

Note 12 - Investments in associates:

Concept	Activity	Place of incorporation and operations	Proportion of shareholding and voting power December 31,		Amount December 31,	
			2016	2015	2016	2015
Investment in associated companies (i) and (ii)	Sales	Mexico and Central America	50%	50%	\$ 6,900,451	\$ 5,739,786
Other investments (iii) In associated	Malls	Mexico	Several	Several	780,829	741,495
					<u>\$ 7,681,280</u>	<u>\$ 6,481,281</u>

(i) RFH

RFH is a private company that operates a chain of stores engaged in the sale of furniture and household appliances, with different formats in Central America, South America and the Caribbean. The Company has a 50% shareholding in RFH. This acquisition gave rise to goodwill of \$757,623, which is included as part of the investment value. The Company does not exercise joint control over RFH because the criteria for control is not met. Under IFRS it exercises significant influence over RFH, due to the fact that it owns 50% of the voting rights and is entitled to designate two members of the Board of Directors.

(ii) Moda Joven Sfera México, S. A. de C. V.

In 2006, the Company incorporated an entity in association with El Corte Inglés, S. A. with 49% of the capital (the leading department store chain in Spain). This entity operates a chain of 39 stores in Mexico, specialized in family clothing and accessories under the commercial name Sfera.

(iii) Other investments

Mainly correspond to the Company's equity in the following malls: Angelópolis in the city of Puebla, Plaza Satélite in the state of México and Galerías Querétaro in the city of Querétaro.

12.1 Following is a summary of the combined financial information pertaining to the Company's associates:

	2016	December 31, 2015
Total assets	\$ 40,662,017	\$ 31,512,011
Total liabilities	28,156,419	21,516,231
Net assets	\$ 12,505,598	\$ 9,995,780
Equity in net assets of associates	\$ 6,252,823	\$ 4,545,932
Total income	\$ 30,018,507	\$ 24,889,063
Net income for the year	\$ 1,451,160	\$ 1,409,722
Company's equity in profits of associates	\$ 715,672	\$ 699,290

12.2 The reconciliation of associated companies is as follow:

Balance at January 1, 2015	\$ 5,027,798
Translation effect of investment in associates	754,193
Equity method-net	699,290
Balance at December 31, 2015	6,481,281
Translation effect of investment in associates	484,327
Equity method-net	715,672
Balance at December 31, 2016	\$ 7,681,280