

## Note 26 - Segment information:

Information per segment is reported on the basis of the information used by the Operations Committee in making strategic and operating decisions. An operating segment is defined as a component of an entity in which there is separate financial information which is evaluated on a regular basis. Income from the Company's segments arises mainly from the sale of products at retail (commercial segment), and from real property activities involving the renting of commercial space (real estate segment).

IFRS 8 requires disclosure of assets and liabilities pertaining to one segment, if measurement is regularly provided to the decision making body; however, with respect to the Company, the Operations Committee only evaluates the performance of the operating segments based on an analysis of income and operating profit, but not of each segment's assets and liabilities.

The income reported by the Company represents income generated by external customers.

### Commercial segment

Due to the fact that the Company specializes in retail sales of merchandise to the general public, it has no main customers that would account for a significant percentage of total sales, and does not rely on a particular product that would represent 10% of consolidated sales. Also, the Company operates with a broad base of different size vendors, and therefore does not rely on any particular vendor as concerns the products it sells.

### Real estate segment

The Company owns or co-owns, manages and leases commercial space located in shopping malls throughout Mexico. This segment is engaged in the design, expansion and remodeling of stores, shopping malls and other facilities.

## 26.1 Income and results per segment

The Company reports its results for each operating segments at the income, costs and expenses, and operating profit level. The other income statement items are not assigned, as they are managed on a corporate level. The following is an analysis of income and results per segment to be reported:

December 31, 2016	Commercial	Real property	Consolidated
Net revenue	\$ 97,262,238	\$ 3,179,298	\$ 100,441,536
Costs and expenses	(85,584,861)	(1,450,284)	(87,035,145)
Operating income	11,677,377	1,729,014	13,406,391
Financing costs, gain on investments, exchange fluctuations and results of associated companies	-	-	456,674
Income tax	-	-	(3,673,460)
<b>Consolidated net income</b>	<b>\$ 11,677,377</b>	<b>\$ 1,729,014</b>	<b>\$ 10,189,605</b>

December 31, 2015	Commercial	Real property	Consolidated
Net revenue	\$ 88,272,058	\$ 3,020,831	\$ 91,292,889
Costs and expenses	(77,394,354)	(1,243,228)	(78,637,582)
Operating income	10,877,704	1,777,603	12,655,307
Financing costs, gain on investments, exchange fluctuations and results of associated companies	-	-	(179,243)
Income tax	-	-	(3,263,165)
<b>Consolidated net income</b>	<b>\$ 10,877,704</b>	<b>\$ 1,777,603</b>	<b>\$ 9,212,899</b>

The information disclosed in each segment is shown net of eliminations corresponding to transactions conducted between Group companies. Inter-segment results and transactions are eliminated at the consolidated level, forming part of the Group's final consolidation. This form of presentation is the same as that used by management in its periodic review processes of the Company's performance.

Taxes and financing costs are viewed at the Group level and not within the reporting segments. As a result, this information is not shown in each reporting segment. Operating income is the key performance metric for management, which is reported on a monthly basis to the Operations Committee.

## 26.2 Geographic information

All income obtained from third parties is realized in Mexico and therefore, no information is disclosed per geographic segment.