> • La Sabana Metropolitan Park: Clean-up day in green areas, the railway and high-traffic areas, and planting of over 2,000 seeds of trees that are native to the zone as part of the first corporate volunteer program. • Playa Azul, Jacó: Clean-up day on the beach and nearby areas. Environment Day: Seedbed transplant into bags in San Sebastián, San José. Almost 300 species were transplanted, and later, 596 more. • Garabito, Jacó: Clean-up activities on the boulevard and the broad avenue at the entrance of the community. These activities were carried out together with a group of neighbors in the area and store associates. • Concepción de Atenas School: Planting of trees at the School facilities, located in Concepción de Atenas, Alajuela, together with community members and associates of the Poultry Plant. • ES: <ul style="list-style-type: none"> • El Playón natural protected area, Chanmico, in the Municipality of San Juan Opico, La Libertad Department. A total of 5,000 trees were planted over 12 ha. | <p>Sustainable agriculture: - 1,449 farmers were trained, 89 women included</p> <p>Sustainable fishery: 2015 objective: 100% tilapia fish from China and basa fish from Vietnam will be certified by the Best Aquaculture Practices (BAP) organization. Result: 100% of purchases have BAP certification.</p> <p>Palm oil: 2015 objective: 100% of private label products with certified palm oil. Result: Private label products with palm oil were identified and the baseline for each was established (2010). Key buyers were trained in 2012, and the substitution plan was determined for 2015.</p> <p>Recycled fiber paper: Tabs distributed in stores are printed on recycled fiber paper.</p> <p>FSC- certified paper: Internal printing paper is certified by the Forest Stewardship Council (FSC).</p> <p>Authorized wood: Wood pallets purchased by Walmart de México come from authorized sources.</p> | <p>Sustainable fishery: - Aquaculture : 64 % ES , 72% CR , 9% NC , 84% HN and 55% GT (vs. total sales).</p> <ul style="list-style-type: none"> • CR: <ul style="list-style-type: none"> • Carara National Park, Puntarenas Garabito. Cleaning Day in landscaping, beautification of the common areas and the universal path. Debris were collected. • First Conference on Corporate Volunteering Okayama and San Francisco Sports Park. Cleaning green park areas, placement of nutrients to trees, waste collection and painting playgrounds. • Walmart Guadalupe: planting trees at Home Seniors Carlos Maria Ulloa. • Environment Day: Transfer to seedling bags, San Sebastian, San José. Transplanted almost 896 species. • NC: 200 associates worked at the National Zoo for improvements in Area Animal Rescue, planting host plants for butterflies, preparation of landfills with recyclable materials and general cleanliness of the area. • ES: <ul style="list-style-type: none"> • The protected area Playon Chanmico in the municipality of San Juan Opico Dept. La Libertad takes planted a total of 5,700 trees on 14 ha. <ul style="list-style-type: none"> • Compensation of 1,516 trees in the area of Walmart Constitution and compensation of 8,434 trees in Protected Natural Area Cedral. | |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|---|--|---|--|---|
| | | | <ul style="list-style-type: none"> • El Cedral. Reforestation of 11.43 ha. with 10,000 trees in "Comunidad El Cedral", in the Municipality of Nejapa, San Salvador Department, as part of the environmental offset program by Walmart project Constitución en la ciudad de Mejicanos. • GT: <ul style="list-style-type: none"> • 1,000 trees were planted in the United Nations National Park in Amatitlan, a protected area of 373 ha. A wall surrounding the nursery garden was built with reused discarded materials such as bottles and other plastic waste collected by Company associates. • In order to celebrate Water Day, educational talks and workshops on the proper use of water were delivered with the participation of 100 students of Tecún Umán School, 25 volunteer associates and executives from Fondo del Agua. • NC: <ul style="list-style-type: none"> • The surrounding area of the Tiscapa Lagoon Nature Reserve and its amphitheater were reforested and preserved; reusable bags were delivered to the community to avoid the pollution of the lagoon with plastic waste and baskets were donated for garbage treatment. | | <ul style="list-style-type: none"> • GT: <ul style="list-style-type: none"> • Project "Water Harvesting" in United Nations National Park, construction of rainwater collectors through PVC gutters on roofs of existing facilities to use it as irrigation water collected. A talk to motivate participants to develop uptake in their homes and assist with the reduction of water consumption occurred. • "Rubbish? ... The decision is in your hands" Campaign - environmental education program on waste disposal and separation of the United Nations Visitor National Park in conjunction with Advocates Nature Foundation. • Reforestation in UN National Park , a protected area of the country , more than 2,000 trees were planted in 2013 through volunteer activities and have built more than 98 meters of linear walls with eco-bricks (over 12,000 bricks). In Tonicapán 980 trees (500 and 480 Pinos smooth stick) was planted. |
| EN13 Habitats protected or restored. | Location and size of restores and/or protected habitats Third party collaborations on restoration and/or protection activities | Reforestation 27 ha, Sierra de Guadalupe Park, Edo. de México. Reforestation 300 ha, Flor de Marqués Camp, Chiapas. In 2011 and 2012 we financed Organización Natura y Ecosistemas Mexicanos, A.C. to develop the "Eco-Tourism Camp Flor de Marqués" project in Chiapas and to preserve the remnants of the high tropical evergreen forest located in the communal land of Flor de Marqués, in addition to promoting a sustainable economic activity and strengthening an eco-tourism path regionally (in the Municipality of Marqués de Comillas). Afterwards, we made sure of the continuance of this project. | | Reforestation 47 ha, Sierra de Guadalupe Park, Edo. de México. 60,000 trees during the project (2011-2013). | |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|--|---|---|---|---|
| EN14 Strategies, actions and future plans for managing impacts on biodiversity. | Strategy of the organization | - During the construction of new units, we include remediation plans, so that in case of impacting green areas, trees can be transplanted to nearby areas approved by environmental authorities. | | | |
| | | - Each new site has the corresponding authorizations from the Ministry of Environment and Natural Resources of Mexico, in keeping with Law. | - Each new site has the corresponding authorizations from the necessary authorities, in keeping with the Law in each country. | - Each new site has the corresponding authorizations from the Ministry of Environment and Natural Resources of Mexico, in keeping with Law. | - Each new site has the corresponding authorizations from the necessary authorities, in keeping with the Law in each country. |
| | Project: Eco Tourism Camp Flor de Marqués | | | | |
| | Mentioning if a national norm is in effect. | Environmental Services Payment program supported by the National Forest Commission | | | |
| | Inclusion of biodiversity considerations, such as environmental impact assessments, in analytical tools. | Walmart de México Foundation, together with Natura y Ecosistemas Mexicanos, A.C. carries out social-environmental appraisals in the region and proposes job-generating and income-increasing productive projects, while preserving biodiversity. Since the projects are being developed in a deforested area, no environmental impact assessment is needed, however the architectural design includes information on the functioning of the ecosystems that are being protected. A manual on operation and construction best practices has been produced to guarantee the preservation of biodiversity. | | | |
| | Participation with and commitment to relevant stakeholders. | The communal land administration, owner of the forest, is organized around this project, and decisions are made by the Assembly. | | | |
| | Follow - up process. | Reports with compliance indicators, verification visits. | | | |
| Public information. | This project includes several spear-headed aspects, such as turning farmers into ecotourism entrepreneurs, preserving biodiversity through sustainability productive projects, organizing the operation of projects, issuing regulations to promote commitment towards preservation, among other mechanisms not frequently seen in ecotourism projects. This information should be systematized and published to influence in similar processes and replicate lessons learned. | | | | |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|--|--|---|---|---|
| EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations broken down by level of extinction risk. | | NA | NA | NA | NA |
| EN16 Total direct and indirect greenhouse gas emissions, by weight. | <p>Direct emissions (scope 1)</p> <ul style="list-style-type: none"> Total emissions Total emissions related to the area built <p>Indirect emissions (scope 2)</p> <ul style="list-style-type: none"> Total emissions Total emissions related to the area built <p>Norm and methodology used related to data</p> | <p>523,314</p> <p>82</p> <p>886,873</p> <p>138.95</p> <p>Methodology established by WRI/WBCSD Protocol is used to calculate greenhouse gas emissions. Data is obtained from the amount of fuel, coolants and electricity acquired. Emissions are calculated using published emission factors.</p> | <p>29,851⁽¹⁾</p> <p>24.10⁽¹⁾</p> <p>65,553⁽¹⁾</p> <p>52.92⁽¹⁾</p> | <p>725,339</p> <p>74</p> <p>1,013,805</p> <p>103.96</p> | <p>27,303⁽²⁾</p> <p>22⁽²⁾</p> <p>71,067⁽²⁾</p> <p>56⁽²⁾</p> |
| EN17 Other relevant indirect greenhouse gas emissions, by weight. | <p>CO₂ emissions resulting from merchandise transportation (ton)</p> <p>Emissions resulting from personnel transportation (ton)</p> | <p>199,417</p> <p>3,454</p> | <p>26,133</p> <p>-</p> | <p>206,864</p> <p>3,040</p> | <p>28,316</p> <p>-</p> |
| EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved. | <p>Initiatives</p> <p>Emissions NOT generated by wind farm energy supply (CO₂)/mix of renewables</p> <p>2012 goal: 20% reduction in Greenhouse Gas emissions</p> <ul style="list-style-type: none"> Greenhouse Gas emissions (ton CO₂) Emission reduction of CO₂ compared to 2005 baseline Objective achieved of 2012 goal | <p>LOGISTICS INITIATIVES</p> <ul style="list-style-type: none"> Trip reduction program for merchandise transportation Crosby Bar - Suppliers are allowed to stow pallets on the trailer, thus reducing supplier fleet by half Bulk deliveries - Pallet-free deliveries, reducing transportation costs <p>SUSTAINABILITY INITIATIVES</p> <ul style="list-style-type: none"> Wind farm energy supply Change in sales floor lighting (T5 lamps instead of T8) LED lighting in parking lots and stores Coolant leaks reduction program in refrigeration equipment Implementation of energy savings operational campaign Optimization of energy management system Trip reduction program for merchandise transportation Installation of doors on open refrigerators <p>135,802</p> <p>1,008,349</p> <p>22.4%</p> <p>112%</p> | <ul style="list-style-type: none"> Change in sales floor lighting (T5 lamps instead of T8) Coolant leaks reduction program in refrigeration equipment Implementation of energy savings operational campaign Optimization of energy management system The main emission reduction initiative is related to the control of coolant leaks in 2012, reduced by 35% vs. the previous year. <p>-</p> <p>48,640⁽¹⁾</p> <p>16%⁽¹⁾</p> <p>80%⁽¹⁾</p> | <ul style="list-style-type: none"> Wind farm energy supply Change in sales floor lighting (T5 lamps instead of T8) LED lighting in parking lots and stores Coolant leaks reduction program in refrigeration equipment Implementation of energy savings operational campaign Optimization of energy management system Trip reduction program for merchandise transportation Installation of doors on open refrigerators <ul style="list-style-type: none"> Control system for cooling doors resistors. electronic cooling system for the valves. <p>81,964</p> <p>30.1%</p> <p>150%</p> | <ul style="list-style-type: none"> Change in sales floor lighting (T5 lamps instead of T8). Coolant leaks reduction program in refrigeration equipment. Implementation of energy savings operational campaign. Optimization of energy management system. The main emission reduction initiative is related to the control of coolant leaks in 2013, reduced by 18.33% vs. the previous year. <p>-</p> <p>45,980⁽²⁾</p> <p>22%⁽²⁾</p> <p>110%⁽²⁾</p> |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|-------------|---|--|---|--|---|
| | - Units with recycling program(s) | 1,417 | 100% of stores, DCs, manufacturing plants and offices. | 1,897 | 100% of stores, DCs, manufacturing plants and offices. |
| | 2013 goal: 50% reduction in use of plastic bags [vs. 2007 baseline] | | | | |
| | • % reduction in use (vs. 2007 baseline) | 68 | 51 | | NA |
| | • % savings compared to the previous year | 8 | 5 | 10.3 | NA |
| | • Plastic bag use per area (kg/m ²) | 2.12 | 2.0 | 2.03 | NA |
| | • % accomplishment vs. 2013 goal | 136 | 101 | 103 | NA |
| | 2025 goal: Generate zero wastes | | | | |
| | 2012 goal: 75% recycling of wastes | | | | |
| | • Space released from landfills due to solid wastes recycling (m ³) | 1,206,828 | 125,346 ⁽¹⁾ | 1,294,986 | 130,309 ⁽²⁾ |
| | • % landfill not used by recycling and managing wastes | 69 | 55 | 73 | 61 |
| | • Collection and recycling of cardboard (ton) | 163,059 | 17,519 ⁽¹⁾ | 175,021 | 18,100 ⁽²⁾ |
| | • Collection and recycling of cellulose materials from customers (ton) | 41 | - | 41 | - |
| | • Collection and recycling of plastic (ton) | 11,944 | 1,925 ⁽¹⁾ | 25,890 | 2,311 ⁽²⁾ |
| | - Plastic hanger (ton) | 554 | 9 | 6,488 | 6.9 |
| | - Shrink wrap (ton) | 11,390 | 1,925 ⁽¹⁾ | 19,402 | 2,311 ⁽²⁾ |
| | Treatment method determination | Treatment methods were determined based on the existing infrastructure of the country and value of wastes. Recovered valued wastes were sent to recycling. Compost was determined based on the infrastructure available. | Treatment methods were determined based on existing structure in the country. Valued wastes were sent to recycling. | Treatment methods were determined based on the existing infrastructure of the country and value of wastes. Recovered valued wastes were sent to recycling. Compost was determined based on the infrastructure available. | Treatment methods were determined based on existing structure in the country. Valued wastes were sent to recycling. |
| EN23 | Total number and volume of significant spills. | No significant spills occurred. | Fourteen chemical spills were reported: two minor coolant leaks, a 24-gallon spill in one of our service stations, and 11 LP-gas leaks, most of them caused by 25-lb cylinders with valve problems, for sale in CR. The most important leak happened when a Tomza gas truck was filling up a stationary tank in a Más x Menos unit in Santa Ana, CR and the supply hose broke, which caused the evacuation of neighbors. The gas leak volume could not be quantified. | No significant spills occurred. | 41 leakage events were reported chemicals, liquid chemicals of any importance in the operation. This was a result of problems in gas cylinders for sale, which hit the market in CR during the year. 32 events in stores gas leak occurred. Additionally, there were 3 events leakage of refrigerant gas leakage and waste water system overflow. |

environment

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|--|--|--|--|---|
| EN24 Weight of transported, imported, exported nor treated wastes deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of wastes transported internationally. | Total weight of transported hazardous wastes (ton) | 133.5 | 56.3 | 141.0 | 49.7 |
| EN25 Identification, size, protection and biodiversity value of water sources and related habitats significantly affected by discharges of water and runoff of the organization. | N/A | | | | |
| EN26 Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation. | <p>1,254 products with low environmental impact, such as:</p> <ul style="list-style-type: none"> • 507 organic and hydroponic food items (128 fair-business certified) • 365 energy and water saving products • 288 biodegradable and non-pollutant products • 67 products made of recycled material, 27 reusable • 293 acoustic booths for emergency plants (24 new) • 188 soundproof electric rooms (47 new) | <ul style="list-style-type: none"> • Sustainable products developed by suppliers, but no commercial initiatives with suppliers for said type of products • 61 acoustic booths for emergency power generation. • Disposal of electronic materials: 56,300 kg | <p>1,342 products with low environmental impact, such as:</p> <ul style="list-style-type: none"> • 543 organic and hydroponic food items (128 fair-business certified) • 390 energy and water saving products • 308 biodegradable and non-pollutant products • 72 products made of recycled material, 29 reusable • 70 acoustic booths for emergency plants (24 new) • 54 soundproof electric rooms (47 new) | <ul style="list-style-type: none"> • Sustainable products developed by suppliers, but no commercial initiatives with suppliers for said type of products • Disposal of electronic materials: 49,670 kg | |
| EN27 Percentage of products sold and packaging materials that are reclaimed by category. | <p>Percentage vs total recycled materials</p> <ul style="list-style-type: none"> • Collection and recycling of cardboard • Collection and recycling of cellulose materials from customers • Collection and recycling of plastic - Plastic hanger - Shrink wrap | <p>79</p> <p>0.02</p> <p>6</p> <p>0.3</p> <p>5.5</p> | <p>90</p> <p>0</p> <p>10</p> <p>0</p> <p>10</p> | <p>77</p> <p>0.02</p> <p>12</p> <p>2.5</p> <p>8.5</p> | <p>89</p> <p>0</p> <p>11</p> <p>0</p> <p>11</p> |
| EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | The Environment Office of the State of Veracruz imposed Bodega Las Trancas a fine for 1.2 mp. This fine has been paid. | - | - | There is no record of administrative penalties, significant fines or non-monetary penalties (considering significant those exceeding 1.2 mp). | - |

environment

| INDICATOR | CONTENT | 2012 MEXICO | | | 2012 CAM | 2013 MEXICO | | | 2013 CAM |
|--|--|-------------|-----------|---------------------------------|------------|-------------|-----------|---------------------------------|----------------------|
| EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce. | CO ₂ emissions resulting from merchandise transportation (EN7) (ton) | | | 199,417 | 26,133 | | | | 28,316 |
| | • Kilometers covered | | | 216,155,597 | 20,527,360 | | | | 22,241,875 |
| | • Gallons | | | | 2,565,920 | | | | 2,780,234 |
| | Savings due to Logistics projects and initiatives (i.e. backhaul, optimization of freight volume, etc.) | Total | Backhaul | Reverse Logistics | | Total | Backhaul | Reverse Logistics | |
| | • Operational efficiencies (trips reduced) | 157,400 | 63,000 | 94,400 | | | | | |
| | - Kilometers not covered | 23,335,000 | 3,783,000 | 19,552,000 | 1,230,880 | 33,501,837 | 3,811,620 | 29,690,217 | 1,454,760 |
| | - CO ₂ emissions reduced (ton) | 24,548 | 5,531 | 19,017 | 1,045 | 34,376 | 5,542 | 28,834 | 1,235 |
| | - Gallons not used | 157,400 | 63,000 | 94,400 | | 206,958 | 63,527 | 143,431 | |
| | - Collected cardboard nationwide | 126,758 | | 126,758 | | 170,216 | | 170,216 | |
| | - Recycle shrink-wrap nationwide | 10,574 | | 10,574 | | 11,497 | | 11,497 | |
| - Saved gallons | 414,548 | | | 102,573 | 564,684 | | | 121,230 | |
| EN30 Environmental investment. | Environmental investment (mp) | | | 150 (only energy efficiency) | 243 | | | 487 (only energy efficiency) | 341.8 ⁽²⁾ |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|--|--|----------|---|----------|
| <p>OiEN Other significant social responsibility and sustainability activities.</p> | <p>Significant company social responsibility and sustainability activities</p> | <p>Environmental leadership Eco-efficiencies free program to promote competitiveness throughout the value chain, developed by Walmart de México y Centroamérica together with Semarnat (Secretary of the Environment and Natural Resources). Results: - 99 companies completed the course - 150 people trained - \$22.6 MP investment (ROI = 5 months) Savings: Water = 234 million l/yr Energy = 3.9 million kWh/yr Greenhouse Gas Emissions = 6,143 CO₂ tons /yr Recycling = 3,603 tons/yr Pesos: 50 MP</p> | <p>-</p> | <p>Training suppliers in eco- efficiency In a next step the Environmental Leadership for Competitiveness program, an agreement with the MIF of the IDB and Tec de Monterrey was established to develop a virtual training platform for SMEs covering eco- efficiency tools. The web portal was launched in October and courses will begin in the second quarter of 2014.</p> <p>Sustainable Packaging Scorecard The tool is integrated into the Sustainability Index system, so the tracking of new items will not be tracked. The Sustainability Index will be pilot in 2014. Sustainability Forum 2013: Together for a better world In September 2013 was held the second edition of the Sustainability Forum with the participation of over two thousand attendees to the expo of sustainable services and technologies that were presented in 140 stands, as well as lectures and discussion panels where participants shared best practices on topics such as carbon footprint measurement, sustainable water management, energy efficiency, among others. Sixteen companies signed an agreement with seven commitments to drive sustainability in their businesses and supply chains, on issues such as reducing carbon emissions, water efficiency, waste reduction, drive products with lower environmental impacts, as well as a responsible communication on sustainability issues.</p> | <p>-</p> |

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|-----------|---------|--|----------|---|----------|
| | | <p>Sustainable Packaging Scorecard Free tool to learn about the environmental impact of packaging The objective is to reduce wastes, increase efficiencies in the supply chain and drive innovation and sustainable practices Results:</p> <ul style="list-style-type: none"> • 5,265 items entered • 185 participating suppliers | | <p>Sustainable Innovation Award Walmart + Ibero In collaboration with the Student Society of Chemical Engineering of the Universidad Iberoamericana was carried out the first edition of the Sustainable Innovation Award Walmart + Ibero, which consisted of an open call to all college students residing in the country to submit business proposals in the areas of energy , water and waste . More than 180 proposals from 17 states were received; the majority of projects were from public university students. The five finalists were presented at the International Conference on Sustainability, organized by the Universidad Iberoamericana where two students of the Research Center of Industrial Design at UNAM wan, with a hydroponic urban garden project. 30 projects were acknowledged and received \$ 475 thousand pesos in prizes.</p> <p>Clean Transportation Program For the third year we received the recognition for participating in the Clean Transportation Program of the Ministry of Environment. We reduced 3,146 tons of CO2 due to efficiencies in the distribution of goods was obtained.</p> <p>Logistics: Collection of 71 tons in-kind donations by stores to NGOs. Collection of 944 tons of in-kind donations from customers for Ingrid and Manuel natural disasters.</p> | |

labor practices and work ethics*

| INDICATOR | CONTENT | 2012 MEXICO | | | | 2012 CAM | | | | 2013 MEXICO | | | | 2013 CAM | | | |
|--|---|-------------|------------|----|----|------------|------------|----|----|-------------|------------|----|----|------------|------------|-----|-----|
| | | % vs Total | Associates | %W | %M | % vs Total | Associates | %W | %M | % vs Total | Associates | %W | %M | % vs Total | Associates | %W | %M |
| LA1 Total workforce by employment type, by employment contract, and by region. | Total number of associates: | 100 | 217,450 | 52 | 48 | 100 | 30,796 | 40 | 60 | 100 | 212,541 | 53 | 47 | 100 | 31,312 | | |
| | • Management | 1 | 2,561 | | | 1 | 328 | 34 | 66 | 1 | 2,672 | 31 | 69 | 1 | 349 | | |
| | • Non-management | 99 | 214,889 | | | 99 | 30,468 | 41 | 59 | 99 | 209,869 | 53 | 47 | 99 | 30,963 | | |
| | Permanent associates: | 94 | 204,887 | 52 | 48 | 98 | 30,104 | 41 | 59 | 96 | 203,892 | 53 | 47 | 98 | 30,541 | 41 | 59 |
| | • Full-time | 84.4 | 183,613 | | | 89 | 27,455 | 39 | 61 | 83.3 | 176,956 | 52 | 48 | 89 | 27,755 | | |
| | • Part-time | 9.8 | 21,274 | | | 9 | 2,649 | 57 | 43 | 12.7 | 26,936 | 56 | 44 | 9 | 2,786 | | |
| | Temporary associates: | 5.8 | 12,563 | 49 | 51 | 2 | 692 | 38 | 62 | 4.1 | 8,649 | 49 | 51 | 2 | 760 | 43 | 58 |
| | • Full-time | 4.5 | 9,802 | | | 2 | 506 | 32 | 68 | 3.1 | 6,669 | 48 | 52 | 2 | 522 | | |
| | • Part-time | 1.3 | 2,761 | | | 1 | 186 | 55 | 45 | 0.9 | 1,980 | 53 | 47 | 1 | 238 | | |
| | • Temporary associates for Christmas season | 6 | 12,063 | | | 0 | 122 | 46 | 54 | 4 | 9,028 | 46 | 54 | 0 | 11 | | |
| LA2 Total number of new hires. | New associates | 100 | 61,428 | 48 | 52 | | 7,213 | 37 | 63 | 100 | 56,917 | 47 | 53 | 100 | 8,754 | 37 | 63 |
| | Age group: <25 | 59 | 36,092 | 41 | 59 | 57 | 4,088 | 32 | 68 | 57 | 32,381 | 39 | 61 | 53 | 4,670 | 33 | 67 |
| | 26-30 | 15 | 9,188 | 51 | 49 | 22 | 1,558 | 41 | 59 | 15 | 8,615 | 51 | 49 | 22 | 1,903 | 38 | 62 |
| | 31-35 | 9 | 5,818 | 60 | 40 | 11 | 790 | 46 | 54 | 10 | 5,618 | 58 | 42 | 13 | 1,141 | 42 | 58 |
| | 36-40 | 7 | 4,417 | 63 | 37 | 6 | 412 | 48 | 52 | 8 | 4,441 | 63 | 37 | 6 | 543 | 47 | 53 |
| | >=41 | 10 | 5,913 | 60 | 40 | 5 | 365 | 46 | 54 | 10 | 5,862 | 60 | 40 | 6 | 497 | 45 | 55% |
| | Associate turnover | 100 | 107,305 | 44 | 56 | | 10,332 | 34 | 66 | 100 | 110,567 | 44 | 56 | 100 | 8,754 | 49 | 85 |
| | Age group: <25 | 58 | 62,208 | 38 | 62 | 46 | 4,782 | 30 | 70 | 58 | 63,859 | 38 | 62 | 53 | 4,670 | 34 | 71 |
| | 26-30 | 16 | 17,398 | 47 | 53 | 24 | 2,452 | 34 | 66 | 16 | 17,958 | 48 | 52 | 22 | 1,903 | 59 | 102 |
| | 31-35 | 10 | 10,822 | 52 | 48 | 14 | 1,410 | 38 | 62 | 10 | 10,851 | 53 | 47 | 13 | 1,141 | 64 | 92 |
| 36-40 | 7 | 7,925 | 58 | 42 | 8 | 791 | 43 | 57 | 7 | 7,787 | 58 | 42 | 6 | 543 | 73 | 101 | |
| >=41 | 8 | 8,952 | 58 | 42 | 9 | 897 | 42 | 58 | 9 | 10,112 | 58 | 42 | 6 | 497 | 94 | 109 | |

*Including Restaurants associates

labor practices and work ethics

| INDICATOR | CONTENT | 2012 MEXICO | | 2012 CAM | | 2013 MEXICO | | 2013 CAM | |
|---|---|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
| LA3 Benefits provided to full-time employees, which are not provided to temporary or part-time employees. | <p>All associates enjoy the same fringe benefits</p> <p>List extra benefits available for all associates</p> <p>Extra benefits standard for all full-time associates and part-time/temporary associates</p> | Full-time associates | Part-time/temporary associates | Full-time associates | Part-time/temporary associates | Full-time associates | Part-time/temporary associates | Full-time associates | Part-time/temporary associates |
| | - Vacations for management | C | | C | | C | | C | |
| | - Vacations for non-management | A | A | A | A | A | A | A | A |
| | - Holidays | C | C | B | | C | C | B | |
| | - Personal days for field assistant managers | B | B | B | | B | B | B | |
| | - Special permits | C | C | C | A | C | C | C | A |
| | - Meals subsidy | B | B | B | B | B | B | B | B |
| | - Electronic coupon | A | | | | B | | | |
| | - Discounts on purchases | B | B | B | B | B | B | B | B |
| | - Company car for management | B | | | | B | | | |
| | - Car allowance for management | | | B | | | | B | |
| | - Medical checkup for management | B | | B | | B | | B | |
| | - Life insurance | B | | B | | B | | B | |
| | - Hospital insurance | | | B | | | | B | |
| | - Health insurance | B | | B | | B | | B | |
| | - Subsidy in case of disability | C | C | C | A | B | B | C | A |
| | - Year end's celebration | B | B | B | B | B | B | B | B |
| LA4 Percentage of employees covered by collective bargaining agreements. | Associates throughout the country are hired following provisions of the Mexican Labor Law 100% of those who, in keeping with the Federal Labor Law, are subject to this type of hiring | Compliance with labor law of each country where we operate | | Compliance with labor law of each country where we operate | | Associates throughout the country are hired following provisions of the Mexican Labor Law 100% of those who, in keeping with the Federal Labor Law, are subject to this type of hiring | | Compliance with labor law of each country where we operate | |
| LA5 Minimum notice period(s) regarding operational changes, including notifications in collective bargaining agreements. | The law does not include this figure | | | | | | | | |

A: By law.
 B: Not mandatory by law, but granted by the Company.
 C: By law and granted by the Company.

labor practices and work ethics

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|--|--|--|--|--|
| LA6 Worker health and safety committees. | Participation in Health and Safety Committees | 19.5 | 100% of the associates are represented by occupational health, hygiene and safety committees. Approximately 10% of them are active members of such committees. | 18 | 100% of the associates are represented by occupational health, hygiene and safety committees. Approximately 10% of them are active members of such committees. |
| | % associates | | | | |
| | Associates per business unit | 5-10 | 5-10 | 5-10 | from 4 to 10 associates depending on the size of the store |
| | Level of operation | Workplace / corporate office | Workplace/ Regional | Workplace / corporate office | Workplace/ Regional |
| | Associates trained | 50,460 | 6,777 | 113,880 | 11,770 associates, 470 training courses |
| LA7 Rates of injury, lost days, occupational diseases, and absenteeism, and number of work-related fatalities. | Indicate if mild labor accidents are included or not (requiring first aid) | Mild incidents excluded | Mild incidents not requiring medical leave are excluded | Mild incidents excluded | Mild incidents not requiring medical leave are excluded |
| | Indicate if "days" mean "calendar days" or "work days" | Days = Calendar days | Days = working days | Days = Calendar days | Days = working days |
| | Accounting method for "lost days" | As per Mexican Social Security method to score lost days as "work-related accidents" | From the moment the treating physician issues the medical leave, which usually coincides with the date of the accident. | As per Mexican Social Security method to score lost days as "work-related accidents" | From the moment the treating physician issues the medical leave, which usually coincides with the date of the accident. |
| | Registered accidents | 13,082 | 1,310 | 13,436 | 1,248 |
| | • Commute-related | 0 | This indicator is not calculated, it is scored as accidents/one thousand associates = 4.06 | 0 | This indicator is not calculated, it is scored as accidents/one thousand associates = 4.06 |
| | • Work-related risk | | | | |
| | Leave of absence | 316,541 | 27,441 | 249,447 | 25,998 |
| | • Commute-related | ND | This indicator is not calculated, it is scored as lost days due to accidents/one thousand associates= 84,98 | ND | This indicator is not calculated, it is scored as lost days due to accidents/one thousand associates= 84,98 |
| | • Work-related risk | ND | This indicator is not calculated, it is scored as lost days due to illness/one thousand associates= 192,79 | ND | This indicator is not calculated, it is scored as lost days due to illness/one thousand associates= 192,79 |
| | Disabled associates | 11,910 | 6,761 | 11,971 | 7,295 |
| • Absolute number of work-related fatalities | 0 | 1 | 0 | 0 | |
| Rules and regulations to record and communicate accidents | Accidents scored as work-related, based on Mexican Social Security rules and regulations. Mild incidents excluded. | Accident report is done in keeping with Walmart de México y Centroamérica and Walmart International requirements. If local law requires a specific format, the corresponding report is presented. Mild incidents excluded. | Accidents scored as work-related, based on Mexican Social Security rules and regulations. Mild incidents excluded. | Accident report is done in keeping with Walmart de México y Centroamérica and Walmart International requirements. If local law requires a specific format, the corresponding report is presented. Mild incidents excluded. | |

labor practices and work ethics

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|--|--|---|--|---|
| LA8 Education, training, counseling, prevention and risk-control programs in place for assisting workforce members, their families or community members regarding serious diseases. | Assistance in Loss Prevention | There are different risk control programs, including specific courses for high-risk positions, monthly facility reviews, permanent communication campaigns to prevent unsafe conditions and actions, and others, to promote a safe environment for associates and customers. | In order to comply with our vision of making Walmart the safest place to shop and work, we have developed some communication and training programs aimed at strengthening compliance with the Human Safety Manual guidelines, seeking to create safe, accident-free working and shopping environments. Our health-promoting efforts have been concentrated around our program called "Mi Salud -Mi Vida" ("My health- My life"), which has contributed to articulate training and communication campaigns, medical clinics for employees and other instruments to raise awareness among associates regarding health care. | There are different risk control programs, including specific courses for high-risk positions, monthly facility reviews, permanent communication campaigns to prevent unsafe conditions and actions, and others, to promote a safe environment for associates and customers. | In order to comply with our vision of making Walmart the safest place to shop and work, we have developed some communication and training programs aimed at strengthening compliance with the Human Safety Manual guidelines, seeking to create safe, accident-free working and shopping environments. Our health-promoting efforts have been concentrated around our program called "Mi Salud -Mi Vida" ("My health- My life"), which has contributed to articulate training and communication campaigns, medical clinics for employees and other instruments to raise awareness among associates regarding health care. |
| | Risk Control | The Operations Continuity Center (OCC) and HR manage disaster relief assistance for associates. | Besides the support given by the Emergency and Crisis Response Committee, together with HR, we have disseminated information to contribute with associates, so that they and their families are prepared vis-à-vis emergency situations such as earthquakes and volcanic eruptions. | The Operations Continuity Center (OCC) and HR manage disaster relief assistance for associates. | Besides the support given by the Emergency and Crisis Response Committee, together with HR, we have disseminated information to contribute with associates, so that they and their families are prepared vis-à-vis emergency situations such as earthquakes and volcanic eruptions. |
| | Workers in positions with high-risk disease index | <ul style="list-style-type: none"> • Maintenance personnel • First-aid brigade personnel who may be in contact with biological waste • Display personnel who may be affected by solvent exposure" | Based on the risk mapping of different positions in the company, the possibility of contracting a specific disease as the sole result of the job is very low. | <ul style="list-style-type: none"> • Maintenance personnel • First-aid brigade personnel who may be in contact with biological waste • Display personnel who may be affected by solvent exposure • Personnel in DCs exposed to hazardous fluids such as ammonia. | Based on the risk mapping of different positions in the company, the possibility of contracting a specific disease as the sole result of the job is very low. |
| LA9 Health and safety topics covered in formal agreements with trade unions. | Compliance with labor law in each country where we operate | | | | |

labor practices and work ethics

| INDICATOR | CONTENT | 2012 MEXICO | | | 2012 CAM | | | 2013 MEXICO | | | 2013 CAM | | | | |
|--|---|---|-----------|---------------------|----------------------------|---------------|---------------------|-------------|---------------------|--------------|--------------------------|---------------------|---------------------------|--------|---------|
| LA10 Average hours of training per year per employee broken down by employee category and gender. | Training investment | | %W | %M | | | | %W | %M | | | | | | |
| | | 91.3 | | | Face-to-face Participation | 23,218 | Man-hours | 132,109 | | 93.2 | | 4.6 | | | |
| | • Classroom | 86.6 | | | CBL participation | 41,863 | Man-hours | 211,586 | | 54.44 | | | | | |
| | • Distance learning | 4.7 | | | Total | 65,081 | | 343,695 | | 38.81 | Associates | Participation | Hours | | |
| | Total trained associates (including associates not with the company) | Learning Center and unit openings are included. | 310,757 | 55 | 45 | | | | | 212,444 | 54 | 46 | 21,775 | 44,415 | 127,862 |
| | • Man-hours (million) | | 4.54 | | | | | | | 2.61 | | | | | 0.12 |
| | Training | | Man-hours | Hours per associate | Classification | Participation | Hours per associate | Man-hours | Hours per associate | Participants | Participation | Hours per associate | | | |
| | • Senior management level | | 5,520 | 12.1 | Operational | 45,557 | 40 | 4,084 | 29.5 | 28 | 59 | 539.0 | | | |
| | • Management level | | 898,315 | 86.9 | Non operational | 19,524 | 25 | 698,814 | 119.2 | 917 | 4,938 | 25,861.0 | | | |
| | • Department management level | | 841,020 | 26.2 | | | | 409,183 | 13.1 | 1,809 | 7,307 | 29,960.0 | | | |
| • Hourly | | 2,793,294 | 17.3 | | | | 1,496,216 | 8.7 | 16,379 | 32,111.0 | 71,502.0 | | | | |
| LA11 Programs for skills management and continuous learning. | | Associates | %W | %M | Associates | %W | %M | Associates | %W | %M | Associates | %W | %M | | |
| | Total number of permanent associates | 204,887 | 52 | 48 | 30,104 | 41 | 59 | 203,892 | 53 | 47 | 30,541 | 41 | 59 | | |
| | Promotions | 22,936 | 49 | 51 | 3,674 | 34 | 66 | 22,750 | 50 | 50 | 3,459 | 67 | 33 | | |
| | Universal Talent Base (BUT), non-management associates | 17,883 | 53 | 47 | ND | ND | ND | 21,789 | 55 | 45 | | NA | | | |
| | • Promoted associates part of the Talent Base | 3,487 | 48 | 52 | ND | ND | ND | 5,644 | 52 | 48 | | NA | | | |
| | • % vs. total Talent Base | 19 | | | | | | 26 | | | | NA | | | |
| | • % vs. total promotions | 15 | | | | | | 25 | | | | NA | | | |
| | Top Talent (TT: accelerated development plans) | 421 | 29 | 71 | 54 | 35 | 65 | 435 | 34 | 66 | 53 | 0 | 66 | | |
| | • TT associates promoted | 49 | 30.6 | 69.4 | 3 | 66.6 | 33 | 43 | 28.6 | 71.4 | 6 | 1 | 50.0 | | |
| | • % vs. total TT | 12 | | | 6 | | | 10 | | | 11 | | | | |
| | • % vs. total promotions | 0.2 | | | 0.1 | | | 0.2 | | | vs. total promotions CAM | 0.2 | vs. executive promotions: | 25 | |
| | • Top Talent women | | | 122 | | | 19 | 149 | | | 18 | | | | |

labor practices and work ethics

| INDICATOR | CONTENT | 2012 MEXICO | | | 2012 CAM | | | 2013 MEXICO | | | 2013 CAM | | |
|--|---|---|----|--------|---|-----------|----|--|-----------|----|------------|----------------|---------|
| | Corporate training | | | | | | | | | | Associates | Participations | |
| | • Courses taught | - | | | | 126 | | | 11,683 | | 76 | | |
| | • Trained associates | - | | | Participations | 14,516 | | | 211,185 | | 1,558 | 6,994 | |
| | • Man-hours | - | | | | 44,996 | | | 2,103,900 | | | 37,881 | |
| | • Man-hours per associates | - | | | | 34.5 | | | 9.96 | | | 24 | |
| | • Investment in training | - | | | | \$202,000 | | | \$22.42 | | | \$134,649 | |
| | External Training | | | | | | | | | | | | |
| | • Associates in open education system (education government-authorities) | - | | | | N/A | | 1,064 | | | | N/A | |
| | Financing for external training of associates | | | | | | | 1.48 | | | | | |
| | • Total amount financed (mp) | - | | | | N/A | | 8.6 | | | | N/A | |
| | • Associates | - | | | | N/A | | 1,596 | | | | N/A | |
| | Financing for external training of Top Talent | | | | | | | | | | | | |
| | • Total amount financed (mp) | - | | | | N/A | | 7.1 | | | | N/A | |
| | • Associates | - | | | | N/A | | 532 | | | | N/A | |
| LA12 Employees receiving regular performance reviews. | Annual evaluation for permanent associates who have been with the company for at least one year | %W | %M | 22,891 | %W | %M | | | | | 147,155 | | |
| | Evaluated associates | 122,815 | 55 | 45 | 2,401 | 36 | 64 | | | | 120,760 | 7,327 | |
| | % of permanent associates from total headcount | 60% | | | 10.5 | | | | | | 82 | | |
| LA13 Composition of employees per category according to gender, age group, minorities, and other indicators of diversity. | | Total | %W | %M | Total | %W | %M | Total | %W | %M | Total | %W | %M |
| | Total number of permanent associates | 204,887 | 52 | 48 | 30,104 | 49 | 51 | 1 203,892 | 53 | 47 | 30,541 | 41 | 59 |
| | • Women | 107,564 | | | 12,199 | | | 53 107,517 | | | 12,469 | | |
| | • Men | 97,323 | | | 17,905 | | | 47 96,375 | | | 18,072 | | |
| | • Special abilities | 623 | 39 | 61 | 188 | 27 | 73 | | | | 169 | 28 | 72 |
| | Age groups | | | | | | | 1 203,892 | | | | | |
| | < 30 years | 96,728 | 45 | 55 | 16,397 | 35 | 65 | 45 92,476 | 45 | 55 | 16,992 | 35 | 65 |
| | 30 years < 50 years | 95,924 | 60 | 40 | 12,316 | 47 | 53 | 47 95,197 | 60 | 40 | 12,869 | 47 | 53 |
| | > 50 years | 12,235 | 53 | 47 | 1,391 | 53 | 47 | 8 16,219 | 56 | 44 | 1,451 | 52 | 48 |
| LA14 Ratio of average remuneration of men and women broken down by employee category. | There are no salary differences based on gender, age, religion, sexual preference or political ideology. We have a salary pay band and differences may arise due to individual performance, which is evaluated annually based on success behaviors and seniority. | | | | | | | | | | | | |
| LA15 Return to work and retention rates after maternity/paternity leave, by gender. | • Number of employees with right to maternity/paternity leave | 100% | | | 100% | | | 100% | | | 100% | | |
| | • Number of employees returning of maternity / paternity leave. | Out of 4,796 associates on maternity leave, 3,464 returned to work by December 31, 2012 | | | Out of 967 associates on maternity leave, 861 returned to work by December 31, 2012 | | | Out of 7,734 associates on maternity leave, 5,913 returned to work by December 31, 2013. | | | 1,008 | 77% women | 23% men |

human rights

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|--|--|--|--|--|
| HR1 Percentage and number of significant investment agreements that include human rights clauses or that underwent human rights screening. | <ul style="list-style-type: none"> Total number of investment agreements | There are no investment agreements The Vendor Agreement signed with all suppliers establishes terms of supply and includes clauses regarding compliance with applicable legal provisions, depending on the activity performed by the supplier and based on their manufacturing, production or import description, including provisions pertaining to underage employment and payment of fringe benefits, included in Mexican Labor Law. | There are no investment agreements The Vendor Agreement signed with all suppliers establishes terms of supply and includes clauses regarding compliance with applicable legal provisions, depending on the activity performed by the supplier and based on their manufacturing, production or import description, including provisions pertaining to underage employment and payment of fringe benefits, included in Labor Law. | There are no investment agreements The Vendor Agreement signed with all suppliers establishes terms of supply and includes clauses regarding compliance with applicable legal provisions, depending on the activity performed by the supplier and based on their manufacturing, production or import description, including provisions pertaining to underage employment and payment of fringe benefits, included in Mexican Labor Law. | There are no investment agreements The Vendor Agreement signed with all suppliers establishes terms of supply and includes clauses regarding compliance with applicable legal provisions, depending on the activity performed by the supplier and based on their manufacturing, production or import description, including provisions pertaining to underage employment and payment of fringe benefits, included in Labor Law. |
| HR2 Percentage of major suppliers and contractors that underwent screening on human rights and actions taken. | <ul style="list-style-type: none"> Percentage of contracts with clauses regarding human rights screening Contracts that were rejected, interrupted due to non-compliance | 100% | 100% | 100% | 100% |
| HR3 Total hours of employee training on human rights policies and procedures, including percentage of employees trained. | | NA | NA | NA | NA |
| HR4 Discrimination incidents and actions taken. | <p>Associate Hot Line (internal mechanism)</p> <ul style="list-style-type: none"> Total number of incidents Incidents with disciplinary actions taken, based on internal rules and regulations Incidents not proved <p>Other incidents</p> <ul style="list-style-type: none"> Incidents of clients/ associates | <p>1,559</p> <p>573</p> <p>986</p> | <p>590</p> <p>280</p> <p>310</p> | <p>998</p> <p>316</p> <p>682</p> <p>1,523. Ethics incidents closed.</p> | NA |
| HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at risk and actions taken to support these rights. | Activities and suppliers that may be at risk related to employee rights | None, all in strict compliance with the Labor Law of each country. | | | |

human rights

| INDICATOR | CONTENT | 2012 MÉXICO | 2012 CAM | 2013 MÉXICO | 2013 CAM |
|--|---|--|---|--|---|
| HR6 Operations identified as having significant risk of childhood exploitation and measures taken to contribute to their elimination. | | Walmart de México y Centroamérica fully complies with Mexican Labor Law by only hiring people over 18 years of age. The Vendor Agreement and the Ethical Standards Program for suppliers includes labor liability clauses related to compliance with Labor Law and corresponding rules and regulations in Mexico. | Walmart de México y Centroamérica fully complies with Labor Law in each country where we operate Terms and conditions of the business relationship must be set forth in order to be a supplier or service provider for the Company, including the obligation to comply with applicable legal provisions, related to not hiring underage people or foreigners without legal documentation, and payment of all fringe benefits established by labor law, among others. | Walmart de México y Centroamérica fully complies with Mexican Labor Law by only hiring people over 18 years of age. The Vendor Agreement and the Ethical Standards Program for suppliers includes labor liability clauses related to compliance with Labor Law and corresponding rules and regulations in Mexico. | Walmart de México y Centroamérica fully complies with Labor Law in each country where we operate Terms and conditions of the business relationship must be set forth in order to be a supplier or service provider for the Company, including the obligation to comply with applicable legal provisions, related to not hiring underage people or foreigners without legal documentation, and payment of all fringe benefits established by labor law, among others. |
| HR7 Operations identified as having significant risk for incidents of forced or non-consensual labor and measures taken to contribute to their elimination. | <ul style="list-style-type: none"> Internal mechanisms for complaints | <p>Corporate compliance</p> <p>Walmart de México y Centroamérica complies with occupational safety standards and laws, established by official authorities, thereby guaranteeing that our corporate performance and behavior prevent said practices.</p> <ul style="list-style-type: none"> - Open-door Policy - Ethics Helpline / Hotline - Regulator y Compliance | | | |
| HR8 Percentage of security personnel educated on the organization's human rights policies and procedures. | <ul style="list-style-type: none"> Loss prevention personnel Subcontracted security personnel | <p>100%</p> <p>100%</p> | <p>100%</p> <p>100%</p> | <p>100%</p> <p>100%</p> | <p>100%</p> <p>100%</p> |
| HR9 Total number of incidents regarding human rights violations of indigenous populations and measures taken. | <ul style="list-style-type: none"> Number of incidents | There are no incidents recorded | | | |
| HR10 Percentage and total number of operations that have undergone human rights reviews and/or impact evaluations. | | Walmart de México y Centroamérica's main basic belief is Respect for the Individual. All company operations are carried out in strict compliance with the law and respect for human rights. | | | |
| HR11 Number of human rights complaints presented, investigated and solved via a formal complaint method. | | There are no incidents recorded | | | |

social performance

| INDICATOR | CONTENT | 2012 MÉXICO | 2012 CAM | 2013 MÉXICO | 2013 CAM | |
|---|--|---|--|--|---|---|
| SO1 Development programs, impact assessment and local community participation. | Philanthropy | | | | | |
| | <ul style="list-style-type: none"> • Development programs • Impact assessments • Participation with the community | <ul style="list-style-type: none"> • Hunger • Productive chains • Women • Volunteerism and disasters <p>Impact measured through two indicators: benefited families' income increase and food availability</p> <p>Communities help improve public spaces through our volunteer program. They also help natural disaster victims with in-kind donations through our disaster program.</p> | | | <ul style="list-style-type: none"> • Hunger • Productive chains • Women • Volunteerism and disasters <p>Impact measured through two indicators: benefited families' income increase and food availability</p> <p>Communities help improve public spaces through our volunteer program. They also help natural disaster victims with in-kind donations through our disaster program.</p> | ES: Programs "Educating Children Consumers' Despensa of Don Juan" and workshop "Learn to Recycle" of Despensa Familiar. |
| | Total amount of resources channeled (million pesos) | 581.6 | 42.61 | 464 | 42.7 | |
| | • % from the company | 96 | 82 | 94 | 99 | |
| | • % from partners, customers and suppliers | 4 | 18 | 5,91 | 1 | |
| | • Beneficiaries | 2,080,904 | 1,320,607 | 825,831 | ES: 17,413 / NC: 24,574 / CR: 786,818 / HN: 39,914 / GT: 378,345 - Total: 1,247,064 | |
| | • States | In 31 states and Mexico City | 5 countries | In 31 states and Mexico City | 5 countries | |
| | • Partner Institutions | 215 | 157 | 215 | ES: 11 / NC: 63 / CR: 78 / HN: 31 / GT: 42 - Total: 225 | |
| | Development of productive capacities | | | | | |
| | • Benefited Producers | 2,403 | | 3,837 | Gourmet Coffee Cooperatives with 136 female growers in Guatemala with AGER (Trade Association of Rural Businessman) -Contribution \$320,000. | |
| | • Indirect Beneficiaries | 7,237 | | 20,750 | Sustainable Fishing and commercialization of fishery products in El Salvador with the USAID (United States Agency for the International Development) -Contribution \$256,000. | |
| | • States | Oaxaca, Puebla, Colima, Michoacán, Guerrero, Chihuahua, Estado de México, Yucatán, Zacatecas, Guanajuato, Hidalgo, Jalisco | | Oaxaca, Puebla, Colima, Michoacán, Chiapas, Guerrero, Chihuahua, Nuevo León, Estado de México, Yucatán, Zacatecas, Guanajuato, Hidalgo | Installation of 250 ecological stoves in order to reduce lung diseases in 250 poor households in Honduras, together with AHDESA (Honduran Association for Development) - Contribution \$403,200. | |
| | • %increase in beneficiary income | 38 | | | | |
| | • Sales (mp) | 6.5 | | 9.3 | | |
| | • Profit returned | \$561,579 | | \$1,001,253 | | |
| | • Participating stores | 295 | | 302 | | |
| | • Store Items | 157 | | 127 | | |
| | • Benefited Institutions | 15 | | 14 | | |
| | Fight against hunger | | Support to Food Banks in Costa Rica, Nicaragua, Honduras and Guatemala | | Support to Food Banks in Costa Rica, Nicaragua, Honduras and Guatemala | |
| | • Direct Beneficiaries | 568,207 | 53,020 | 35,584 | ES: 15,000 / NC: 6,400 / CR: 35,000 / HN: 10,579 / GT: 43,200 - Total: 110,179 | |
| • Indirect Beneficiaries | 69,970 | | 52,655 | | | |

social performance

| INDICATOR | CONTENT | 2012 MÉXICO | 2012 CAM | 2013 MÉXICO | 2013 CAM |
|-----------|--|------------------------------|---|---|---|
| | • States | In 31 states and Mexico City | | In 31 states and Mexico City | |
| | • Benefited Institutions | 200 | | 194 | |
| | • Tons of Food Channeled | 22,510 | 777 | 12,071 | NC: 335 ton / ES: 10 ton / CR: 1.397 ton / HN: 80 ton / GT: 112 ton - Total: 1,934 |
| | • Children treated with malnutrition | 4,265 | | 5,357 | |
| | • % of children with normal nutrition status | 48 | | 42 | |
| | • Backyards | 2,158 | | 800 | |
| | • Water systems | 167 | | 552 | |
| | • Eco-friendly toilets | 48 | | 55 | |
| | • Green stoves | 27 | | 94 | |
| | Women empowerment | | | | |
| | • Women registerd in the program "Woman, you can count on us" | 39,268 | "Fortalecimiento Mujeres Emprendedoras de La Chureca"(Female Entrepreneur Strengthening in La Chureca) in Nicaragua with the Manna Project International (MPI) -Donation \$360,858.79 | 25,456 | Entrepreneurial Development for 54 female banana -growers in Nicaragua with VECO Meso America - Contribution \$135,897. |
| | • Courses aimed at starting a new business or improving an existing one | 38,706 | | 25,152 | |
| | • Maintenance grants for Senior High School and Technological University level | 562 | | 304 | Commercial and Business Development of 22 craftswomen in Nicaragua with Manna Project International (MPI) - Contribution \$126,720. |
| | • Womwen supported by production and food programs | 12,381 | "Primer Diplomado de Mujeres" (First Diploma course for women) in Honduras together with Vital Voices -Donation \$328,340 "Mujeres a la Obra" (Women get down to work) in El Salvador together with the APA (Association of Agricultural Suppliers) -Donation \$328,340 "Organika" and "Oxlajú" in Guatemala with the AGER (Trade Association of Rural Businesses) - Donation \$407,141.6 "Mujeres con Futuro" (Women with Future) in Costa Rica, Nicaragua, Honduras and El Salvador together with ""Visión Mundial"" - Donation \$2.9 mp | 28,019 | Economic empowerment of 300 women in extreme poverty, that depend on the Food Bank in Costa Rica, together with the AED (Business Development Association) - Contribution \$160,000. Strengthening of 100 female micro entrepreneurs in Honduras, together with the Chamber of Commerce and Industry in Tegucigalpa - Contribution \$115,200. "Mujeres con Futuro" (Women with Future) in Costa Rica, Nicaragua, Honduras and El Salvador with World Vision - Contribution \$3 mp |
| | Community support | | | | |
| | • Volunteers | 130,996 | | 131,055 | NC: 850 / CR: 2,540 / ES: 1,191 / HN: 2,205 / GT: 1,204 - Total: 7,990 |
| | • Number of activities carried out (to improve community public spaces) | 3,211 | | 3,493 | NC: 18 / CR: 89 / ES: 34 / HN: 66 / GT: 19 - Total: 226 |
| | • Tons of help channeled in support of victims affected by natural disasters | 274 | | 1,888 (50% customers and 50% Walmart de México Foundation) | NC: 5,155 / CR: 9,836 / ES: 6,967 / HN: 8,256 / GT: 7,991 - Total: 38,330 |

social performance

| INDICATOR | CONTENT | 2012 MÉXICO | 2012 CAM | 2013 MÉXICO | 2013 CAM |
|--|---|---|---|--|---------------------------------------|
| | <ul style="list-style-type: none"> Support for Natural Disasters <p>Programs with customers and suppliers</p> <ul style="list-style-type: none"> Beneficiaries of the Campaign "Do Magic" Toys channeled Winter Garments channeled Social Assistance Cards (sales \$) Supplier Donations (million pesos) | <p>Drought</p> <p>138,007</p> <p>87,472</p> <p>84,349</p> <p>\$5,307,962</p> <p>23,278,954</p> | <p>CR: Floods along the Atlantic coast and the earthquake, 7.6° on the Richter scale, in the Nicoya Peninsula.</p> <p>"Christmas Tour" in El Salvador, "Angel Tree" in home offices in all 5 countries; both with institutions benefiting</p> | <p>Hurricane Ingrid and Manuel</p> <p>159,923</p> <p>113,432</p> <p>46,491</p> <p>\$3,149,940</p> <p>27,423,951</p> | <p>Not occurred natural disasters</p> |
| S02 Percentage and number of business units analyzed for risks related to corruption. | The Statement of Ethics is the backbone of Walmart culture and guarantees our compliance with the law. | | | | |
| S03 Employees trained in organization's anti-corruption policies and procedures. | Statement of Ethics and Anti-corruption training | <p>As integral part of Walmart's Anticorruption Program, in 2012 several face-to-face courses and workshops were delivered to 7,765 associates from the areas that interact the most with such program, and to third-party agents. In addition, a new course on the Anticorruption Program was developed on-line and will be launched in 2013. For further information on the actions taken in relation with the Anticorruption Program and the training to associates and third parties, visit:</p> <p>http://news.walmart.com/walmart-global-compliance-action-steps.</p> | | <p>As an integral part of Walmart Anti-corruption Program, during 2013, classroom training courses and workshops were delivered to 9,694 associates in areas of major interaction with the program and with third-party intermediaries. The on-line version of the anti-corruption training course was launched this year reaching 11,050 associates. For further details on anticorruption-related actions, including training for associates and third-parties visit:</p> <p>http://news.walmart.com/walmart-global-compliance-action-step</p> | |
| S04 Instances of corruption. | <p>Incidents with suppliers and partners.</p> <ul style="list-style-type: none"> Measures taken in response to the incident. Claims against the organization or its employees and the result | <p>Currently, Walmart is going through an investigation on alleged violations to the FCPA (Foreign Corrupt Practices Act). For further information visit the following sites:</p> <ul style="list-style-type: none"> http://www.walmartmexico.com.mx/descargas/walmex-2do-trim-2012-nota1.pdf http://news.walmart.com/news-archive/2013/01/10/walmart-statement-in-response-to-jan-10-letter-from-congressman-waxman-congressman-cummings http://news.walmart.com/news-archive/2012/12/17/walmart-statement-in-response-to-new-york-times-article-about-allegations-of-corruption-in-mexico http://news.walmart.com/news-archive/2012/04/24/updated-walmart-statement-in-response-to-recent-new-york-times-article-about-compliance-with-the-us-foreign-corrupt-practices-act http://news.walmart.com/news-archive/2012/04/21/walmart-statement-in-response-to-recent-new-york-times-article-about-compliance-with-the-us-foreign-corrupt- | | | |
| S05 Public policy positions and development and lobbying. | Public participation activities are carried out via different national and local Chambers of Commerce | | | | |
| S06 Total value of monetary and in kind donations to political parties or related institutions. | No contributions to political parties or related institutions were reported. | | | | |

social performance

| INDICATOR | CONTENT | 2012 MÉXICO | 2012 CAM | 2013 MÉXICO | 2013 CAM |
|---|---------|--|----------|-------------|----------|
| S07 Total number of legal actions for anti-competitive behavior, antitrust, and monopoly practices and their outcomes. | | No anti-trust or unfair trade activities have been incurred. | | | |
| S08 Monetary value of significant fines and penalties, and total number of non-monetary sanctions for non-compliance. | | There is no record of administrative penalties, significant fines or non-monetary penalties (Considering significant those exceeding 1.2 mp). | | | |
| S09 Operations with significant possible or real negative impacts on local communities. | | In all locations we participate with the community striving to be a good neighbor, benefiting our community, caring for the environment and supporting the economy of families; thus, we do not represent a negative impact on communities. | | | |
| S010 Prevention and mitigation measures implemented by business formats with significant possible or real negative impacts on local communities. | | <p>In the event of land with hydrocarbon soil and/or hazardous wastes, Walmart always dispose them in accordance with the law.</p> <p>All project designs are in strict compliance with environmental and urban development laws. The construction of our units is always in line with mitigation actions, such as waste management and flora and fauna rescue programs, among others.</p> | | | |

product responsibility

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|---|---|--|---|----------|
| PR1 Products and services life cycle stages in which health and safety impacts are assessed for improvements, and percentage of products and services subject to said evaluation procedures. | Private Label | | | | |
| | • Concept development | No | Yes | No | Yes |
| | • Research and Development (R&D) | Yes | Yes | Yes | Yes |
| | • Certification | Yes | Yes | Yes | Yes |
| | • Manufacturing and production | Yes | Yes | Yes | Yes |
| | • Marketing and promotion | No | No | No | No |
| | • Storage, transportation and supply | Yes | Yes | Yes | Yes |
| | • Use and service | No | Yes | No | Yes |
| | • Disposal, reuse and recycling | Yes | No | Yes | No |
| | • Private Label products | 1,685 | 1,167 | 1,915 | 1,144 |
| • % products evaluated (Private Label) | 85 | 100 | 90 | 100 | |
| | <p>Private Label suppliers:</p> <ul style="list-style-type: none"> • 100% of ingredients and raw materials authorized by Mexican standards (Health Ministry, SAGARPA, Cofepris). • Children product development do not include sugar substitutes that may bring about allergic reactions or sensitivity. • Product prototypes to be launched are evaluated for competitiveness vs. countertypes. • Private Label replenishable items are included in the annual analysis program to ensure compliance with applicable rules and regulations. • All manufacturing facilities where Private Label items are manufactured are audited by authorized firms, verifying compliance with Manufacturing. • Best Practices, Food Safety and Ethical Standards. | <p>Manufacturers assign life-cycles to the product based on product nature There is a strict control to avoid the selling of items with expired life-cycles. Each business unit performs daily reviews.</p> | <p>Ethical standards inspections were initiated to suppliers and printers. We continue to evaluate our products based on quality annualized calendar. It already has 100% of system specifications and Have inspections served to all DCs.</p> | <p>Manufacturers assign life-cycles to the product based on product nature There is a strict control to avoid the selling of items with expired life-cycles. Each business unit performs daily reviews.</p> | |

PROFECO: Consumer Protection Agency

product responsibility

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|---|--|----------|--|----------|
| | | <ul style="list-style-type: none"> • Products with lot number and best before date ensure optimum quality during the items' shelf life. Labels include legends and instructions to facilitate product management for the consumer; some of these legends are for conservation purposes. • There are supplier specifications sent to DCs for product inspection. <p>Remaining suppliers:</p> <ul style="list-style-type: none"> • Manufacturers assign lifecycles to the product based on product nature. • There is a strict control to avoid the selling of items with expired life-cycles. • Each business unit performs daily reviews. | | | |
| PR2 Number of incidents of non-compliance with regulations/codes concerning health and safety of products and services during their life cycle. | <p>Total health and safety incidents</p> <ul style="list-style-type: none"> • Fines or sanctions • Warnings • Non-compliance of voluntary codes • Visits from sanitary authority (Federal Bureau of Consumer Interests - Profeco) • Withdrawal orders • Expiration date withdrawal order | <p>10</p> <p>The Secretary of Health imposed 13 fines, and the Consumer Protection Agency, 130.</p> <p>The Secretary of Health issued two warnings.</p> <p>0</p> <p>Out of 3,095 visits, 1,933 were carried out by the Secretary of Health, and 1,162, by the Consumer Protection Agency.</p> <p>46</p> <p>Ten, five of which were carried out by the Secretary of Health, and five, by the Consumer Protection Agency.</p> | NA | <p>20</p> <p>The Secretary of Health imposed 16 fines, and the Consumer Protection Agency, 151.</p> <p>The Secretary of Health issued 16 warnings.</p> <p>0</p> <p>Out of 3,345 visits, 2,239 were carried out by the Secretary of Health, and 1,106, by the Consumer Protection Agency.</p> <p>58 of which 21 were ordered by Secretary of Health and 37 Profeco.</p> <p>20, 6 of which were carried out by the Secretary of Health, and 14, by the Consumer Protection Agency.</p> | NA |

product responsibility

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|---|---|---|---|---|---|
| PR3 Current procedures for product and services information and labeling, and percentage of products and services subject to said information requirements | <p>Information and labeling requirements</p> <ul style="list-style-type: none"> • Origin of product components • Content of substances (especially those with environmental and social impact) • Safe use of product or service • Product disposal (environmental or social impact) • % Private Label products <p>Others</p> | <p>Private label domestic products labeling undergo a review and validation process by the Legal department. Throughout 2012, the Legal department analyzed 984 labels of private-labeled food, general merchandise and drugs. The Strategic Brand department had Bufete en Comercio Exterior y Normalización, S.A. de C.V. review 248 labels of various private label products.</p> <ul style="list-style-type: none"> • Commercial agreements with suppliers include obligations to comply with regulations. • Corporate Quality performs random inspections of private label products located at DCs to validate labeling information. • 100% of private label products labeling must be validated by internal areas of the company or credited verification units. | <ul style="list-style-type: none"> • Commercial agreements with suppliers include obligations to comply with regulations | <p>Private label domestic products labeling undergo a review and validation process by the Legal department. Throughout 2012, the Legal department analyzed 984 labels of private-labeled food, general merchandise and drugs. The Strategic Brand department had Bufete en Comercio Exterior y Normalización, S.A. de C.V. review 248 labels of various private label products.</p> <ul style="list-style-type: none"> • Commercial agreements with suppliers include obligations to comply with regulations. • Corporate Quality performs random inspections of private label products located at DCs to validate labeling information. • 100% of private label products labeling must be validated by internal areas of the company or credited verification units. | <ul style="list-style-type: none"> • Several product categories such as food, cosmetics, toys, pharmaceuticals , textiles and others require specific requirements of regional law or countries. • Compliance monitoring da / advice / ongoing training to areas to achieve 100% compliance. We have developed several verification Guide to minimize default risk and labels ideal models oriented towards internal and external compliance. 100 % Imported goods are supported to process. • General and toys reviewing / validating gear labels to ensure full compliance. • Requirements not ask origin of the components of the product but in general. • Act as some countries call GT and CR declare content of substances such as lead and bisphenol and even prohibit their use. • Safe use of the product itself must be declared using instructions and hazard warnings on consumer products that require it. • Method of disposal is not required as part of the labeling. • Other refers to specific performance requirements of law as product category. • Strategic Brands products comply 100 %. |
| PR4 Number of incidents of non-compliance with regulations/codes concerning product and services information and labeling. | <p>Total labeling/information instances</p> <ul style="list-style-type: none"> • Fine or sanction • Warning • Non-compliance with voluntary codes • Non-compliance processes by the authorities • Private label cases <p>Total products</p> <p>Others</p> | <p>148</p> <p>49</p> <p>0</p> <p>0</p> <p>148</p> <p>Four cases: three made it to court and one resulted in the immediate correction of the product label.</p> <p>Corporate Quality performs random inspections of private label textile labels located at DCs. 664 products were rejected this year due to non-compliance with labeling NOM.</p> | <p>NA</p> | <p>153</p> <p>37</p> <p>0</p> <p>0</p> <p>153</p> <p>In 2 cases Profeco put a freeze on merchandise in the store. Legal answered the authority, stating that the inspector's observations were incorrect as these were unique ingredients.</p> <p>Corporate Quality performs random inspections of private label textile labels located at DCs. 315 products were rejected this year due to non-compliance with labeling NOM.</p> | <p>100 cases handled / resolved by CAM during 2013 Compliance.</p> <p>No significant fines were reported in the period (fines over \$1.2 million pesos are considered significant).</p> <p>0</p> <p>0</p> <p>30</p> <p>10</p> <p>Several within each catered event.</p> |

product responsibility

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|---|--|--|---|---|
| PR5 Practices regarding customer satisfaction, including results from customer satisfaction studies. | Customers | <p>Customer Service Call Center (CAT). Call center for customer information, comments and suggestions.</p> <ul style="list-style-type: none"> The complaint is channeled to the corresponding area. Maximum response time: 48 hours. The phone operator follows up until the instance is closed. Scaling system for specific situations. Customer satisfaction is measured randomly selecting 10% of all complaints to evaluate response level. | <p>Customer Service Call Center (SAC)</p> <ul style="list-style-type: none"> Call center for customer information, comments and suggestions. Customer satisfaction is measured monthly via Store Track. Satisfaction Index for all Central America in 2012 was of 86%. | <p>Customer Service Call Center (CAT) Call center for customer information, comments and suggestions.</p> <ul style="list-style-type: none"> The complaint is channeled to the corresponding area. Maximum response time: 48 hours The phone operator follows up until the instance is closed Scaling system for specific situations. Customer satisfaction is measured randomly selecting 10% of all complaints to evaluate response level. | <p>Customer Service Call Center (SAC)</p> <ul style="list-style-type: none"> Call center for customer information, comments and suggestions Customer satisfaction is measured monthly via Store Track. Satisfaction Index for all Central America in 2013 was of 84%. |
| | CAT total calls | 315,261 | 211,091 | 371,226 | 255,470 |
| | • % answers | 89 | NA | 88 | NA |
| | • Total complaints | 15,812 | NA | 17,579 | 17,093 |
| | • % complaints | 5.0 | 4.2 - 7 | 4.7 | 6.70 |
| | • % complaint response at or under 48 hours | 84 | NA | 77 | NA |
| | • % response to complaints | 100 | 100 | 100 | 100 |
| | | <p>Execution controls in-store: Rally's: Review of execution standards in-store through Mystery Shoppers.</p> <ul style="list-style-type: none"> Monthly indicator per unit and operator The study measures indicators such as fastness, kindness, cleanliness and safety. Variables measured: outstocks, correct pricing, lines at checkout, associates walking customers to needed products, and clean restrooms | | <p>Execution controls in-store: Rally's: Review of execution standards in-store through Mystery Shoppers.</p> <ul style="list-style-type: none"> Monthly indicator per unit and operator. The study measures indicators such as fastness, kindness, cleanliness and safety. Variables measured: outstocks, correct pricing, lines at checkout, associates walking customers to needed products, and clean restrooms. | |
| | | <p>A comprehensive report is delivered with the main opportunities found at the Call Center and Rally's.</p> | | <p>A comprehensive report is delivered with the main opportunities found at the Call Center and Rally's.</p> | |

product responsibility

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|----------|---|----------|----------|-------|------------------|---|---|---|---|----------------------|---|---|---|---|--------------|---|---|---|---|----------------|---|---|---|---|------------------------|---|---|---|---|----|--|--|--------|---------|----------|-------|------------------|---|---|---|---|----------------------|---|---|---|---|--------------|---|---|---|---|----------------|---|---|---|---|------------------------|---|---|----|---|----|
| | <p>Suppliers</p> <p>Rankings</p> <ul style="list-style-type: none"> - Supplier chain - Business relations - Categories - Organization - In-store performance | <p>Supplier satisfaction survey</p> <ul style="list-style-type: none"> • Third-party quantitative study measuring supplier performance and satisfaction level. • Annual indicator ranking the business unit in the market. • Benchmark versus market. <table border="1"> <thead> <tr> <th></th> <th>Bodega</th> <th>Walmart</th> <th>Superama</th> <th>Sam's</th> </tr> </thead> <tbody> <tr> <td>- Supplier chain</td> <td>2</td> <td>2</td> <td>1</td> <td>4</td> </tr> <tr> <td>- Business relations</td> <td>1</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>- Categories</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>- Organization</td> <td>1</td> <td>2</td> <td>6</td> <td>4</td> </tr> <tr> <td>- In-store performance</td> <td>5</td> <td>6</td> <td>7</td> <td>3</td> </tr> </tbody> </table> | | Bodega | Walmart | Superama | Sam's | - Supplier chain | 2 | 2 | 1 | 4 | - Business relations | 1 | 3 | 4 | 5 | - Categories | 1 | 2 | 3 | 4 | - Organization | 1 | 2 | 6 | 4 | - In-store performance | 5 | 6 | 7 | 3 | NA | <p>Supplier satisfaction survey</p> <ul style="list-style-type: none"> • Third-party quantitative study measuring supplier performance and satisfaction level. • Annual indicator ranking the business unit in the market. • Benchmark versus market. <table border="1"> <thead> <tr> <th></th> <th>Bodega</th> <th>Walmart</th> <th>Superama</th> <th>Sam's</th> </tr> </thead> <tbody> <tr> <td>- Supplier chain</td> <td>3</td> <td>5</td> <td>3</td> <td>2</td> </tr> <tr> <td>- Business relations</td> <td>6</td> <td>4</td> <td>6</td> <td>8</td> </tr> <tr> <td>- Categories</td> <td>2</td> <td>1</td> <td>3</td> <td>6</td> </tr> <tr> <td>- Organization</td> <td>3</td> <td>5</td> <td>3</td> <td>1</td> </tr> <tr> <td>- In-store performance</td> <td>6</td> <td>2</td> <td>10</td> <td>2</td> </tr> </tbody> </table> | | Bodega | Walmart | Superama | Sam's | - Supplier chain | 3 | 5 | 3 | 2 | - Business relations | 6 | 4 | 6 | 8 | - Categories | 2 | 1 | 3 | 6 | - Organization | 3 | 5 | 3 | 1 | - In-store performance | 6 | 2 | 10 | 2 | NA |
| | Bodega | Walmart | Superama | Sam's | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Supplier chain | 2 | 2 | 1 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Business relations | 1 | 3 | 4 | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Categories | 1 | 2 | 3 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Organization | 1 | 2 | 6 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - In-store performance | 5 | 6 | 7 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Bodega | Walmart | Superama | Sam's | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Supplier chain | 3 | 5 | 3 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Business relations | 6 | 4 | 6 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Categories | 2 | 1 | 3 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Organization | 3 | 5 | 3 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - In-store performance | 6 | 2 | 10 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications including advertising, other promotional activities and sponsorship. | | <ul style="list-style-type: none"> • Strict adherence to ethics and legality. • Legal department analyzes the advertising campaigns and ads to ensure compliance with all applicable standards and laws of the Consumer Protection Legislation, the Sanitary Regulation for Advertising, the Official Mexican Standards and all other applicable regulations. • Marketing areas permanently send advertising campaigns, promotions, contests and other consumer benefit programs for consult and validation. • Comparative Advertising Procedure for store associates to execute following ethics and legal standards. | NA | <ul style="list-style-type: none"> • During 2013, Legal reviewed in-store advertising campaigns and materials, ensuring compliance with the Federal Consumer Protection Law, Health regulations in terms of advertising, Mexican Official Standards, and other applicable standards. • Marketing Areas are permanently submitting advertising campaigns, promotions, contests and other programs benefiting consumers, to be checked and validated • Permanent communication is sent to stores to strengthen Comparative Advertising Procedures. | NA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PR7 Number of incidents of non-compliance with regulations concerning marketing communications including advertising, promotion, and sponsorship, by type of result obtained from said incidents. | <p>Total marketing communication incidents</p> <ul style="list-style-type: none"> • Fine or sanction • Warning • Non-compliance with voluntary codes | <p>22 out of the 25 procedures were caused by signing execution mistakes at stores under the comparative advertising procedure in force, and the remaining three, by lack of information on advertising material. They were corrected immediately.</p> <p>19 fines imposed on comparative advertising.</p> | NA | <p>25 procedures, of which 12 are errors in executing store signage according to current procedure and 13 competition arising from the lack of information in advertising materials, they were corrected immediately.</p> <p>10 fines for comparative advertising and advertising in general 7.</p> | NA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

product responsibility

| INDICATOR | CONTENT | 2012 MEXICO | 2012 CAM | 2013 MEXICO | 2013 CAM |
|--|--|---|----------|---|----------|
| | | Irregularities causing the execution of the comparative procedure in force at units were correctly immediately, and the Consumer Protection Agency received the corresponding evidence. Legal department constantly reminds stores of comparative advertising guidelines. | | Irregularities causing the execution of the comparative procedure in force at units were correctly immediately, and the Consumer Protection Agency received the corresponding evidence. Legal department constantly reminds stores of comparative advertising guidelines. | |
| PR8 Number of substantiated complaints regarding breaches of customer privacy and loss of customer data. | Privacy and data leaks complaints <ul style="list-style-type: none"> • Legitimate • Illegitimate • Third-parties, related to the organization • From regulatory organisms | NA | NA | NA | NA |
| PR9 Value of significant fines for non-compliance with laws and regulations concerning supply and use of products and services from the organization. | Amount of significant fines. | No significant fines were reported in the period (fines over \$1.2 million pesos are considered significant). | | | |
| OIPR Other significant social responsibility and sustainability activities. | <ul style="list-style-type: none"> • Conflicts of interest | All Walmart de México management annually report any situation that may generate a conflict of interest. We currently have 3,392 questionnaires. New management is being included every month. | NA | All Walmart de México management annually report any situation that may generate a conflict of interest. New management is being included every month. | NA |

product responsibility

| INDICATOR | CONTENT | 2012 MEXICO | | 2012 CAM | 2013 MEXICO | | 2013 CAM |
|-----------|--|---|---------------|---|--|---------------|--|
| | <ul style="list-style-type: none"> H Distinction | Currently, 308 business units hold the H Distinction awarded by the Secretary of Tourism to those who comply with best hygiene practices in food preparation and service. | | NA | Currently, 178 business units hold the H Distinction awarded by the Secretary of Tourism to those who comply with best hygiene practices in food preparation and service | | NA |
| | Private Label textile inspections | | 50 | | | 196 | |
| | <ul style="list-style-type: none"> Domestic suppliers Import suppliers | | 700 | | | 261 | |
| | | | 150 | | | 46 | Ethical Standards: import factories, 87.9% of factories in Green and Yellow. |
| | Food Private Label in-bond industry inspections | | 185 | 90% of private label suppliers were audited. | | 213 | Ethical Standards: local or domestic factories, 77.0% of factories in Green and Yellow. GFSI: We audited 99% of Private Label suppliers. |
| | <ul style="list-style-type: none"> Not approved | | 17 | 66% did not approve audit diagnostics. | | 3 | GFSI: 23% failed the diagnostic audit. |
| | <ul style="list-style-type: none"> Global Food Safety Initiative Certification (GFSI) | 94.5% | 239 suppliers | We have 8 level-3 certified suppliers (7%). Total food suppliers: 104. | 79% | 235 suppliers | 0% of providers certified, 4% in the certification process (audit and received Pre-certified tutors). Total: 102. |
| | General Merchandise Private Label in-bond industry inspections | | 139 | Buyers are in the process of providing the list of suppliers to be audited on Ethical Sourcing. | | 134 | |
| | <ul style="list-style-type: none"> Not approved | | 6 | | NA | 5 | |
| | Medication Private Label in-bond industry inspections | | 39 | | NA | 13 | |
| | <ul style="list-style-type: none"> Not approved | | 0 | | | 0 | |
| | PROFECO Complaints | | | | | 972 | |
| | <ul style="list-style-type: none"> Done Pending | | | | | 608 | |
| | | | | | | 364 | |
| | DCs industry inspections | | 252,906 | | | 352,465 | |
| | Unannounced store inspections | | 24,810 | 7,500 | | 27,321 | 7,686 |



Statement GRI Application Level Check

GRI hereby states that **Walmart de México y Centroamérica** has presented its report "2013 Financial and Social Responsibility Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 19 March 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 7 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

LISTING

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TICKER SYMBOL

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WMMVY.Pk



WALMEX



This Report may contain certain references to the future performance of Walmart de México y Centroamérica and thus should be considered estimates made in good faith by the Company. Said references only reflect management's expectations and are based on assumptions and information available at that time.

As such, everything shall always be dependent on future events, risks and matters that cannot be analyzed with precision and which could affect Company results.