

# WAL MART STORES INC

## FORM 10-K (Annual Report)

Filed 03/21/14 for the Period Ending 01/31/14

Address	702 SOUTHWEST 8TH ST BENTONVILLE, AR 72716
Telephone	5012734000
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Symbol	WMT
SIC Code	5331 - Variety Stores
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-K**

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☒ **Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

for the fiscal year ended January 31, 2014 , or

☐ **Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission file number 1-6991.

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**WAL-MART STORES, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**71-0415188**  
(IRS Employer  
Identification No.)

**702 S.W. 8th Street  
Bentonville, Arkansas**  
(Address of principal executive offices)

**72716**  
(Zip Code)

**Registrant's telephone number, including area code: (479) 273-4000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

**Common Stock, par value \$0.10 per share**

**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes ☐ No ☒

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of July 31, 2013, the aggregate market value of the voting common stock of the registrant held by non-affiliates of the registrant, based on the closing sale price of those shares on the New York Stock Exchange reported on July 31, 2013, was \$124,752,718,081. For the purposes of this disclosure only, the registrant has assumed that its directors, executive officers (as defined in Rule 3b-7 under the Exchange Act) and the beneficial owners of 5% or more of the registrant's outstanding common stock are the affiliates of the registrant.

The registrant had 3,229,175,401 shares of common stock outstanding as of March 18, 2014 .

#### DOCUMENTS INCORPORATED BY REFERENCE

Document	Parts Into Which Incorporated
Portions of the registrant's Annual Report to Shareholders for the Fiscal Year Ended January 31, 2014 (the "Annual Report to Shareholders") included as Exhibit 13 to this Form 10-K	Parts I and II
Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held June 6, 2014 (the "Proxy Statement")	Part III

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION**

This Annual Report on Form 10-K, the other reports, statements, and information that Wal-Mart Stores, Inc. (which individually or together with its subsidiaries, as the context otherwise requires, is hereinafter referred to as "we," "Walmart" or the "Company") has previously filed with or furnished to, or that we may subsequently file with or furnish to, the Securities and Exchange Commission ("SEC") and public announcements that we have previously made or may subsequently make include, may include, or may incorporate by reference certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, and that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act.

The forward-looking statements included or incorporated by reference in this Annual Report on Form 10-K and that are or may be included or incorporated by reference in those reports, statements, information and announcements address our future economic performance, activities, events or developments that we expect or anticipate will or may occur in the future, including or relating, but not limited to, our expected results of operations and our forecasts of certain financial results for certain periods, including our sales, the net sales of one or more of our operating segments, our expenses in various categories, our earnings per share for certain periods, our comparable store sales or comparable club sales of one of our operating segments or operations in a particular country for a period, our effective annual tax rate, the amount, nature and allocation of future capital expenditures, dividends, capital structure and opening of certain numbers of additional stores and clubs in the United States and additional units in the other countries in which we operate, our forecasts for the increase in square footage in our various operating segments and in countries in which we operate, the consummation of the acquisition of assets or operations, conversion of discount stores into supercenters, relocations of existing units, remodeling of or special projects at existing units, expansion and other development trends of the retail industry, our plans for integrating newly acquired operations into our existing operations, our business strategy, our business plans, our pricing strategy, our cost of goods, our inventory levels, the anticipated success of various operating initiatives, our plans for increasing our market share, our financing strategy, expansion and growth of our business, changes in our operations, including the mix of products sold, changes in expected sales of certain categories of products, our plans for leveraging best practices, lessons from multiple formats and global sourcing practices, our liquidity and plans for accessing the capital markets, our need to repatriate cash held offshore of the United States, the outcome of litigation and other legal proceedings to which we are subject and the costs we may incur in connection therewith, and other similar matters and the assumptions underlying or relating to any such statement. Such forward-looking statements include statements made in Part I, Item 3. "Legal Proceedings" in this Annual Report on Form 10-K as to our belief that the possible loss or range of any possible loss that may be incurred in connection with certain legal proceedings will not be material to our financial condition, results of operations, or liquidity. Forward-looking statements are often identified by the use of words or phrases such as "anticipate," "believe," "could occur," "could result," "continue," "estimate," "expect," "forecast," "guidance," "plan," "projected," "projections," "will be," "will continue," "will change," "will decrease," "will have," "will increase," and "will remain," or words or other phrases commencing with the word "will," or words or phrases that are variations of or that use such words or phrases and other similar words and phrases that denote anticipated or expected occurrences or results.

Our business operations are subject to numerous risks, factors and uncertainties, domestically and internationally, which are outside our control. Any one, or a combination, of these risks, factors and uncertainties could materially affect our financial performance, our results of operations, including our sales, earnings per share or comparable store sales or comparable club sales and effective tax rate for any period, our business operations, business strategy, plans, goals or objectives. These factors include, but are not limited to: general economic conditions, including changes in the economy of the United States or other specific markets in which we operate, economic instability, changes in the monetary policies of the United States, the Board of Governors of the Federal Reserve System, other governments or central banks, economic crises and disruptions in the financial markets, including as a result of sovereign debt crises, governmental budget deficits, unemployment and partial employment levels, employment conditions within our markets, credit availability to consumers and businesses, levels of consumer disposable income, consumer confidence, consumer credit availability, consumer spending patterns, consumer debt levels, consumer preferences, including consumer demand for the merchandise we offer for sale, the timing of consumers' receipt of tax refund checks, changes in the amount of payments made under the Supplement Nutrition Assistance Plan and other public assistance plans, changes in the eligibility requirements of public assistance plans, inflation, deflation, commodity prices, the cost of the goods we sell, competitive pressures, the seasonality of our business, seasonal buying patterns in the United States and our other markets, anticipated store or club closures, labor costs, transportation costs, the cost of diesel fuel, gasoline, natural gas and electricity, the selling prices of fuel, the cost of healthcare and other benefits, accident costs, our casualty and other insurance costs, information security costs, the cost of construction materials, availability and the cost of acceptable building sites for new stores, clubs and other units, availability of qualified labor pools in the specific markets in which we operate, including the availability of persons with the skills and abilities necessary to meet Walmart's needs for managing and staffing its new units and conducting their operations, real estate, zoning, land use and other laws, ordinances, legal restrictions and initiatives that may prevent Walmart from building, or that impose limitations on Walmart's ability to build, new units in certain locations or relocate or expand existing units, availability of necessary utilities for new units, availability of skilled labor and labor, material and other construction costs in areas in which new or relocated units are proposed to be constructed or existing units are proposed to be expanded or remodeled, competitive pressures and the initiatives of our competitors, accident-related costs, weather conditions patterns and events, climate change, catastrophic events and natural disasters, as well as storm

and other damage to our stores, clubs, distribution centers and other facilities and store closings and other limitations on our customers' access to our stores and clubs resulting from such events and disasters, disruption in the availability of our online shopping sites on the internet, cyberattacks on our information systems, disruption in our supply chain, including availability and transport of goods from domestic and foreign suppliers, trade restrictions, changes in tariff and freight rates, adoption of or changes in tax, labor and other laws and regulations that affect our business, including changes in corporate and personal tax rates and the imposition of new taxes and surcharges, costs of compliance with laws and regulations, the mix of our earnings from our United States and foreign operations, changes in our assessment of certain tax contingencies, increases or decreases in valuation allowances, outcome of administrative audits, the impact of discrete items on our effective tax rate, the resolution of other tax matters, developments in and the outcome of legal and regulatory proceedings to which we are a party or are subject and the expenses associated therewith, the requirements for expenditures in connection with the FCPA-related matters, including enhancements to Walmart's compliance program and ongoing investigations; changes in the rating of any of our indebtedness; currency exchange rate fluctuations and volatility, fluctuations in market rates of interest, and other conditions and events affecting domestic and global financial and capital markets, public health emergencies, economic and geo-political conditions and events, including civil unrest and disturbances and terrorist attacks, unanticipated changes in generally accepted accounting principles or in the interpretations or applicability thereof, unanticipated changes in accounting estimates and judgments, and unanticipated restructurings and the related expenses. Moreover, we typically earn a disproportionate part of our annual operating income in the fourth quarter as a result of the seasonal buying patterns. Those buying patterns are difficult to forecast with certainty and can be affected by many factors. The accuracy of the forecast of the range of our effective tax rate for any year can be affected by other factors, including changes in assessments of certain tax contingencies, increases or decreases in valuation allowances, outcome of administrative audits, the impact of discrete items and the mix of earnings among the Company's United States and international operations.

The foregoing list of factors that may affect our operations and financial performance is not exclusive. Other factors and unanticipated events could adversely affect our business operations and financial performance. Our business operations, results of operations, financial condition and liquidity are subject to other risk factors and uncertainties, which we discuss below under the caption "Item 1A. Risk Factors," and may discuss in Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference in our Annual Reports on Form 10-K and appearing in our Quarterly Reports on Form 10-Q. In addition, from time to time, we may disclose additional risk factors and other risks in our Quarterly Reports on Form 10-Q and disclose other risks in other reports filed with the SEC. Investors and other readers are urged to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statements. Forward-looking statements that we make or that are made by others on our behalf are based on a knowledge of our business and the environment in which we operate and assumptions that we believe to be reasonable at the time such forward-looking statements are made, but because of the factors described and listed above, as well as the other risks, uncertainties and factors we disclose below and in the other reports mentioned above, as well as other risks not known to us at this time, or as a result of changes in facts, assumptions not being realized or other circumstances, actual results may differ materially from those contemplated in the forward-looking statements. Consequently, this cautionary statement qualifies all of the forward-looking statements we make or that are made on our behalf, including those made herein and that are incorporated by reference herein. We cannot assure the reader that the results or developments expected or anticipated by us will be realized or, even if substantially realized, that those results or developments will result in the expected consequences for us or affect us, our business, our operations or our operating results in the manner we expect. We caution readers not to place undue reliance on such forward-looking statements, which speak only as of their dates. We undertake no obligation to update any of the forward-looking statements to reflect subsequent events or circumstances except to the extent required by applicable law.

**WAL-MART STORES, INC.**  
**ANNUAL REPORT ON FORM 10-K**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2014**

**PART I**

**ITEM 1. BUSINESS**

**General**

Wal-Mart Stores, Inc. ("Walmart," the "Company" or "we") helps people around the world save money and live better – anytime and anywhere – in retail stores, online, and through their mobile devices. We earn the trust of our customers every day by providing a broad assortment of quality merchandise and services at everyday low prices ("EDLP"), while fostering a culture that rewards and embraces mutual respect, integrity and diversity. EDLP is our pricing philosophy under which we price items at a low price every day so our customers trust that our prices will not change under frequent promotional activity.

Our operations comprise three reportable business segments: Walmart U.S., Walmart International and Sam's Club. Our fiscal year ends on January 31 for our United States ("U.S.") and Canadian operations. We consolidate all other operations generally using a one-month lag and on a calendar basis. Our discussion is as of and for the fiscal years ended January 31, 2014 ("fiscal 2014"), January 31, 2013 ("fiscal 2013") and January 31, 2012 ("fiscal 2012"). During fiscal 2014, we generated total revenues of \$ 476 billion , which was primarily comprised of net sales of \$473 billion .

Walmart U.S. is our largest segment and operates retail stores in various formats in all 50 states in the U.S., Washington D.C. and Puerto Rico, as well as its online retail operations, walmart.com. Walmart U.S. generated approximately 59% of our net sales in fiscal 2014 and, of our three segments, historically has had the highest gross profit as a percentage of net sales ("gross profit rate"), and contributed the greatest amount to the Company's net sales and operating income.

Walmart International consists of the Company's operations in 26 countries outside of the U.S. and its operations include numerous formats of retail stores, wholesale clubs, including Sam's Clubs, restaurants, banks and various retail websites. Walmart International generated approximately 29% of our fiscal 2014 net sales. The overall gross profit rate for Walmart International is lower than that of Walmart U.S. because of the margin impact from its merchandise mix. Walmart International has generally been our most rapidly growing segment, growing primarily through new stores and acquisitions and, in recent years, has been growing its net sales and operating income at a faster rate than our other segments. However, for fiscal 2014, Walmart International sales growth slowed due to fluctuations in currency exchange rates, as well as no significant acquisitions, and operating income declined as a result of certain operating expenses.

Sam's Club consists of warehouse membership clubs and operates in 48 states in the U.S. and in Puerto Rico, as well as its online operations, samsclub.com. Sam's Club accounted for approximately 12% of our fiscal 2014 net sales. Sam's Club operates as a warehouse membership club with a lower gross profit rate and lower operating expenses as a percentage of net sales than our other segments.

We maintain our principal offices at 702 S.W. 8th Street, Bentonville, Arkansas 72716, USA.

**The Development of Our Company**

Although Walmart was incorporated in Delaware in October 1969, the businesses conducted by our founders began in 1945 when Sam M. Walton opened a franchise Ben Franklin variety store in Newport, Arkansas. In 1946, his brother, James L. Walton, opened a similar store in Versailles, Missouri. Until 1962, our founders' business was devoted entirely to the operation of variety stores. In that year, the first Wal-Mart Discount City, which was a discount store, opened in Rogers, Arkansas. In 1984, we opened our first three Sam's Clubs, and in 1988, we opened our first supercenter. In 1999, we opened our first Neighborhood Market.

In 1992, we began our first international initiative when we entered into a joint venture in Mexico. Since then, our international presence has continued to expand and at January 31, 2014 , our Walmart International segment conducted business in 26 countries.

## Information About Our Segments

The Company is engaged in the operation of: retail stores and membership clubs located throughout the U.S.; its wholly-owned subsidiaries in Argentina, Brazil, Canada, China, India, Japan and the United Kingdom; its majority-owned subsidiaries in Africa, Central America, Chile, China and Mexico; and its joint ventures and other controlled subsidiaries in China. The Company defines its reportable segments as those operations whose results the chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources.

The Walmart U.S. segment includes the Company's mass merchant concept in the U.S. operating under the "Walmart" or "Wal-Mart" brands, as well as walmart.com. The Walmart International segment consists of the Company's operations outside of the U.S., including various retail websites. The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as samsclub.com. Corporate and support consists of corporate overhead and other items not allocated to any of our segments.

The Company measures the results of its segments using, among other measures, each segment's net sales and operating income, which includes certain corporate overhead allocations. From time to time, we revise the measurement of each segment's operating income, including any corporate overhead allocations, as determined by the information regularly reviewed by our CODM. When the measurement of a segment changes, previous period amounts and balances are reclassified to be comparable to the current period's presentation.

### Walmart U.S. Segment

The Walmart U.S. segment had net sales of \$279.4 billion, \$274.4 billion and \$264.2 billion for fiscal 2014, 2013 and 2012, respectively. During the most recent fiscal year, no single unit accounted for as much as 1% of total Company net sales.

**General.** As a mass merchandiser of consumer products, the Walmart U.S. segment operates retail stores in all 50 states, Washington D.C. and Puerto Rico, with supercenters in 48 states, Washington D.C. and Puerto Rico, discount stores in 43 states and Puerto Rico and Neighborhood Markets and other small store formats in 31 states and Puerto Rico. Supercenters range in size from 70,000 square feet to 260,000 square feet, with an average size of approximately 179,000 square feet. Discount stores range in size from 30,000 square feet to 219,000 square feet, with an average size of approximately 105,000 square feet. Neighborhood Markets and other small formats range in size up to 66,000 square feet, with an average size of approximately 40,000 square feet. From time to time, Walmart U.S. tests different store formats to meet market demands and needs. Customers can also purchase a broad assortment of merchandise and services online at [www.walmart.com](http://www.walmart.com).

#### WALMART U.S. SEGMENT RETAIL UNIT COUNT AND RETAIL SQUARE FEET <sup>(1)</sup>

Fiscal Year	Walmart U.S. Supercenters					Walmart U.S. Discount Stores				
	Opened	Closed	Conversions <sup>(2)</sup>	Total	Square Feet	Opened	Closed	Conversions <sup>(2)</sup>	Total	Square Feet
Balance forward				2,620	487,907				898	97,156
2010	49	—	86	2,755	510,757	—	(2)	(86)	810	87,721
2011	50	—	102	2,907	534,577	—	—	(102)	708	75,116
2012	43	—	79	3,029	552,237	—	—	(79)	629	66,402
2013	55	—	74	3,158	570,409	7	(1)	(74)	561	59,098
2014	72	—	58	3,288	589,858	4	—	(57)	508	53,496

Walmart U.S. Neighborhood Markets and Other Small Formats						Total Walmart U.S. Segment			
Fiscal Year	Opened	Closed	Conversions <sup>(2)</sup>	Total	Square Feet	Opened <sup>(3)</sup>	Closed	Total	Square Feet
Balance forward				185	7,193			3,703	592,256
2010	5	—	—	190	7,374	54	(2)	3,755	605,852
2011	2	(3)	—	189	7,374	52	(3)	3,804	617,067
2012	27	(6)	—	210	8,047	70	(6)	3,868	626,686
2013	79	(3)	—	286	11,226	141	(4)	4,005	640,733
2014	122	—	(1)	407	15,778	198	—	4,203	659,132

(1) "Total" and "Square Feet" columns are as of January 31 for the years shown. Retail square feet are reported in thousands.

(2) Conversions of discount stores or Neighborhood Markets to supercenters.

(3) Total opened, net of conversions of discount stores or Neighborhood Markets to supercenters.



**Merchandise.** Walmart U.S. does business in six strategic merchandise units, listed below, across several store formats including supercenters, discount stores, Neighborhood Markets and other small store formats, as well as walmart.com.

- Grocery consists of a full line of grocery items, including meat, produce, deli, bakery, dairy, frozen foods, alcoholic and nonalcoholic beverages, floral and dry grocery, as well as consumables such as health and beauty aids, baby products, household chemicals, paper goods and pet supplies;
- Entertainment contains electronics, toys, cameras and supplies, photo processing services, cellular phones, cellular service plan contracts and prepaid service, movies, music, video games and books;
- Health and wellness includes pharmacy, optical services and over-the-counter drugs;
- Hardlines consist of stationery, automotive accessories, hardware and paint, sporting goods, fabrics and crafts and seasonal merchandise;
- Apparel includes apparel for women, girls, men, boys and infants, shoes, jewelry and accessories; and
- Home includes home furnishings, housewares and small appliances, bedding, home décor, outdoor living and horticulture.

The Walmart U.S. segment also offers financial services and related products, including money orders, prepaid cards, wire transfers, check cashing and bill payment. These services total less than 1% of annual net sales.

Nationally advertised merchandise represents a significant portion of the merchandise sold in the Walmart U.S. segment. We also market lines of merchandise under our private-label store brands, including: "Equate," "Everstart," "Faded Glory," "George," "Great Value," "Hometrends," "Mainstays," "Marketside," "No Boundaries," "Ol' Roy," "Ozark Trail," "Parent's Choice," "Price First," "Prima Della," "Sam's Choice," "Spring Valley" and "White Stag." The Company also markets lines of merchandise under licensed brands, some of which include: "Better Homes & Gardens," "Danskin Now," "Disney," "General Electric," "OP," "Rival" and "Starter."

The percentage of net sales for the Walmart U.S. segment, including online sales, represented by each strategic merchandise unit was as follows for fiscal 2014, 2013 and 2012:

STRATEGIC MERCHANDISE UNITS	Fiscal Years Ended January 31,		
	2014	2013	2012
Grocery	56%	55%	55%
Entertainment	11%	11%	12%
Health and wellness	10%	11%	11%
Hardlines	9%	9%	9%
Apparel	7%	7%	7%
Home	7%	7%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Periodically, we make revisions to the categorization of the components comprising our strategic merchandise units. When revisions are made, we also adjust the previous period's presentation to maintain comparability.

**Operations.** Hours of operation for nearly all supercenters, and an increasing number of discount stores and Neighborhood Markets, are 24 hours each day. Hours of operation for the remaining supercenters, discount stores, Neighborhood Markets and other small store formats vary by location, but are generally 7:00 a.m. to 10:00 or 11:00 p.m., seven days a week. We accept a variety of payment methods including cash, check, debit and credit cards, electronic benefits transfer cards, a private-label store credit card issued by a third-party provider and online payments through PayPal. In addition, our pharmacy and optical departments accept payments for products and services through our customers' health benefit plans.

**Seasonal Aspects of Operations.** The Walmart U.S. segment's business is seasonal to a certain extent due to different calendar events and national and religious holidays, as well as different weather patterns. Historically, its highest sales volume and segment operating income have occurred in the fiscal quarter ending January 31.



**Competition.** The Walmart U.S. segment competes with a variety of local, national and global chains in the supermarket, discount, grocery, department, dollar, drug, variety and specialty stores, supercenter-type stores, hypermarkets, internet-based retailers and catalog businesses. We also compete with others for desirable sites for new or relocated retail units.

Our ability to develop, open and operate units at the right locations and offer value and service to our customers largely determines our competitive position within the retail industry. We employ many programs designed to meet competitive pressures within our industry. These programs include the following:

- EDLP: our commitment to price leadership and our pricing philosophy under which we price items at a low price every day so our customers trust that our prices will not change under frequent promotional activity;
- Rollbacks: our commitment to continually pass cost savings on to the customer by lowering prices on selected goods;
- Save Even More and Ad Match: strategies to meet or be below a competitor's advertised price;
- Store of the Community: a program to ensure the merchandise assortment in a particular store fits the demographic needs of the local community in which that store is located; and
- Clean, Fast and Friendly: our commitment to deliver a great customer experience through fast, friendly service in a clean environment.

We offer a broad assortment of merchandise that provides one-stop shopping, in-stock levels that give our customers confidence that we will have the products they need and operating hours that allow customers to shop at their convenience.

**Distribution.** For fiscal 2014, approximately 80% of the Walmart U.S. segment's purchases of merchandise were shipped through our distribution facilities, which are located strategically throughout the U.S. The remaining merchandise we purchased was shipped directly from suppliers. General merchandise is transported primarily through our private truck fleet. However, we contract with common carriers to transport the majority of our perishable and dry grocery merchandise.

Our Walmart U.S. segment operations are supported by 132 distribution facilities, including return facilities and e-commerce fulfillment centers, as of January 31, 2014. Of these 132 facilities, we owned and operated 102. We owned and third parties operated two facilities, and we leased and operated three facilities. Third parties owned and operated the remaining 25 facilities. In addition to servicing the Walmart U.S. segment, some of our Walmart distribution facilities also service our Sam's Club segment for certain items.

## Walmart International Segment

The Walmart International segment's net sales for fiscal 2014 , 2013 and 2012 , were \$136.5 billion , \$134.7 billion and \$125.4 billion , respectively. During the most recent fiscal year, no single unit accounted for as much as 1% of total Company net sales.

**General.** Our Walmart International segment is comprised of our wholly-owned subsidiaries operating in Argentina, Brazil, Canada, China, India, Japan and the United Kingdom; our majority-owned subsidiaries operating in Africa (which includes Botswana, Ghana, Lesotho, Malawi, Mozambique, Namibia, Nigeria, South Africa, Swaziland, Tanzania, Uganda and Zambia), Central America (which includes Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua), Chile, China and Mexico; and our joint ventures and other controlled subsidiaries in China.

Walmart International operates units in three major categories: retail, wholesale and other. These categories consist of numerous formats, including discount stores, supermarkets, supercenters, hypermarkets, retail websites, warehouse clubs, restaurants, apparel stores, drug stores and convenience stores. Generally, retail units range in size from 5,000 square feet to 250,000 square feet. Our wholesale stores generally range in size from 35,000 square feet to 70,000 square feet. Other, which includes restaurants, drugstores and convenience stores operating under various banners in Brazil, Chile, Japan, Mexico and the United Kingdom, range in size up to 4,200 square feet. Customers can also purchase a broad assortment of merchandise and services online at various websites we operate. Also, on a limited basis, our Walmart International segment operates banks that provide consumer financing programs.

### WALMART INTERNATIONAL SEGMENT UNIT COUNT <sup>(1)</sup> AND RETAIL SQUARE FEET <sup>(2)</sup>

Fiscal Year	Africa		Argentina		Brazil		Canada		Central America		Chile	
	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet
Balance forward	—	—	28	4,301	349	26,594	318	39,501	502	8,277	197	9,564
2010	—	—	43	5,185	434	28,695	317	40,225	519	8,441	252	10,437
2011	—	—	63	6,211	479	30,272	325	42,005	549	8,739	279	11,115
2012	347	18,529	88	7,270	512	31,575	333	43,738	622	9,501	316	11,785
2013	377	19,775	94	7,531	558	32,494	379	48,354	642	9,873	329	12,671
2014	379	20,513	104	8,062	556	32,501	389	49,914	661	10,427	380	13,697

Fiscal Year	China		India		Japan <sup>(3)</sup>		Mexico <sup>(4)</sup>		United Kingdom		Total Walmart International	
	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet
Balance forward	225	39,973	—	—	417	24,514	839	60,491	358	29,011	3,233	242,226
2010	279	49,401	1	50	414	24,292	1,109	66,504	371	30,053	3,739	263,283
2011	328	56,317	5	270	414	24,513	1,364	73,620	385	31,009	4,191	284,071
2012	370	62,124	15	826	419	24,521	1,724	82,611	541	33,765	5,287	326,245
2013	393	65,801	20	1,083	438	24,448	1,988	88,833	565	34,810	5,783	345,673
2014	405	67,205	20	1,083	438	24,489	2,199	94,900	576	35,416	6,107	358,207

(1) "Unit Count" includes retail stores, wholesale clubs and other, which includes restaurants, drugstores and convenience stores. Walmart International unit counts, with the exception of Canada, are stated as of December 31, to correspond with the balance sheet date of the related geographic market. Canada unit counts are stated as of January 31. For the balance forward, all country balances are stated as of January 31, 2009.

(2) "Square Feet" columns are reported in thousands.

(3) All periods include the Wakana units, which are take-out restaurants generally less than 1,000 square feet in size. The information for the balance forward excludes 23 Seiyu units closed in fiscal 2010.

(4) All periods presented exclude units and square feet for the Vips restaurant business, which is classified as discontinued operations as of January 31, 2014. The Company has entered into an agreement to sell the operations of the Vips restaurant business, subject to regulatory approval.

Unit counts <sup>(1)</sup> as of January 31, 2014 for Walmart International are summarized by major category for each geographic market as follows:

Geographic Market	Retail	Wholesale	Other <sup>(2)</sup>	Total
Africa <sup>(3)</sup>	285	94	—	379
Argentina	104	—	—	104
Brazil	468	76	12	556
Canada	389	—	—	389
Central America <sup>(4)</sup>	660	1	—	661
Chile	351	2	27	380
China	395	10	—	405
India	—	20	—	20
Japan	374	—	64	438
Mexico <sup>(5)</sup>	2,033	156	10	2,199
United Kingdom	574	—	2	576
<b>Total</b>	<b>5,633</b>	<b>359</b>	<b>115</b>	<b>6,107</b>

- (1) Walmart International unit counts, with the exception of Canada, are stated as of December 31, 2013, to correspond with the balance sheet date of the related geographic market. Canada unit counts are stated as of January 31, 2014.
- (2) "Other" includes restaurants, drugstores and convenience stores operating under varying banners in Brazil, Chile, Japan, Mexico and the United Kingdom.
- (3) Africa unit counts by country are Botswana ( 11 ), Ghana ( 1 ), Lesotho ( 3 ), Malawi ( 2 ), Mozambique ( 7 ), Namibia ( 3 ), Nigeria ( 2 ), South Africa ( 346 ), Swaziland ( 1 ), Tanzania ( 1 ), Uganda ( 1 ) and Zambia ( 1 ).
- (4) Central America unit counts by country are Costa Rica ( 214 ), El Salvador ( 83 ), Guatemala ( 209 ), Honduras ( 75 ) and Nicaragua ( 80 ).
- (5) Mexico unit counts exclude 360 units of the Vips restaurant business classified as discontinued operations as of January 31, 2014. The Company has entered into an agreement to sell the operations of the Vips restaurant business, subject to regulatory approval.

**Merchandise.** The merchandising strategy for the Walmart International segment is similar to that of our operations in the U.S. in terms of the breadth and scope of merchandise offered for sale. While brand name merchandise accounts for a majority of sales, numerous store brands not offered for sale in the U.S. stores and clubs have been developed to serve customers in the different markets in which the Walmart International segment operates. In addition, steps have been taken to develop relationships with local suppliers in each country to ensure reliable sources of quality merchandise.

**Operations.** The hours of operation for operating units in the Walmart International segment vary by country and by individual markets within countries, depending upon local and national ordinances governing hours of operation. We accept a variety of payment methods including cash, check, debit and credit cards, private-label store credit cards issued by third-party providers and credit cards issued by our subsidiaries in Canada, Chile and Mexico. Limited consumer finance programs exist in certain markets to facilitate the purchase of goods by the customer. Across the Walmart International segment, we are leveraging our best practices, lessons from multiple store formats and global sourcing practices.

**Seasonal Aspects of Operations.** The Walmart International segment's business is seasonal to a certain extent. Historically, the segment's highest sales volume and operating income have occurred in the fourth quarter of our fiscal year. The seasonality of the business varies by country due to different national and religious holidays, festivals and customs, as well as different weather patterns.

**Competition.** The Walmart International segment competes with a variety of local, national and global chains in the supermarket, discount, grocery, department, drug, variety and specialty stores, supercenter-type stores, hypermarkets, wholesale clubs, internet-based retailers and catalog businesses in each of the countries in which we operate. We also operate some restaurants and, on a limited basis, consumer finance operations. We compete with others for desirable sites for new retail units. Our ability to offer our customers low prices on quality merchandise determines, to a large extent, our competitive position in the countries in which Walmart International operates. We believe EDLP is the right business model for our customers and for all of our markets and we are in the midst of a multi-year plan to transition all of our markets to EDLP. Additionally, our ability to operate food departments effectively has a significant impact on our competitive position in the markets where we operate.

**Distribution.** We utilize a total of 151 distribution facilities located in Argentina, Brazil, Canada, Central America, Chile, China, Japan, Mexico, South Africa and the United Kingdom. Through these facilities, we process and distribute both imported and domestic products to the operating units of the Walmart International segment. During fiscal 2014, approximately 80% of the Walmart International segment's purchases passed through these distribution facilities. Suppliers ship the balance of the Walmart International segment's purchases directly to our stores in the various countries in which we operate. Of these 151 distribution facilities, we owned and operated 42, we owned and third parties operated 11, and we leased and operated 62. Third parties leased and operated the remaining 36 distribution facilities.

## Sam's Club Segment

The Sam's Club segment had net sales of \$57.2 billion , \$56.4 billion and \$53.8 billion for fiscal 2014 , 2013 and 2012 , respectively. During the most recent fiscal year, no single club location accounted for as much as 1% of total Company net sales.

**General.** Sam's Clubs are membership only operations. Members include both business owners and individual consumers. Individual consumers are referred to as Savings Members (formerly Advantage Members). The annual membership fee for an individual Savings Member is \$45 for the primary membership card, with a spouse/household card available at no additional cost. The annual membership fee for Business Members is \$45 for the primary membership card, with a spouse/household card available at no additional cost. In addition, Business Members can add up to eight business associates to their business account for \$45 each. Sam's Club Plus is a premium membership program that offers additional benefits and services to both Business and Savings Members. The annual fee for a Business or Savings Plus Member (formerly Advantage Plus Members) is \$100. In addition, Business Plus Members can add up to 16 business associates to their business membership for \$45 each. Taxes, if applicable, are added to all membership fees.

As a membership club warehouse, Sam's Club facility sizes generally range between 71,000 and 190,000 square feet, with an average size of approximately 134,000 square feet. Sam's Club also provides its members with a broad assortment of merchandise and services online at [www.samsclub.com](http://www.samsclub.com).

### SAM'S CLUB SEGMENT CLUB COUNT AND RETAIL SQUARE FEET <sup>(1)</sup>

Fiscal Year	Opened	Closed	Total	Square Feet
Balance forward			611	80,986
2010	6	(12)	605	80,539
2011	4	—	609	81,202
2012	3	(1)	611	81,586
2013	9	—	620	82,653
2014	12	—	632	84,382

(1) "Total" and "Square Feet" columns are as of January 31 for the years shown. Retail square feet are reported in thousands.

**Merchandise.** Sam's Club offers brand name merchandise, including hardgoods, some softgoods and selected private-label items such as "Member's Mark" and its own proprietary brands, "Artisan Fresh," "Bakers & Chef," "Daily Chef" and "Simply Right," in five merchandise categories, listed below.

- Grocery and consumables includes dairy, meat, bakery, deli, produce, dry, chilled or frozen packaged foods, alcoholic and nonalcoholic beverages, floral, snack foods, candy, other grocery items, health and beauty aids, paper goods, laundry and home care, baby care, pet supplies and other consumable items;
- Fuel and other categories consists of gasoline stations, tobacco, tools and power equipment, and tire and battery centers;
- Home and apparel includes home improvement, outdoor living, grills, gardening, furniture, apparel, jewelry, housewares, toys, seasonal items, mattresses and small appliances;
- Technology, office and entertainment includes electronics, wireless, software, video games, movies, books, music, office supplies, office furniture, photo processing and third-party gift cards; and
- Health and wellness includes pharmacy, optical and hearing services and over-the-counter drugs.

The percentage of net sales for the Sam's Club segment, including online sales, by merchandise category, was as follows for fiscal 2014, 2013 and 2012:

MERCHANDISE CATEGORY	Fiscal Years Ended January 31,		
	2014	2013	2012
Grocery and consumables	56%	55%	55%
Fuel and other categories	23%	24%	24%
Home and apparel	8%	8%	8%
Technology, office and entertainment	8%	8%	8%
Health and wellness	5%	5%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Operations.** Operating hours for Sam's Clubs are Monday through Friday from 10:00 a.m. to 8:30 p.m., Saturday from 9:00 a.m. to 8:30 p.m. and Sunday from 10:00 a.m. to 6:00 p.m. Additionally, all club locations offer Business Members and Plus Members the ability to shop before the regular operating hours Monday through Saturday, starting at 7:00 a.m. A variety of payment methods are accepted at our clubs, including cash, check, debit cards, certain types of credit cards and private label and co-branded Discover credit cards, issued by a third-party provider. In addition, our pharmacy and optical departments accept payments for products and services through our members' health benefit plans.

**Seasonal Aspects of Operations.** The Sam's Club segment's business is seasonal to a certain extent due to different calendar events and national and religious holidays, as well as different weather patterns. Historically, its highest sales volume and segment operating income have occurred in the fiscal quarter ending January 31.

**Competition.** Sam's Club competes with other warehouse clubs, as well as with discount retailers, retail and wholesale grocers, general merchandise wholesalers and distributors, internet-based retailers, gasoline stations and catalog businesses. Sam's Club also competes with other retailers and warehouse clubs for desirable new club sites. At Sam's Club, we provide value at members-only prices, a quality merchandise assortment, and bulk sizing to serve both our Savings and Business members. Our strategy allows us to differentiate ourselves within the warehouse club industry and the overall retail industry.

**Distribution.** During fiscal 2014, approximately 64% of the Sam's Club segment's non-fuel purchases were shipped from the Sam's Club segment's dedicated distribution facilities or from some of the Walmart U.S. segment's distribution facilities. Suppliers shipped the balance of the Sam's Club segment's purchases directly to Sam's Club locations. As of January 31, 2014, our Sam's Club segment operations were supported by 23 distribution facilities located strategically throughout the continental United States. Of these 23 distribution facilities, we owned and operated eight. Third parties owned and operated the remaining 15 distribution facilities. Additionally, some of the Walmart U.S. distribution facilities also service our Sam's Club segment for certain items.

The principal focus of our Sam's Club's distribution operations is on cross-docking merchandise, while stored inventory is minimized. Cross-docking is a distribution process under which shipments are directly transferred from inbound to outbound trailers. Shipments typically spend less than 24 hours in a cross-dock facility, and sometimes less than an hour.

Sam's Club uses a combination of our private truck fleet, as well as common carriers, to transport non-perishable merchandise from distribution facilities to clubs. We contract with common carriers to transport perishable grocery merchandise from distribution facilities to clubs.

## **Other Segment Information**

Certain financial information relating to our segments is included in our Annual Report to Shareholders for the fiscal year ended January 31, 2014 ("Annual Report to Shareholders") under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 14 in the "Notes to Consolidated Financial Statements" included therein, which information is incorporated herein by reference. Note 14 also includes information regarding total revenues and long-lived assets aggregated by our U.S. and non-U.S. operations. Portions of the Annual Report to Shareholders are included as Exhibit 13 to this Annual Report on Form 10-K and incorporated by reference herein as expressly provided herein.

## **Employees**

As of the end of fiscal 2014, the Company and its subsidiaries employed approximately 2.2 million employees ("associates") worldwide, with nearly 1.4 million associates in the U.S. and 0.8 million associates internationally. Similar to other retailers, the Company has a large number of part-time, hourly or non-exempt associates and a large number of associates turn over each year.

Certain information relating to retirement-related benefits we provide to our associates is included in our Annual Report to Shareholders in Note 12 in the "Notes to Consolidated Financial Statements" included therein, which information is incorporated herein by reference.

In addition to retirement-related benefits, in the U.S., the Company offers a broad range of Company-paid benefits to our associates, including store discount cards or Sam's Club memberships, bonuses based on Company performance, matching a portion of purchases through the Associate Stock Purchase Plan and life insurance. The Company also offers health-care benefits to eligible full-time and part-time associates in the U.S. The Company's medical plan in the U.S. has no lifetime maximum benefit for most expenses.

Similarly, in the operations outside the U.S., the Company provides a variety of associate benefits that vary based on customary local practices and statutory requirements.

## Executive Officers of the Registrant

The following chart names the executive officers of the Company, each of whom is elected by and serves at the pleasure of the Board of Directors. The business experience shown for each officer has been his or her principal occupation for at least the past five years, unless otherwise noted.

Name	Business Experience	Current Position Held Since	Age
Neil M. Ashe	Executive Vice President, President and Chief Executive Officer, Global eCommerce, beginning in January 2012. From April 2011 to July 2011, he served as Special Advisor to the Chief Executive Officer of CBS Corporation, a mass media company. From July 2008 to April 2011, he served as President of CBS Interactive, Inc., an Internet content publisher.	2012	46
Daniel J. Bartlett	Executive Vice President, Corporate Affairs, beginning in June 2013. From November 2007 to June 2013, he served as the Chief Executive Officer and President of U.S. Operations at Hill & Knowlton, Inc., a public relations company. He previously served in the White House from 2001 to 2007 as Counselor to the President and Communications Director.	2013	42
Rosalind G. Brewer	Executive Vice President, President and Chief Executive Officer, Sam's Club, effective February 1, 2012. From February 2011 to January 2012, she served as Executive Vice President and President of the East business unit of Walmart U.S. From February 2010 to January 2011, she served as Executive Vice President and President of the South business unit of Walmart U.S. From March 2007 to January 2010, she served as Divisional Senior Vice President of Walmart U.S., responsible for operations in the Southeast.	2012	51
M. Susan Chambers	Executive Vice President, Global People.	2006	56
David Cheesewright	Executive Vice President, President and Chief Executive Officer, Walmart International. From September 2011 to January 2014, he served as President and Chief Executive Officer for Walmart International's Europe, Middle East and Africa (EMEA) and Canada region. From February 2008 to September 2011, he served as President and Chief Executive Officer of Walmart Canada.	2014	51
Michael T. Duke	Chairman of the Executive Committee of the Board of Directors of Wal-Mart Stores, Inc. He is the former President and Chief Executive Officer of Wal-Mart Stores, Inc., serving in that position from February 2009 to January 2014.	2014	64
Rollin L. Ford	Executive Vice President and Chief Administrative Officer. From May 2006 to January 2012, he served as Executive Vice President, Chief Information Officer.	2012	51
Jeffrey J. Gearhart	Executive Vice President, Global Governance and Corporate Secretary. From July 2010 to January 2013, he served as Executive Vice President, General Counsel and Corporate Secretary. From February 2009 to July 2010, he served as Executive Vice President, General Counsel.	2013	49
Charles M. Holley, Jr.	Executive Vice President and Chief Financial Officer. From January 2007 to November 2010, he served as Executive Vice President, Finance and Treasurer.	2010	57
C. Douglas McMillon	President and Chief Executive Officer. From February 2009 to January 2014, he served as Executive Vice President, President and Chief Executive Officer, Walmart International.	2014	47
William S. Simon	Executive Vice President, President and Chief Executive Officer, Walmart U.S. From March 2007 to July 2010, he served as Executive Vice President, Chief Operating Officer, Walmart U.S.	2010	54
Steven P. Whaley	Senior Vice President and Controller.	2007	54



## **Our Website and Availability of SEC Reports and Other Information**

Our corporate website is located at [www.corporate.walmart.com](http://www.corporate.walmart.com). We file with or furnish to the SEC Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports, proxy statements and annual reports to shareholders, and, from time to time, other documents. The reports and other documents filed with or furnished to the SEC are available to investors on or through our corporate website free of charge as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. In addition, the public may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers, such as the Company, that file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov). Our SEC filings, our Code of Ethics for our CEO and Senior Financial Officers and our Statement of Ethics can be found on the Investor Relations page of our website at [www.stock.walmart.com](http://www.stock.walmart.com). These documents are available in print to any shareholder who requests a copy by writing or calling our Investor Relations Department, which is located at our principal offices.

A description of any substantive amendment or waiver of Walmart's Code of Ethics for the CEO and Senior Financial Officers or our Statement of Ethics will be disclosed on the Investor Relations page of our website at [www.stock.walmart.com](http://www.stock.walmart.com) under the Corporate Governance section. Any such description will be located on our website for a period of 12 months following the amendment or waiver.

## **ITEM 1A. RISK FACTORS**

The risks described below could materially and adversely affect our business, results of operations, financial condition and liquidity. These risks are not the only risks that we face. Our business operations could also be affected by additional factors that apply to all companies operating in the U.S. and globally, as well as other risks that are not presently known to us or that we currently consider to be immaterial to our operations.

### **General or macro-economic factors, both domestically and internationally, may adversely affect our financial performance.**

General economic conditions, globally or in one or more of the markets we serve, may adversely affect our financial performance. Higher interest rates, higher fuel and other energy costs, weakness in the housing market, inflation, deflation, increased costs of essential services, such as medical care and utilities, higher levels of unemployment, decreases in consumer disposable income, unavailability of consumer credit, higher consumer debt levels, changes in consumer spending and shopping patterns, fluctuations in currency exchange rates, higher tax rates, imposition of new taxes and surcharges, other changes in tax laws, other regulatory changes, overall economic slowdown and other economic factors could adversely affect consumer demand for the products and services we sell through our business, change the mix of products we sell to one with a lower average gross margin, cause a slowdown in discretionary purchases of goods and result in slower inventory turnover and greater markdowns on inventory. Higher levels of unemployment, inflation, deflation, decreases in consumer disposable income, unavailability of consumer credit, changes in consumer spending and shopping patterns, changes in tax and other laws, higher fuel and other energy costs, weakness in the local housing market, fluctuations in currency exchange rates, currency devaluations and other adverse developments in the economies of the other countries in which we operate may adversely affect consumer demand for our merchandise in those countries, especially those countries in which average incomes are significantly lower than average incomes in the U.S. These conditions may adversely affect our gross margins, cost of sales, inventory turnover and markdowns or otherwise adversely affect our operations and consolidated operating results.

Higher interest rates, higher fuel and other energy costs, transportation costs, inflation, higher costs of labor, insurance and healthcare, currency exchange rate fluctuations, higher tax rates and other changes in tax laws, changes in healthcare laws, the imposition of measures that create barriers to or increase the costs associated with international trade, changes in other laws and regulations and other economic factors in the U.S. and other countries in which we have operations can increase our cost of sales and operating, selling, general and administrative expenses, and otherwise adversely affect our domestic and international operations and our operating results. The economic factors that affect our operations also affect the operations and economic viability of our suppliers from whom we purchase goods, a factor that can result in an increase in the cost to us of the goods we sell to our customers or, in more extreme cases, could result in certain suppliers not producing goods in the volume typically available to us for sale.

### **We may not timely identify or effectively respond to consumer trends or preferences, whether involving physical retail, e-commerce retail or a combination of both retail offerings, which could negatively affect our relationship with our customers, the demand for our products and services, and our market share.**

It is difficult to predict consistently and successfully the products and services our customers will demand. The success of our business depends in part on how accurately we predict consumer demand, availability of merchandise, the related impact on the demand for existing products and the competitive environment, whether for customers purchasing products at our stores and clubs, through our e-commerce businesses or through the combination of both retail offerings. A critical piece of identifying consumer preferences involves price transparency, assortment of products, customer experience and convenience. These factors are of primary importance to customers and they continue to increase in importance, particularly as a result of digital tools and social media available to consumers and the choices available to consumers for purchasing products online, at physical locations or through a combination of both retail offerings. Failure to timely identify or effectively respond to changing consumer tastes, preferences (including the key factors described above) and spending patterns, whether for our physical retail offerings, e-commerce offerings or through a combination of these retail offerings, could negatively affect our relationship with our customers, the demand for our products and services and our market share.

**We may face impediments to our expansion in the U.S., including conversions of discount stores into supercenters and opening other store formats, which may adversely affect our financial performance.**

Our expansion strategy in the U.S. depends upon our ability to execute our retail concepts successfully in new markets within the U.S. and upon our ability to increase the number of stores in markets in which we currently have operations. Our ability to open additional supercenters, discount stores, Neighborhood Markets, other store formats, and Sam's Clubs and to convert existing discount stores into supercenters depends in large measure upon our ability to locate, hire and retain qualified personnel and to acquire new store sites on acceptable terms. Local real estate, land use, zoning, and other regulations restricting the construction of buildings of the type in which we operate our various formats, as well as local community action opposed to the location of specific stores at specific sites and the adoption of certain local laws restricting our operations, may affect our ability to open new stores and clubs, to convert discount stores into supercenters or to relocate or expand existing units in certain cities and states. Increased real estate, construction and development costs could limit our growth opportunities and our ability to convert our discount stores into supercenters. If we are unable to open new supercenters, discount stores, Neighborhood Markets, other small formats or Sam's Clubs or continue to convert discount stores into supercenters, our financial performance, such as net sales and operating income growth, could be adversely affected. In addition, if consumers in the markets into which we expand are not receptive to our retail concepts or are otherwise not receptive to our presence in a market, our financial performance could be adversely affected.

**Impediments to the expansion of our Walmart International operations could adversely affect our financial performance.**

Our business strategy for our Walmart International segment includes expansion by selective acquisitions and strategic alliances that add new stores and markets to our existing Walmart International business, as well as opening new units in the countries in which we have existing operations. In the countries in which we have existing operations, new units may be opened in the formats already existing in those countries or may be opened in newly introduced formats, such as supercenters or Sam's Clubs, not previously operated in those markets. As in the U.S., our ability to open new stores or to expand or relocate existing stores in a market served by our Walmart International segment depends in large measure upon our ability to locate, hire and retain qualified personnel and our ability to acquire new store sites on acceptable terms. Local laws can affect our ability to acquire attractive pre-existing buildings in which to locate units or sites on which to build new units or to expand existing units. In addition, access to local suppliers of certain types of goods may limit our ability to add new units or to expand product selections in existing units in certain markets, especially in those markets in which consumers desire to purchase locally produced goods. Moreover, cultural differences in some markets into which we expand or into which we introduce new retail concepts may result in the consumers in those markets not being as receptive to our retail concepts as we anticipate those consumers will be and may make an effective response to such issues more difficult to achieve. If we do not effectively execute our expansion plans for our Walmart International segment, our financial performance could be adversely affected.

We may be unable to continue to identify suitable acquisition candidates at acceptable prices and may not be successful in completing the acquisition of any such candidate identified. Although we ultimately believe we will be able to successfully integrate any newly acquired operations into our existing operations, no certainty exists that future acquisitions or alliances will be successfully integrated into our operations or can be successfully integrated in a reasonable time. Our failure to identify appropriate candidates for acquisition or alliance or to integrate effectively future acquisitions and alliances into our existing operations could adversely affect the growth of our Walmart International segment and our future financial performance.

**Our failure to attract and retain qualified associates, changes in laws and other labor issues could adversely affect our financial performance.**

Our ability to continue to expand our operations depends on our ability to attract and retain a large and growing number of qualified associates. Our ability to meet our labor needs, including our ability to find qualified personnel to fill positions that become vacant at our existing stores, clubs and distribution centers, while controlling our associate wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the work force of the markets in which we are located, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. If we are unable to locate, to attract or to retain qualified personnel, if our costs of labor or related costs increase significantly or if new or revised labor laws, rules or regulations or healthcare laws are adopted or implemented, our financial performance could be adversely affected.

**We face strong competition from other retailers and wholesale club operators (whether through physical retail, e-commerce retail or through a combination of both areas), which could adversely affect our financial performance.**

The retail business is highly competitive. Each of our segments competes for customers, employees, store sites, products and services and in other important aspects of its business with many other local, regional, national and global retailers. Our Walmart U.S. segment competes with retailers operating discount, department, drug, dollar, variety and specialty stores, supermarkets, supercenter-type stores and hypermarkets, as well as internet-based retailers and catalog businesses. Our Sam's Club segment competes with other wholesale club operators, as well as discount retailers, retail and wholesale grocers and general merchandise wholesalers and distributors, gasoline stations, as well as internet-based retailers, wholesalers and catalog businesses. Internationally, we compete with retailers who operate department, drug, dollar stores, variety and specialty stores, supermarkets, supercenter-type stores, hypermarkets, wholesale clubs, internet-based retailers and catalog businesses. Such retailers and wholesale club operators compete in a variety of ways, including merchandise selection and availability, services offered to customers, location, store hours, in-store amenities and price. Where necessary, to compete effectively with competitors who price merchandise at points lower than the prices we set under our EDLP philosophy, we will lower our prices on goods for sale. Our ability to respond effectively to competitive pressures and changes in the retail markets could adversely affect our financial performance. See "Item 1. Business" above for additional discussion of our competitive situation in each of our reportable segments.

Although the retail industry as a whole is highly fragmented, certain segments of the retail industry may undergo consolidation from time to time, which could result in increased competition and significantly alter the dynamics of the retail marketplace. Such consolidation may result in competitors with greatly improved financial resources, improved access to merchandise, greater market penetration than they previously enjoyed and other improvements in their competitive positions. Such business combinations could result in the provision of a wider variety of products and services at competitive prices by such consolidated companies, which could adversely affect our financial performance.

**Risks associated with the suppliers from whom our products are sourced and the safety of those products could materially adversely affect our financial performance.**

The products we sell are sourced from a wide variety of domestic and international suppliers. Global sourcing of many of the products we sell is an important factor in our financial performance. All of our suppliers must comply with applicable laws, including labor, safety and environmental laws, and otherwise be certified as meeting our required supplier standards of conduct. Our ability to find qualified suppliers who meet our standards, and to access products in a timely and efficient manner is a significant challenge, especially with respect to suppliers located and goods sourced outside the U.S. Political and economic instability in the countries in which foreign suppliers are located, the financial instability of suppliers, suppliers' failure to meet our supplier standards, labor problems experienced by our suppliers, the availability of raw materials to suppliers, merchandise quality issues, currency exchange rates, transport availability and cost, transport security, inflation and other factors relating to the suppliers and the countries in which they are located are beyond our control. In addition, the U.S.'s foreign trade policies, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. These and other factors affecting our suppliers and our access to products could adversely affect our financial performance.

Our customers count on us to provide them with safe products. Concerns regarding the safety of food and non-food products that we source from our suppliers and then sell could cause customers to avoid purchasing certain products from us, or to seek alternative sources of supply for all of their food and non-food needs, even if the basis for the concern is outside of our control. Any lost confidence on the part of our customers would be difficult and costly to reestablish. As such, any issue regarding the safety of any food and non-food items we sell, regardless of the cause, could adversely affect our financial performance.

**Our Walmart International operations subject us to risks associated with the legislative, judicial, accounting, regulatory, political and economic risks and conditions specific to the countries or regions in which we operate, which could adversely affect our business or financial performance.**

We are currently engaged in the operation of retail through our wholly-owned subsidiaries operating in Argentina, Brazil, Canada, China, India, Japan and the United Kingdom; our majority-owned subsidiaries operating in Africa, Central America, Chile, China and Mexico; and our joint ventures and other controlled subsidiaries in China. During fiscal 2014, our Walmart International operations generated approximately 29% of our consolidated net sales. As a result of our expansion activities in countries outside the U.S., we expect that our Walmart International operations could account for a larger portion of our net sales in future years. Our future operating results in these countries or in other countries or regions throughout the world could be negatively affected by a variety of factors, most of which are beyond our control. These factors include political conditions, including political instability, economic conditions, legal and regulatory constraints, anti-money laundering laws and regulations, trade policies, currency regulations, and other matters in any of the countries or regions in which we operate, now or in the future. Foreign currency exchange rates and fluctuations may have an impact on our future costs or on future cash flows from our Walmart International operations, and could adversely affect our financial performance.

Moreover, the economies of some of the countries in which we have operations have in the past suffered from high rates of inflation and currency devaluations, which, if they occurred again, could adversely affect our financial performance. Other factors which may impact our Walmart International operations include foreign trade, monetary and fiscal policies both of the U.S. and of other countries, laws, regulations and other activities of foreign governments, agencies and similar organizations, and risks associated with having numerous facilities located in countries which have historically been less stable than the U.S. Additional risks inherent in our Walmart International operations generally include, among others, the costs and difficulties of managing international operations, adverse tax consequences and greater difficulty in enforcing intellectual property rights in countries other than the U.S. The various risks inherent in doing business in the U.S. generally also exist when doing business outside of the U.S., and may be exaggerated by the difficulty of doing business in numerous sovereign jurisdictions due to differences in culture, laws and regulations.

In foreign countries in which we have operations, a risk exists that our associates, contractors or agents could, in contravention of our policies, engage in business practices prohibited by U.S. laws and regulations applicable to us, such as the Foreign Corrupt Practices Act and the laws and regulations of other countries such as the UK Bribery Act. We maintain policies prohibiting such business practices and have in place enhanced global anti-corruption compliance programs designed to ensure compliance with these laws and regulations. Nevertheless, we remain subject to the risk that one or more of our associates, contractors or agents, including those based in or from countries where practices that violate such U.S. laws and regulations or the laws and regulations of other countries may be customary, will engage in business practices that are prohibited by our policies, circumvent our compliance programs and, by doing so, violate such laws and regulations. Any such violations, even if prohibited by our internal policies, could adversely affect our business or financial performance.

## **Natural disasters, changes in climate, and geo-political events could adversely affect our financial performance.**

The occurrence of one or more natural disasters, such as hurricanes, cyclones, typhoons, tropical storms, floods, earthquakes, tsunamis, weather conditions such as major or extended winter storms, droughts and tornadoes, whether as a result of climate change or otherwise, severe changes in climate and geo-political events, such as civil unrest or terrorist attacks in a country in which we operate or in which our suppliers are located could adversely affect our operations and financial performance. Such events could result in physical damage to, or the complete loss of, one or more of our properties, the closure of one or more stores, clubs and distribution facilities, the lack of an adequate work force in a market, the inability of customers and our associates to reach or have transportation to our stores and clubs directly affected by such events, the evacuation of the populace from areas in which our stores, clubs and distribution facilities are located, changes in the purchasing patterns of consumers and in consumers' disposable income, the temporary or long-term disruption in the supply of products from some local and overseas suppliers, the disruption in the transport of goods from overseas, the disruption or delay in the delivery of goods to our distribution facilities or stores within a country in which we are operating, the reduction in the availability of products in our stores, the disruption of utility services to our stores and our facilities, and disruption in our communications with our stores. These events and their impacts could otherwise disrupt and adversely affect our operations in the areas in which these types of events occur, such as the March 2011 earthquake and tsunami in Japan, Superstorm Sandy in the U.S. in 2012, or numerous winter storm systems in the U.S. in 2013 and 2014, and could adversely affect our financial performance.

In light of the substantial premiums payable for insurance coverage for losses caused by certain natural disasters, such as hurricanes, cyclones, typhoons, tropical storms, earthquakes, floods and tsunamis in the current insurance market, as well as the limitations on available coverage for such losses, we have chosen to be primarily self-insured with respect to such losses. Although we maintain certain specific coverages for losses from physical damages in excess of certain amounts to guard against catastrophic losses suffered from such causes, we still bear the risk of losses that would be incurred as a result of any physical damage to, or the destruction of, any stores, clubs and distribution facilities, loss or spoilage of inventory, and business interruption caused by any such events below catastrophic levels of coverage, as well as in the event of a catastrophe, in excess of the aggregate limits of applicable coverages. Significant losses caused by such events could materially adversely affect our financial performance.

## **We are subject to certain legal proceedings that may adversely affect our results of operations, financial condition and liquidity.**

We are involved in a number of legal proceedings, which include consumer, employment, tort and other litigation. Certain of these lawsuits, if decided adversely to us or settled by us, may result in liability material to our results of operations, financial condition and liquidity. We are currently a defendant in numerous cases containing class-action allegations in which the plaintiffs have brought claims under federal and state wage and hour laws. In addition, we are a defendant in *Dukes v. Wal-Mart Stores, Inc.*, which was commenced as a class-action lawsuit in June 2001 in the United States District Court for the Northern District of California, asserting that the Company had engaged in a pattern and practice of discriminating against women in promotions, pay, training, and job assignments, and seeking, among other things, injunctive relief, front pay, back pay, punitive damages, and attorneys' fees. On June 21, 2004, the U.S. district court issued an order granting in part and denying in part the plaintiffs' motion for class certification. As defined by the U.S. district court, the class included "[a]ll women employed at any Wal-Mart domestic retail store at any time since December 26, 1998, who have been or may be subjected to Wal-Mart's challenged pay and management track promotions policies and practices." The Company appealed the order to the Ninth Circuit Court of Appeals and subsequently to the United States Supreme Court. On June 20, 2011, the Supreme Court issued an opinion decertifying the class and remanding the case to the district court. On October 27, 2011, the plaintiffs' attorneys filed an amended complaint proposing a class of current and former female associates at the Company's California retail facilities, and the Company filed a motion to dismiss on January 13, 2012. On September 21, 2012, the court denied the motion. The plaintiffs filed a motion for class certification on April 15, 2013. On August 2, 2013, the court denied the motion. On August 16, 2013, the plaintiffs filed a petition for permission to appeal that ruling to the U.S. Court of Appeals for the Ninth Circuit. On November 18, 2013, the Ninth Circuit denied that petition. On October 28, 2011, the attorneys for the plaintiffs in the *Dukes* case filed a similar complaint in the United States District Court for the Northern District of Texas entitled *Odle v. Wal-Mart Stores, Inc.*, proposing a class of current and former female associates employed in any Walmart region that includes stores located in the state of Texas. On October 15, 2012, the court in the *Odle* case granted the Company's motion to dismiss, dismissing with prejudice the plaintiffs' class-action allegations and the individual claims of the lead plaintiff, Stephanie Odle. On March 19, 2013, the U.S. Court of Appeals for the Fifth Circuit denied the plaintiffs' petition for permission to appeal. On October 2, 2012, the plaintiffs' attorneys filed another similar complaint in the United States District Court for the Middle District of Tennessee entitled *Phipps v. Wal-Mart Stores, Inc.*, proposing a class of current and former female associates employed in "Region 43, centered in Middle and Western Tennessee." On February 20, 2013, the court in the *Phipps* case granted the Company's motion to dismiss, dismissing with prejudice the plaintiffs' class-action allegations. On September 11, 2013, the U.S. Court of Appeals for the Sixth Circuit granted the plaintiffs' petition for permission to appeal that ruling. On October 4, 2012, the plaintiffs' attorneys filed another similar complaint in the United States District Court for the Southern District of Florida entitled *Love v. Wal-Mart Stores, Inc.*, proposing a class of current and former female associates employed in certain designated stores and clubs in regions centered in the state of Florida. On September 23, 2013, the court in



the *Love* case granted the Company's motion to dismiss, dismissing with prejudice the plaintiffs' class-action allegations. Finally, on February 20, 2013, the plaintiffs' attorneys filed another similar complaint in the United States District Court for the Western District of Wisconsin, entitled *Ladik v. Wal-Mart Stores, Inc.*, proposing a class of current and former female associates employed in "Region 14, which includes Wal-Mart retail stores located in parts of Wisconsin, Illinois, Indiana and Michigan." On May 24, 2013, the court in the *Ladik* case granted the Company's motion to dismiss, dismissing with prejudice the plaintiffs' class-action allegations. On June 13, 2013, the U.S. Court of Appeals for the Seventh Circuit denied the plaintiffs' petition for permission to appeal. We discuss these cases and other litigation to which we are party in greater detail below under the caption "Item 3. Legal Proceedings" and in Note 10 to our Consolidated Financial Statements, which are part of our Annual Report to Shareholders, which are incorporated by reference in this Annual Report on Form 10-K and are included as an exhibit to this Annual Report on Form 10-K.

**We could be subject to liability, penalties and other sanctions and other adverse consequences arising out of our on-going FCPA matter.**

The Audit Committee of our Board of Directors, which is composed solely of independent directors, is conducting an internal investigation into, among other things, alleged violations of the Foreign Corrupt Practices Act ("FCPA") and other alleged crimes or misconduct in connection with certain of our foreign subsidiaries, including Wal-Mart de México, S.A.B. de C.V., or Walmex, and whether we appropriately handled prior allegations of such violations and/or misconduct. We are also conducting a voluntary global review of our policies, practices and internal controls for FCPA compliance and strengthening our global anti-corruption compliance programs. Since the implementation of the global review and enhanced anti-corruption compliance programs, the Audit Committee and we have identified or been made aware of additional allegations regarding potential violations of the FCPA. Inquiries or investigations regarding allegations of potential FCPA violations have been commenced in a number of foreign markets in which we operate, including, but not limited to, Brazil, China and India. In November 2011, we voluntarily disclosed our investigative activity to the U.S. Department of Justice (the "DOJ") and the SEC, and we have been informed by the DOJ and the SEC that we are the subject of their respective investigations into possible violations of the FCPA. A number of federal and local government agencies in Mexico have also initiated investigations of these matters. Furthermore, lawsuits relating to the matters under investigation have been filed by several of our shareholders against us, certain of our current and former directors and officers and certain of Walmex's current and former officers.

We could be exposed to a variety of negative consequences as a result of these matters. One or more enforcement actions could be instituted in respect of the matters that are the subject of some or all of the on-going government investigations, and such actions, if brought, may result in judgments, settlements, fines, penalties, injunctions, cease and desist orders, debarment or other relief, criminal convictions and/or penalties. The existing and any additional shareholder lawsuits may result in judgments against us and our current and former directors and officers named in those proceedings. We cannot predict at this time the outcome or impact of the government investigations, the shareholder lawsuits, or our own internal investigations and review. Moreover, we expect to continue to incur costs (incremental to the \$282 million of costs incurred in fiscal 2014) in conducting our on-going review and investigations and in responding to requests for information or subpoenas seeking documents, testimony and other information in connection with the government investigations and in defending the existing and any additional shareholder lawsuits and any governmental proceedings that are instituted against us or any of our current or former officers. These matters may require the involvement of certain members of our senior management that could impinge on the time they have available to devote to other matters relating to our business. We also expect that there will be ongoing media and governmental interest, including additional news articles from media publications on these matters that could impact the perception of our role as a corporate citizen among certain audiences. Our process of assessing and responding to the governmental investigations and the shareholder lawsuits continues. While we believe that it is probable that we will incur a loss from these matters, given the on-going nature and complexity of the review, inquiries and investigations, we cannot reasonably estimate any loss or range of loss that may arise from these matters. Although we do not presently believe that these matters will have a material adverse affect on our business, given the inherent uncertainties in such situations, we can provide no assurance that these matters will not be material to our business in the future.



**If the technology-based systems that give our customers the ability to shop with us online do not function effectively, our operating results, as well as our ability to grow our e-commerce business globally, could be materially adversely affected.**

Many of our customers shop with us over our merchandising websites, including walmart.com and samsclub.com, which are a part of our multi-channel sales strategy. Increasingly, customers are using computers, tablets, and smart phones to shop online with us and with our competitors and to do comparison shopping. We are increasingly using social media to interact with our customers and as a means to enhance their shopping experience. As a part of our multi-channel sales strategy, we offer a "site-to-store" program under which many products available for purchase online can be shipped to and picked up by the customer at his or her local Walmart store or Sam's Club, which provides additional customer traffic at such stores and clubs. Any failure on our part to provide attractive, user-friendly online merchandising platforms that offer a wide assortment of merchandise at competitive prices and with rapid delivery options and that continually meet the changing expectations of online shoppers and developments in online merchandising and related technology could place us at a competitive disadvantage, result in the loss of online and other sales, harm our reputation with customers, have a material adverse impact on the growth of our e-commerce business globally and could have a material adverse impact on our business and results of operations.

**Any failure to maintain the security of the information relating to our customers, associates and vendors that we hold, whether as a result of cybersecurity attacks or otherwise, could damage our reputation with customers, associates, vendors and others, could cause us to incur substantial additional costs and to become subject to litigation, and could materially adversely affect our operating results.**

As do most retailers, we receive and store certain personal information about our customers in our information systems, and we receive and store personal information concerning our associates and vendors. We also utilize use third-party service providers for a variety of reasons, including, without limitation, encryption and authentication technology, content delivery to customers, back-office support, and other functions. In addition, our online operations at www.walmart.com, www.samsclub.com and other websites depend upon the secure transmission of confidential information over public networks, including information permitting cashless payments. Each year, computer hackers, cyber terrorists, and others make numerous attempts to access the information stored in our information systems. We maintain substantial security measures to protect, and to prevent unauthorized access to, such information and have security processes, protocols and standards that are applicable to our third-party service providers to protect information from our systems to which they have access to under their engagements with us. As a result of these measures and our monitoring processes and procedures, we believe that past attempts by computer hackers, cyber terrorists and others to gain access to the information stored on our information systems have been unsuccessful. Nevertheless, it is possible that computer hackers, cyber terrorists and others (through cyberattacks, which are rapidly evolving and becoming increasingly sophisticated, or by other means) might defeat our security measures or those of our third-party service providers in the future and obtain the personal information of customers, associates and vendors that we hold. Any breach of our security measures or those of our third-party service providers and loss of our confidential information, which could be undetected for a period of time, or any failure by us to comply with applicable privacy and information security laws and regulations could cause us to incur significant costs to protect any customers whose personal data was compromised and to restore customer confidence in us and to make changes to our information systems and administrative processes to address security issues and compliance with applicable laws and regulations.

In addition, such events could materially adversely affect our reputation with our customers, associates, and vendors, as well as our operations, results of operations, financial condition and liquidity, and could result in litigation against us or the imposition of penalties or liabilities, which may not be covered by our insurance policies. Moreover, a security breach could require us to devote significant management resources to address the problems created by the security breach and to expend significant additional resources to upgrade further the security measures that we employ to guard such important personal information against cyberattacks and other attempts to access such information and could result in a disruption of our operations, particularly our online sales operations.

As a retailer who accepts debit and credit cards for payment, we are subject to the Payment Card Industry Data Security Standard ("PCI DSS"), issued by the PCI Council. PCI DSS contains compliance guidelines and standards with regard to our security surrounding the physical and electronic storage, processing and transmission of individual cardholder data. Despite our compliance with these standards and other information security measures, we cannot be certain that all of our information technology systems are able to prevent, contain or detect any cyberattacks, cyber terrorism, or security breaches from known malware or malware that may be developed in the future. To the extent that any disruption results in the loss, damage or misappropriation of information, we may be materially adversely affected by claims from customers, financial institutions, regulatory authorities, payment card associations and others. In addition, the cost of complying with stricter privacy and information security laws and standards could be significant to us.

**We rely extensively on information systems to process transactions, summarize results and manage our business. Disruptions in both our primary and secondary (back-up) systems could harm our ability to run our business.**

Although we have independent, redundant and physically separate primary and secondary information systems, given the number of individual transactions we have each year, it is critical that we maintain uninterrupted operation of our business-critical information systems. Our information systems, including our back-up systems, are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, worms, other malicious computer programs, denial-of-service attacks, security breaches (through cyberattacks from computer hackers and sophisticated organizations), catastrophic events such as fires, tornadoes, earthquakes and hurricanes, and usage errors by our associates. If our information systems and our back-up systems are damaged, breached or cease to function properly, we may have to make a significant investment to repair or replace them, and we may suffer interruptions in our operations in the interim. Any material interruption in both our information systems and back-up systems may have a material adverse affect on our business or results of operations. In addition, we are pursuing complex initiatives to transform our information technology processes and systems, which will include, for many of our information systems, establishing common processes across our lines of business. The risk of system disruption is increased when significant system changes are undertaken, although we believe that our change management process will mitigate this risk. If we fail to integrate our information systems and processes, we may fail to realize the cost savings anticipated to be derived from these initiatives.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

## ITEM 2. PROPERTIES

The number of discount stores, supercenters, Neighborhood Markets, other small formats and Sam's Clubs located in each state or territory of the United States and the number of units located in each of the geographic markets internationally in which we operate are disclosed as of the fiscal year ended January 31, 2014 in the part of our Annual Report to Shareholders under the caption "Unit Counts as of January 31, 2014 " that is an exhibit hereto and that information is incorporated herein by reference.

The following table provides further details of our retail units and distribution facilities, including return facilities, as of January 31, 2014 :

	Owned and Operated	Owned and Third Party Operated	Leased and Operated	Leased and Third Party Operated	Total
<b>U.S. properties</b>					
Walmart U.S. retail units	3,630	—	573	—	4,203
Sam's Club retail units	522	—	110	—	632
<b>Total U.S. retail units</b>	<b>4,152</b>	<b>—</b>	<b>683</b>	<b>—</b>	<b>4,835</b>
Walmart U.S. distribution facilities	102	2	3	25	132
Sam's Club distribution facilities	8	—	—	15	23
<b>Total U.S. distribution facilities</b>	<b>110</b>	<b>2</b>	<b>3</b>	<b>40</b>	<b>155</b>
<b>Total U.S. properties</b>	<b>4,262</b>	<b>2</b>	<b>686</b>	<b>40</b>	<b>4,990</b>
<b>International properties</b>					
Africa	35	—	344	—	379
Argentina	63	—	41	—	104
Brazil	216	—	340	—	556
Canada	131	—	258	—	389
Central America	196	—	465	—	661
Chile	234	—	146	—	380
China	3	—	402	—	405
India	2	—	18	—	20
Japan	60	—	378	—	438
Mexico <sup>(1)</sup>	647	—	1,552	—	2,199
United Kingdom	400	—	176	—	576
<b>Total International retail units</b>	<b>1,987</b>	<b>—</b>	<b>4,120</b>	<b>—</b>	<b>6,107</b>
International distribution facilities	42	11	62	36	151
<b>Total International properties</b>	<b>2,029</b>	<b>11</b>	<b>4,182</b>	<b>36</b>	<b>6,258</b>
<b>Total retail units</b>	<b>6,139</b>	<b>—</b>	<b>4,803</b>	<b>—</b>	<b>10,942</b>
<b>Total distribution facilities</b>	<b>152</b>	<b>13</b>	<b>65</b>	<b>76</b>	<b>306</b>
<b>Total properties</b>	<b>6,291</b>	<b>13</b>	<b>4,868</b>	<b>76</b>	<b>11,248</b>

(1) Mexico unit counts exclude 360 units of the Vips restaurant business classified as discontinued operations as of January 31, 2014. The Company has entered into an agreement to sell the operations of the Vips restaurant business, subject to regulatory approval.

We own office facilities in Bentonville, Arkansas that serve as our principal office and lease office facilities throughout the U.S. for operations and field management. The land on which our stores are located is either owned or leased by the Company. We use independent contractors to construct our buildings. All store leases provide for annual rentals, some of which escalate during the original lease or provide for additional rent based on sales volume. Substantially all of the Company's store and club leases have renewal options, some of which include escalation clauses causing an increase in rents.

For further information on our distribution centers, see the caption "Distribution" provided for each of our segments under "Item 1. Business."

### **ITEM 3. LEGAL PROCEEDINGS**

**I. SUPPLEMENTAL INFORMATION:** We discuss certain legal proceedings in Note 10 to our Consolidated Financial Statements, entitled "Contingencies," which is one of the Notes to Consolidated Financial Statements incorporated by reference in Part II, Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K and is incorporated by reference in this item. We refer you to that discussion for important information concerning those legal proceedings, including the basis for such actions and, where known, the relief sought. We provide the following additional information concerning those legal proceedings, including the name of the lawsuit, the court in which the lawsuit is pending, and the date on which the petition commencing the lawsuit was filed.

**Wage-and-Hour Class Action:** *Braun/Hummel v. Wal-Mart*, Ct. of Common Pleas, Philadelphia County, PA, 3/20/02 and 8/30/04; Superior Ct. of PA, Eastern Dist., Philadelphia, PA, 12/7/07; Supreme Court of PA, Harrisburg, PA, 10/9/11.

**Gender Discrimination Class Actions:** *Dukes v. Wal-Mart*, USDC, Northern Dist. of CA, San Francisco Div., 6/19/01; 9th Circuit Ct. of Appeals, San Francisco, CA, 8/26/04; US Supreme Court, Washington DC, 8/25/10; *Odle v. Wal-Mart*, USDC, Northern Dist. of TX, 10/27/11; *Phipps v. Wal-Mart*, USDC, Middle Dist. of TN, 10/2/12; 6th Circuit Ct. of Appeals, Cincinnati, OH, 9/11/13; *Love v. Wal-Mart*, USDC, Southern Dist. of FL, 10/4/12; *Ladik v. Wal-Mart*, USDC, Western Dist. of WI, 2/20/13.

**II. CERTAIN OTHER PROCEEDINGS:** The Company is a defendant in several lawsuits in which the complaints closely track the allegations set forth in a news story that appeared in *The New York Times* ( the " *Times* " ) on April 21, 2012. One of these is a securities lawsuit that was filed on May 7, 2012, in the United States District Court for the Middle District of Tennessee, and subsequently transferred to the Western District of Arkansas, in which the plaintiff alleges various violations of the U.S. Foreign Corrupt Practices Act (the "FCPA") beginning in 2005, and asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, relating to certain prior disclosures of the Company. The plaintiff seeks to represent a class of shareholders who purchased or acquired stock of the Company between December 8, 2011, and April 20, 2012, and seeks damages and other relief based on allegations that the defendants' conduct affected the value of such stock. In addition, a number of derivative complaints have been filed in Delaware and Arkansas, also tracking the allegations of the *Times* story, and naming various current and former officers and directors as additional defendants. The plaintiffs in the derivative suits (in which the Company is a nominal defendant) allege, among other things, that the defendants who are or were directors or officers of the Company breached their fiduciary duties in connection with oversight of FCPA compliance. Most, but not all, of the derivative suits have been combined into two consolidated proceedings, one of which is currently pending in the Western District of Arkansas and the other in the Delaware Court of Chancery. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with these proceedings will be material to the Company's financial condition or results of operations.

**Securities Class Action:** *City of Pontiac General Employees Retirement System v. Wal-Mart Stores, Inc.*, USDC, Western Dist. of AR, 5/7/12.

**Derivative Lawsuits:** *In re Wal-Mart Stores, Inc. Shareholder Derivative Litigation*, USDC, Western Dist. of AR, 5/31/12 (consolidation of six separately-filed suits); *Emory v. Duke, et al.*, USDC, Western Dist. of AR, 4/26/12; *Austin v. Walton et al.*, Circuit Court of Pope County, AR, 5/17/12; *In re Wal-Mart Stores, Inc. Delaware Derivative Litigation*, Delaware Court of Chancery, 4/25/12 (consolidation of seven separately-filed suits).

**III. ENVIRONMENTAL MATTERS:** Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters. The following matters are disclosed in accordance with that requirement.

In January 2011, the Environmental Department of Porto Alegre Municipality formally notified WMS Supermercados do Brasil Ltda ("Walmart Brazil"), a subsidiary of the Company, of soil inspection reports indicating soil contamination due to leakage of oil from power generating equipment at nine store locations in Brazil. Walmart Brazil is cooperating with the agency as well as the District Attorney's Office for the State of Rio Grande do Sul and has filed a mitigation plan to address the situation. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In July 2011, the Environmental Department of Bento Gonçalves notified Walmart Brazil that it is investigating alleged soil contamination from oil leakage, in addition to the previous wastewater issue. Walmart Brazil is cooperating with the agency and monitoring the affected area. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In January 2014, a division of the State Department of Sustainable Development of Santa Catarina notified Walmart Brazil that a store did not have the proper license for a wastewater treatment system. Walmart Brazil is working with the agency to resolve the issue. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In February 2014, a division of the Health Department of the City of Vitória notified Walmart Brazil that a wastewater leak had been observed in the parking lot of a store. Walmart Brazil immediately took steps to address the situation and is cooperating with the agency to resolve the issue. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In April 2013, a subsidiary of the Company, Corporacion de Compañías Agroindustriales, operating in Costa Rica, became aware that the Municipality of Curridabat is seeking a penalty of approximately \$380,000 in connection with the construction of a retaining wall fifteen years ago for a perishables distribution center that is situated along a protected river bank. The subsidiary obtained permits from the Municipality and the Secretaria Técnica Nacional Ambiental at the time of construction, but the Municipality now alleges that the wall is non-conforming. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In 2013, Wal-Mart de México, S.A.B. de C.V. ("Walmex"), a subsidiary of the Company, resolved 21 enforcement actions with the Mexico Environmental Protection Agency in the State of Michoacán, Mexico, involving a variety of issues that occurred between 2008 and 2013. The issues included, but were not limited to, record-keeping allegations, such as failure to maintain appropriate records for air conditioning equipment, and the alleged failure to obtain appropriate permits, such as for the installation of ovens. Walmex agreed to pay approximately \$92,000 USD into a fund set up by the state for ecological projects and to help restore a natural preservation area known as La Mintzita, in resolution of 18 of the matters, and to pay approximately \$92,500 USD to resolve the remaining 3 matters .

In August 2013, the Company received a notice from the California Air Resources Board ("CARB") alleging that two products sold by the Company have exceeded volatile organic chemical limits prescribed in its California Consumer Products Regulations. The Company is responding to the allegations and cooperating with CARB's investigation. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## **PART II**

### **ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Certain information required to be provided in this item is incorporated herein by reference to the information included under the captions "Market price of common stock," "Listing" and "Dividends paid per share" in our Annual Report to Shareholders. Such information appears in the portion of the Annual Report to Shareholders that is an Exhibit 13 to this Annual Report on Form 10-K and incorporated by reference herein.

Our common stock is primarily traded in the United States on the New York Stock Exchange. At March 18, 2014, the latest practicable date, there were 255,758 common stock shareholders of record.

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Board of Directors. On June 6, 2013, the Company's Board of Directors replaced the previous \$15.0 billion share repurchase program, which had approximately \$712 million of remaining authorization for share repurchases as of that date, with a new \$15.0 billion share repurchase program, announced on June 7, 2013. As was the case with the replaced share repurchase program, the current share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At January 31, 2014, authorization for \$11.3 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

Share repurchase activity under our share repurchase program, on a settlement date basis, for each of the three months ended January 31, 2014, was as follows:

<b>Fiscal Period</b>	<b>Total Number of Shares Repurchased</b>	<b>Average Price Paid per Share (in dollars)</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in billions)</b>
November 1-30, 2013	4,937,704	\$ 78.08	4,937,704	\$ 11.8
December 1-31, 2013	3,105,451	79.12	3,105,451	11.6
January 1-31, 2014	3,187,282	77.11	3,187,282	11.3
<b>Total</b>	<b>11,230,437</b>		<b>11,230,437</b>	

**ITEM 6.**      **SELECTED FINANCIAL DATA**

The information required by this item is incorporated by reference to all information under the caption "Five-Year Financial Summary" included in our Annual Report to Shareholders. Such information is included in Exhibit 13 to this Annual Report on Form 10-K.

**ITEM 7.**      **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The information required by this item is incorporated by reference to all information under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report to Shareholders. Such information is included in Exhibit 13 to this Annual Report on Form 10-K.

**ITEM 7A.**    **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The information required by this item is incorporated by reference to all information under the sub-caption "Market Risk" under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report to Shareholders. Such information is included in Exhibit 13 to this Annual Report on Form 10-K.

**ITEM 8.**      **FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

The information required by this item is incorporated by reference to all information under the captions "Consolidated Statements of Income," "Consolidated Statements of Comprehensive Income," "Consolidated Balance Sheets," "Consolidated Statements of Shareholders' Equity," "Consolidated Statements of Cash Flows," "Notes to Consolidated Financial Statements" and "Report of Independent Registered Public Accounting Firm" included in our Annual Report to Shareholders. Such information is included in Exhibit 13 to this Annual Report on Form 10-K.



**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

We maintain a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. In designing and evaluating such controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management is necessarily required to use judgment in evaluating controls and procedures. Also, we may have investments in certain unconsolidated entities. Since we do not control or manage those entities, our controls and procedures with respect to those entities are substantially more limited than those we maintain with respect to our consolidated subsidiaries.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes to improve such controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, automating manual processes and updating existing systems. For example, we are currently implementing various new financial system applications in stages across the Company. To date, we have completed significant implementations in Argentina, Canada, Central America, Japan, Mexico, the United Kingdom and the United States. As these financial system applications are implemented, they become a significant component of our internal control over financial reporting. We will continue to implement and update our financial system applications in stages, and each implementation may become a significant component of our internal control over financial reporting. Additionally, we are currently establishing shared service functions and processes on a global scale. The implementation of our global shared services is in the beginning stages, and we believe the related changes to processes and internal controls will allow us to be more efficient and further enhance our internal control over financial reporting.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

**Reports on Internal Control Over Financial Reporting**

Management's report on internal control over financial reporting and the attestation report of Ernst & Young LLP, the Company's independent registered public accounting firm, on the Company's internal control over financial reporting are incorporated herein by reference to all information under the captions "Management's Report to Our Shareholders" and "Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting," respectively, included in our Annual Report to Shareholders. Such information is included in Exhibit 13 to this Annual Report on Form 10-K.

**Changes in Internal Control Over Financial Reporting**

Except for the ongoing implementation and updating of the financial system and global shared services functions noted above, there has been no change in the Company's internal control over financial reporting as of January 31, 2014, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

None.

## **PART III**

### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information required by this item with respect to the Company's directors, certain family relationships, and compliance by the Company's directors, executive officers and certain beneficial owners of the Company's common stock with Section 16(a) of the Securities Exchange Act of 1934, as amended, is incorporated by reference to such information under the captions entitled "Information About the Board" and "Stock Ownership – Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement relating to the Annual Meeting of Shareholders to be held on June 6, 2014 (our "Proxy Statement").

Please see the information concerning our executive officers contained in Part I of this Annual Report on Form 10-K under the caption "Executive Officers of the Registrant," which is included there in accordance with Instruction 3 to Item 401(b) of the SEC's Regulation S-K.

No material changes have been made to the procedures by which shareholders of the Company may recommend nominees to our board of directors since those procedures were disclosed in our proxy statement relating to our 2013 Annual Shareholders' Meeting as previously filed with the SEC.

The information regarding our Audit Committee, including our audit committee financial experts and our Codes of Ethics for the CEO and Senior Financial Officers and other associates, required by this item is incorporated herein by reference to the information under the captions "Information About the Board – Board Committees," "Corporate Governance – Audit Committee Financial Experts" and "Corporate Governance – Board and Committee Governing Documents" included in our Proxy Statement. "Item 1. Business" above contains information relating to the availability of a copy of our Code of Ethics for our CEO and Senior Financial Officers and our Statement of Ethics and the posting of amendments to and any waivers of the Code of Ethics for our CEO and Senior Financial Officers and our Statement of Ethics on our website.

### **ITEM 11. EXECUTIVE COMPENSATION**

The information required by this item is incorporated herein by reference to all information under the captions "Information About the Board – Compensation of the Directors," "Executive Compensation" and under the sub-captions "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report" that appear under the caption "Corporate Governance" included in our Proxy Statement.

### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this item is incorporated herein by reference to all information under the sub-captions "Holdings of Major Shareholders" and "Holdings of Officers and Directors" that appear under the caption "Stock Ownership" and all information that appears under the caption "Equity Compensation Plan Information" included in our Proxy Statement.

### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by this item is incorporated herein by reference to all information under the caption "Corporate Governance – Related Person Transactions," under the caption "Corporate Governance – Transaction Review Policy" and under the caption "Information About the Board – Director Independence" included in our Proxy Statement.

### **ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The information required by this item is incorporated herein by reference to all information under the caption "Corporate Governance—Audit Committee Pre-Approval Policy" and under the caption "Corporate Governance—Proposal No. 2 Ratification of Independent Accountants" included in our Proxy Statement.

## **PART IV**

### **ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

(a) Documents filed as part of this report are as follows:

1. Financial Statements:

See the Financial Statements incorporated herein by reference to the portions of our Annual Report to Shareholders filed as Exhibit 13 hereto.

2. Financial Statement Schedules:

Certain schedules have been omitted because the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements, including the notes thereto.

3. Exhibits:

The required exhibits are included at the end of the Form 10-K or are incorporated herein by reference and are described in the Exhibit Index immediately preceding the first exhibit to this Annual Report on Form 10-K.

(b) Financial Statement Schedules

None.

## **SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Wal-Mart Stores, Inc.

DATE: March 21, 2014

By /s/ C. Douglas McMillon  
C. Douglas McMillon  
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

DATE: March 21, 2014

By /s/ C. Douglas McMillon  
C. Douglas McMillon  
President and Chief Executive Officer and Director  
(Principal Executive Officer)

DATE: March 21, 2014

By /s/ S. Robson Walton  
S. Robson Walton  
Chairman of the Board and Director

DATE: March 21, 2014

By /s/ Charles M. Holley, Jr.  
Charles M. Holley, Jr.  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

DATE: March 21, 2014

By /s/ Steven P. Whaley  
Steven P. Whaley  
Senior Vice President and Controller  
(Principal Accounting Officer)

Signature Page to Wal-Mart Stores, Inc.  
Form 10-K for Fiscal Year Ended January 31, 2014

DATE: March 21, 2014	By	<u>/s/ Aida M. Alvarez</u> Aida M. Alvarez Director
DATE: March 21, 2014	By	<u>/s/ James I. Cash, Jr.</u> James I. Cash, Jr. Director
DATE: March 21, 2014	By	<u>/s/ Roger C. Corbett</u> Roger C. Corbett Director
DATE: March 21, 2014	By	<u>/s/ Pamela J. Craig</u> Pamela J. Craig Director
DATE: March 21, 2014	By	<u>/s/ Douglas N. Daft</u> Douglas N. Daft Director
DATE: March 21, 2014	By	<u>/s/ Michael T. Duke</u> Michael T. Duke Director
DATE: March 21, 2014	By	<u>/s/ Timothy P. Flynn</u> Timothy P. Flynn Director
DATE: March 21, 2014	By	<u>/s/ Marissa A. Mayer</u> Marissa A. Mayer Director

Signature Page to Wal-Mart Stores, Inc.  
Form 10-K for Fiscal Year Ended January 31, 2014

DATE: March 21, 2014

By /s/ Gregory B. Penner

Gregory B. Penner

Director

DATE: March 21, 2014

By /s/ Steven S Reinemund

Steven S Reinemund

Director

DATE: March 21, 2014

By /s/ H. Lee Scott, Jr.

H. Lee Scott, Jr.

Director

DATE: March 21, 2014

By /s/ Jim C. Walton

Jim C. Walton

Director

DATE: March 21, 2014

By /s/ Christopher J. Williams

Christopher J. Williams

Director

DATE: March 21, 2014

By /s/ Linda S. Wolf

Linda S. Wolf

Director

Signature Page to Wal-Mart Stores, Inc.  
Form 10-K for Fiscal Year Ended January 31, 2014

## Exhibit Index

The following exhibits are filed as part of this Form 10-K or are incorporated herein by reference.

- 3 (a) Restated Certificate of Incorporation of the Company dated October 25, 1988, the Certificate of Amendment to the Restated Certificate of Incorporation executed August 19, 1991, and the Certificate of Amendment to the Restated Certificate of Incorporation executed July 27, 1999, are incorporated hereby by reference to Exhibits 4.1, 4.2 and 4.3, respectively, to the Registration Statement on Form S-3 (File No. 333-178385).
- 3 (b) Amended and Restated Bylaws of the Company are incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K that the Company filed on February 13, 2014.
- 4 (a) Form of Indenture dated as of June 1, 1985, between the Company and Bank of New York, Trustee, (formerly Boatmen's Trust Company and Centerre Trust Company) is incorporated herein by reference to Exhibit 4(c) to Registration Statement on Form S-3 (File Number 2-97917).
- 4 (b) Form of Indenture dated as of August 1, 1985, between the Company and Bank of New York, Trustee, (formerly Boatmen's Trust Company and Centerre Trust Company) is incorporated herein by reference to Exhibit 4(c) to Registration Statement on Form S-3 (File Number 2-99162).
- 4 (c) Form of Amended and Restated Indenture, Mortgage and Deed of Trust, Assignment of Rents and Security Agreement dated as of December 1, 1986, among the First National Bank of Boston and James E. Mogavero, Owner Trustees, Rewal Corporation I, Estate for Years Holder, Rewal Corporation II, Remainderman, the Company and the First National Bank of Chicago and R.D. Manella, Indenture Trustees, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-11394).
- 4 (d) Form of Indenture dated as of July 15, 1990, between the Company and Harris Trust and Savings Bank, Trustee, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-35710).
- 4 (e) Indenture dated as of April 1, 1991, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, as successor trustee to The First National Bank of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(a) to Registration Statement on Form S-3 (File Number 33-51344).
- 4 (f) First Supplemental Indenture dated as of September 9, 1992, to the Indenture dated as of April 1, 1991, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, as successor trustee to The First National Bank of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-51344).
- 4 (g) Indenture dated as of July 5, 2001, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, is incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-3 (File Number 333-64740).
- 4 (h) Indenture dated as of December 11, 2002, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, is incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-3 (File Number 333-101847).
- 4 (i) Indenture dated as of July 19, 2005, between the Company and J.P. Morgan Trust Company, National Association is incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-3 (File Number 333-126512).
- 4 (j) First Supplemental Indenture, dated December 1, 2006, between Wal-Mart Stores, Inc. and The Bank of New York Trust Company, N.A., as successor-in-interest to J.P. Morgan Trust Company, National Association, as Trustee, under the Indenture, dated as of July 19, 2005, between Wal-Mart Stores, Inc. and J.P. Morgan Trust Company, National Association, as Trustee, is incorporated herein by reference to Exhibit 4.6 to Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (File Number 333-130569).



- 10(a) Wal-Mart Stores, Inc. Officer Deferred Compensation Plan as amended and restated effective February 1, 2012, is incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of the Company dated September 29, 2011.
- 10(b) Wal-Mart Stores, Inc. Management Incentive Plan as amended and effective February 1, 2013, is incorporated herein by reference to Appendix A to the Proxy Statement that is a part of the Company's Schedule 14A filed on April 22, 2013.
- 10(c) The Rules of the ASDA Sharesave Plan 2000, as amended effective June 4, 2010, are incorporated by reference to Appendix B to the Proxy Statement that is a part of the Company's Schedule 14A filed on April 19, 2010.
- 10(d) The ASDA Colleague Share Ownership Plan 1999, as amended June 4, 2004, incorporated by reference to Exhibit 10(d) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011, filed on March 30, 2011.
- 10(e) Form of Restricted Stock Award and Notification of Award and Terms and Conditions of Award is incorporated by reference to Exhibit 10(e) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2010, filed on March 30, 2010.
- 10(f) Form of Post-Termination Agreement and Covenant Not to Compete with attached Schedule of Executive Officers Who Have Executed a Post-Termination Agreement and Covenant Not to Compete is incorporated by reference to Exhibit 10(f) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2010, filed on March 30, 2010.
- 10(f).1\* Amended Schedule of Executive Officers who have executed a Post-Termination Agreement and Covenant Not to Compete in the form filed as Exhibit 10(f) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2010.
- 10(g) Wal-Mart Stores, Inc. 2004 Associate Stock Purchase Plan, as amended and restated effective as of February 1, 2004, is incorporated by reference to Exhibit 10(g) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011, filed on March 30, 2011.
- 10(h)\* Wal-Mart Stores, Inc. Stock Incentive Plan of 2010.
- 10(i) Form of Wal-Mart Stores, Inc. Stock Incentive Plan, Notice of Non Qualified Stock Option Grant is incorporated by reference to Exhibit 10(i) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011, filed on March 30, 2011.
- 10(j) Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, Performance Share Award, Notification of Award and Terms and Conditions of Award is incorporated by reference to Exhibit 10(j) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2010, filed on March 30, 2010.
- 10(k) Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2005, Performance-Based Restricted Stock Award, Notification of Award and Terms and Conditions of Award is incorporated by reference to Exhibit 10(k) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2010, filed on March 30, 2010.
- 10(l) Amendment to Form of Post-Termination Agreement and Covenant Not to Compete Agreements is incorporated by reference to Exhibit 10(l) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011, filed on March 30, 2011.
- 10(m) Wal-Mart Stores, Inc. Supplemental Executive Retirement Plan amended and restated effective February 1, 2011, is incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of the Company dated September 29, 2011.
- 10(n) Wal-Mart Stores, Inc. Director Compensation Deferral Plan, amended and restated effective June 4, 2010, is incorporated by reference to Exhibit 10(n) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011, filed on March 30, 2011.
- 10(o) Form of Post-Termination Agreement and Covenant Not to Compete with attached Schedule of Executive Officers who have executed a Post-Termination Agreement and Covenant Not to Compete is incorporated by reference to Exhibit 10(p) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011, filed on March 30, 2011.

10(o).1*	Amended Schedule of Executive Officers who have executed a Post-Termination Agreement and Covenant Not to Compete in the form filed as Exhibit 10(p) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011.
10(p)	Wal-Mart Deferred Compensation Matching Plan, effective February 1, 2012, is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of the Company dated September 29, 2011.
10(q)	Retirement Agreement between Eduardo Castro-Wright and Wal-Mart Stores, Inc. dated September 23, 2011, is incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K of the Company dated and filed September 27, 2011.
10(r)	Agreement by and between the Company and Michael T. Duke dated November 22, 2013, is incorporated by reference by Exhibit 10.1 to the Current Report on Form 8-K that the Company filed on November 25, 2013.
10(s)*	Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2010 Performance Unit Award, Notification of Award and Terms and Condition of Award.
10(t)*	Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2010 Restricted Stock Award, Notification of Award and Terms and Conditions of Award.
10(u)*	Post-Termination Agreement and Covenant Not to Compete between Wal-Mart Canada Corp. and David Cheesewright dated as of January 31, 2014.
12*	Statement regarding computation of the Earnings to Fixed Charges Ratios.
13*	Portions of our Annual Report to Shareholders for the fiscal year ended January 31, 2014. All information incorporated by reference in Items 1, 2, 3, 5, 6, 7, 7A, 8 and 9A of this Annual Report on Form 10-K from the Annual Report to Shareholders for the fiscal year ended January 31, 2014, is filed with the SEC. The balance of the information in the Annual Report to Shareholders will be furnished to the SEC in accordance with Item 601(b) (13) of Regulation S-K.
21*	List of the Company's Significant Subsidiaries.
23*	Consent of Independent Registered Public Accounting Firm.
31.1*	Chief Executive Officer Section 302 Certification.
31.2*	Chief Financial Officer Section 302 Certification.
32.1**	Chief Executive Officer Section 906 Certification.
32.2**	Chief Financial Officer Section 906 Certification.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

\* Filed herewith as an Exhibit.

\*\* Furnished herewith as an Exhibit



**AMENDED SCHEDULE OF EXECUTIVE OFFICERS WHO HAVE EXECUTED A POST-TERMINATION AGREEMENT AND COVENANT NOT TO COMPETE IN THE FORM FILED AS EXHIBIT 10(f) TO THE ANNUAL REPORT ON FORM 10-K OF THE COMPANY FOR THE FISCAL YEAR ENDED JANUARY 31, 2010 (this "Amended Schedule")**

This Amended Schedule amends the Schedule of Executive Officers Who Have Executed a Post-Termination Agreement and Covenant Not to Compete (the "Original Schedule") that followed the form of Post-Termination Agreement and Covenant Not to Compete originally filed by Wal-Mart Stores, Inc. as Exhibit 10(f) to its Annual Report on Form 10-K for the year ended January 31, 2010, as filed on March 30, 2010. This Amended Schedule is included pursuant to Instruction 2 of Item 601(a) of Regulation S-K for the purpose of setting forth the details in which specific agreements executed in the form of Post-Termination Agreement and Covenant Not to Compete incorporated by reference into the Annual Report on Form 10-K of Wal-Mart Stores, Inc. for the fiscal year ended January 31, 2014 as Exhibit 10(f) differ from such form of Post-Termination Agreement and Covenant Not to Compete, including to set forth the person who is a party, with Wal-Mart Stores, Inc., to a Post-Termination Agreement and Covenant Not to Compete in such form at January 31, 2014, and to reflect that certain persons included in the Original Schedule as parties to Post-Termination Agreements and Covenants Not to Compete in such form are no longer parties to an effective Post-Termination Agreement and Covenant Not to Compete in such form.

<b>Executive Officer Who is a Party to such a Post-Termination Agreement and Covenant Not to Compete</b>	<b>Date of Agreement, as amended</b>	<b>Value of Restricted Stock Award Granted in Connection with Agreement</b>
Michael T. Duke	December 1, 2005	An amount equal to 100% of base salary

**WAL-MART STORES, INC.**  
**STOCK INCENTIVE PLAN OF 2010**  
 (As amended and restated effective August 12, 2013)

**1.1 Purpose and Effective Date.** Wal-Mart Stores, Inc. ("Walmart") believes it is important to provide incentives to Walmart's Associates and non-management directors through participation in the ownership of Walmart and otherwise. The Wal-Mart Stores, Inc. Stock Incentive Plan of 2010 was originally established under the name Wal-Mart Stores, Inc. Stock Incentive Plan of 1998 ("1998 Plan"). The 1998 Plan was amended, restated and renamed from time to time, and approved and re-approved by Walmart stockholders, as the Wal-Mart Stores, Inc. Stock Incentive Plan of 2005 ("2005 Plan") and the Wal-Mart Stores, Inc. Stock Incentive Plan of 2010 ("Plan"). The Plan, as heretofore amended, is hereby further amended and restated as set forth herein effective August 12, 2013, to make certain administrative changes and other changes not requiring stockholder approval. The purpose of the Plan is to provide incentives to certain Associates and to non-management directors to enhance their job performance, to motivate them to remain or become associated with Walmart and its Affiliates, and to increase the success of Walmart. The Plan is not limited to Associates who are executive officers of Walmart, but will be available to provide incentives to any Associate that the Committee believes has made or may make a significant contribution to Walmart or an Affiliate of Walmart.

**DEFINITIONS**

**2.1 "Affiliate"** means any corporation, partnership, limited liability company, business trust, other entity or other business association that is now or hereafter controlled by Walmart; provided that if a Plan Award provides for the deferral of compensation within the meaning of Code Section 409A, and if the applicable Notice of Plan Award does not contain a definition of "Affiliate" as required under Code Section 409A, then for purposes of such Plan Award "Affiliate" means a definition that will comply with Code Section 409A, applying a direct or indirect control or ownership percentage of Walmart equal to or greater than 50%.

**2.2 "Associate"** means (a) any person employed by Walmart or any Affiliate, and (b) any person who is a non-management director of Walmart.

**2.3 "Board"** means the Board of Directors of Walmart.

**2.4 "Cause"** means the Associate's commission of any act deemed inimical to the best interest of Walmart or any Affiliate or failure to perform satisfactorily his or her assigned duties, each as determined in the sole discretion of the Committee.

**2.5 "Code"** means the Internal Revenue Code of 1986, as amended.

**2.6 "Committee"** means the Compensation, Nominating and Governance Committee of the Board. Where the Compensation, Nominating and Governance Committee of the Board has delegated duties, powers or authority hereunder, the term "Committee" shall refer to the delegate.

**2.7 "Continuous Status as an Associate"** means the absence of any interruption or termination of the employment relationship between an Associate and Walmart or an Affiliate or the absence of any termination of services as a non-management director of Walmart. Continuous Status as an Associate shall not be considered interrupted in the case of (a) sick leave, (b) military leave, or (c) any other leave of absence approved by Walmart or an Affiliate; provided that leave does not exceed one year, unless re-employment upon the expiration of that leave is guaranteed by contract or law or unless provided otherwise by a policy of Walmart or an Affiliate. Notwithstanding the preceding definition, if a Plan Award provides for the deferral of compensation within the meaning of Code Section 409A, and if the applicable Notice of Plan Award does not define a term that is a "separation from service" within the meaning of Code Section 409A, then for purposes of such Plan Award the Recipient's Continuous Status as an Associate will terminate if the Recipient has a "separation from service" within the meaning of Code Section 409A.

**2.8 "Covered Employee"** has the meaning set forth in Code Section 162(m)(3).

**2.9 "Exchange Act"** means the Securities Exchange Act of 1934, as amended, and the rules and regulations adopted thereunder.

**2.10 "Fair Market Value"** means, as of any date, the closing sales price for a Share (a) on the NYSE (or if no trading in Shares occurred on that date, on the last day on which Shares were traded) or (b) if the Shares are not listed for trading on the NYSE, the value of a Share as determined in good faith by the Committee; provided that for purposes of tax withholding, for purposes of a "net exercise" procedure for Options, and for such other purposes as the Committee deems appropriate, the Committee may apply a different method for calculating Fair Market Value determined in good faith by the Committee for such purpose.

**2.11 "Fiscal Year"** means the 12-month period beginning on each February 1 and ending on the following January 31.

**2.12 "Gross Misconduct"** is conduct that the Committee determines is detrimental to the best interests of Walmart or any Affiliate. Examples of conduct detrimental to the best interests of Walmart or any Affiliate include, without limitation, violation of Walmart's Statement of Ethics or other Walmart policy governing behavior while an Associate or applicable period thereafter, or theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses while an Associate.

- 2.13 "Incentive Stock Option"** means an Option intended to qualify as an incentive stock option within the meaning of Code Section 422.
- 2.14 "Nonqualified Option"** means an Option not intended to be treated as an Incentive Stock Option or that in fact does not qualify as an Incentive Stock Option.
- 2.15 "Notice of Plan Award"** means the agreement or other document evidencing and governing any Plan Award.
- 2.16 "NYSE"** means the New York Stock Exchange or any successor organization thereto.
- 2.17 "Option"** means a stock option to acquire a certain number of the Subject Shares granted pursuant to the Plan.
- 2.18 "Parent/Subsidiary Corporation"** means a "parent corporation" (within the meaning of Code Section 424(e)) or a "subsidiary corporation" (within the meaning of Code Section 424(f)) of Walmart, in each case determined as of the date of grant.
- 2.19 "Performance Goals"** means the pre-established objective performance goals established by the Committee for each Performance Period. The Performance Goals may be based upon the performance of Walmart, of any Affiliate, or a division or unit thereof, or of an individual Recipient, or groups of Recipients, or of a store or groups of stores, using one or more of the Performance Measures selected by the Committee. Separate Performance Goals may be established by the Committee for Walmart or an Affiliate, or division thereof, or an individual, and different Performance Measures may be given different weights. The Performance Goals shall include one or more threshold Performance Goals under which no portion of the Plan Award shall become vested, be transferred, retained, or the value of which is to be paid as provided by the Plan and Notice of Plan Award, if the threshold goal or goals are not achieved. With respect to Recipients who are not Covered Employees, the Committee may establish other subjective or objective goals, including individual Performance Goals, which it deems appropriate. The preceding sentence shall also apply to Covered Employees with respect to any Plan Awards not intended at the time of grant to be Qualified Performance Based Awards.

Performance Goals may be set at a specific level, or may be expressed as a relative percentage to the comparable measure at comparison companies, business units, divisions or individuals or a defined index. Performance Goals shall, to the extent applicable, be based upon generally accepted accounting principles, but shall be adjusted by the Committee to take into account the effect of the following: changes in applicable accounting standards after the Performance Goal is established; realized investment gains and/or losses; extraordinary, unusual, non-recurring or infrequent items; currency fluctuations; acquisitions; divestitures; litigation losses; financing activities; expenses for restructuring or productivity initiatives; other non-operating items; new laws, cases or regulatory developments that result in unanticipated items of gain, loss, income or expense; executive severance arrangements; investment returns relating to investment vehicles which are unaffiliated with a corporate or divisional operating strategy; bonus expense; the impact on pre-tax income of interest expense attributable to the repurchase of Shares; extraordinary dividends or stock dividends; the effect of corporate reorganizations or restructuring, spinoff, or a sale of a business unit; and other items as the Committee determines to be required so that the operating results of Walmart, a division, or an Affiliate shall be computed on a comparative basis from Performance Period to Performance Period; in each case as those terms are defined under generally accepted accounting principles and provided in each case that such excluded items are objectively determinable by reference to Walmart's financial statements, notes to Walmart's financial statements, and/or management's discussion and analysis in Walmart's financial statements. Determination by the Committee or its designee shall be final and conclusive on all parties, but shall be based on relevant objective information or financial data.

**2.20 "Performance Measures"** means one or more of the following criteria, on which Performance Goals may be based, each a "Performance Measure": (a) earnings (either in the aggregate or on a per-Share basis, reflecting dilution of Shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends or net of or including the after-tax cost of capital) before or after interest and taxes ("EBIT") or before or after interest, taxes, depreciation and amortization ("EBITDA"); (b) gross or net revenue, or changes in annual revenues, same store sales, or comparable store sales; (c) cash flow(s) (including either operating or net cash flows or free cash flows); (d) financial return ratios; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Shares of a specified value for a specified period of time, Share price or Share price appreciation; (f) earnings growth or growth in earnings per Share; (g) return measures, including return or net return on assets, net assets, equity, capital or gross sales; (h) adjusted pre-tax margin; (i) pre-tax profits; (j) operating margins; (k) operating profits; (l) operating or administrative expenses; (m) dividends; (n) net income or net operating income; (o) growth in operating earnings or growth in earnings per Share; (p) value of assets; (q) volume, market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (r) aggregate product price and other product measures; (s) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (t) reduction of losses, loss ratios or expense ratios; (u) reduction in fixed costs; (v) operating cost management; (w) cost of capital; (x) debt reduction; (y) productivity improvements; (z) average inventory turnover or inventory controls; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction based on specified objective goals or a Walmart-sponsored customer survey; (cc) employee diversity goals; (dd) employee turnover; (ee) specified objective social goals; (ff) safety record; or (gg) business integration.

Performance Measures may be applied on a pre-tax or post-tax basis, and based upon the performance of Walmart, of any Affiliate, of a division thereof, or other business unit, or of an individual Recipient. The Committee may, at time of grant, in the case of a

Plan Award intended to be a Qualified Performance Based Award, and in the case of other grants, at any time, provide that the Performance Goals for such Plan Award may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual nonrecurring gain or loss.

**2.21 "Performance Period"** means that period established by the Committee during which the attainment of Performance Goals specified by the Committee with respect to a Plan Award are to be measured. A Performance Period may be a 12-month period or a longer or shorter period.

**2.22 "Performance Share Unit," "Performance Unit" or "PSU"** means the right to receive the value of a Share, whether settled in Shares or in cash, upon attainment of specified Performance Goals. For Plan Awards granted prior to the 2013 restatement of the Plan, the term "Performance Share" referred to a Performance Share Unit (as defined above) payable in Shares, and "Performance Share Unit" referred to a Performance Share Unit (as defined above) to be settled in cash. To the extent that Notices of Plan Award granted prior to the 2013 restatement of the Plan use the term "Performance Share," the term "Performance Share" as used in such Notices of Plan Award shall, without formal amendment, be deemed to refer to Performance Share Units (as defined above) payable in Shares. To the extent that Notices of Plan Award granted prior to the 2013 restatement of the Plan use the term "Performance Share Unit," the term "Performance Share Unit" as used in such Notices of Plan Award shall, without formal amendment, be deemed to refer to Performance Share Units (as defined above) to be settled in cash.

**2.23 "Plan"** means this Wal-Mart Stores, Inc. Stock Incentive Plan of 2010, as amended from time to time.

**2.24 "Plan Award"** means an award or right granted under the Plan consisting of an Option, Restricted Stock, Restricted Stock Unit, Stock Appreciation Right, Performance Unit, or Stock. The terms and conditions applicable to a Plan Award shall be set forth in the applicable Notice of Plan Award.

**2.25 "Qualified Performance Based Award"** means a Plan Award to a Covered Employee or to an Associate that the Committee determines may be a Covered Employee at the time Walmart or an Affiliate would be entitled to a deduction for such Plan Award, which is intended to provide "qualified performance-based compensation" within the meaning of Code Section 162(m). For any Performance Period for which a Plan Award is intended to be a Qualified Performance Based Award, Performance Goals shall be established by the Committee no later than 90 days after the beginning of the Performance Period to which the Performance Goals pertain and while the attainment of the Performance Goals is substantially uncertain, and in any event no later than the date 25% of the Performance Period has elapsed.

**2.26 "Recipient"** means an Associate who has received a Plan Award.

**2.27 "Restricted Stock," or "Restricted Shares"** means Shares awarded to a Recipient pursuant to a Plan Award of Restricted Stock that are subject to a Restriction and all non-cash proceeds of those Shares that are subject to a Restriction.

**2.28 "Restricted Stock Unit" or "RSU"** means a right denominated in Shares, awarded to an Associate that, subject to Section 8.2, may result in payment to the Associate in Shares or cash upon, but not before, the lapse of Restrictions related thereto. To the extent that Notices of Plan Award granted prior to the 2013 restatement of the Plan use the term "Restricted Stock Right," the term "Restricted Stock Right" as used in such Notices of Plan Award shall, without formal amendment, be deemed to refer to Restricted Stock Units (as defined above) payable in Shares. To the extent that Notices of Plan Award granted prior to the 2013 restatement of the Plan use the term "Restricted Stock Unit," the term "Restricted Stock Unit" as used in such Notices of Plan Award shall, without formal amendment, be deemed to refer to Restricted Stock Units (as defined above) to be settled in cash.

**2.29 "Restriction"** means any restriction on a Recipient's free enjoyment of the Shares or other rights underlying a Plan Award. Restrictions may be based on the passage of time or the satisfaction of performance criteria or the occurrence of one or more events or conditions, and shall lapse separately or in combination upon such conditions and at such time or times, in installments or otherwise, as the Committee shall specify. Plan Awards subject to a Restriction shall be forfeited if the Restriction does not lapse prior to such date or the occurrence of such event or the satisfaction of such other criteria as the Committee shall determine.

**2.30 "Rule 16b-3"** means Rule 16b-3 promulgated by the SEC under the Exchange Act, as amended from time to time, together with any successor rule, as in effect from time to time.

**2.31 "SEC"** means the United States Securities and Exchange Commission, or any successor thereto.

**2.32 "Section 16 Person"** means any individual who is required to file reports under Section 16 of the Exchange Act.

**2.33 "Securities Act"** means the Securities Act of 1933, as amended and the rules and regulations adopted thereunder.

**2.34 "Share"** means a share of the common stock, \$.10 par value per share, of Walmart.

**2.35 "Stock Appreciation Right"** means a right granted to a Recipient pursuant to the Stock Appreciation Rights feature of the Plan.

**2.36 "Stock"** means Shares awarded to a Recipient who is a non-management director.

**2.37 "Subject Shares"** means such term as defined in Section 3.1.



## SHARES SUBJECT TO THE PLAN

**3.1 Shares Subject to the Plan.** Subject to Section 11.9, the sum of (a) 50,000,000 Shares plus (b) the number of remaining Shares under the 2005 Plan (not subject to outstanding Plan Awards and not delivered out of Shares reserved thereunder) as of the date of stockholder approval of the Plan (collectively, the "Subject Shares") are reserved for delivery under the Plan. The Subject Shares may be authorized, but unissued Shares, treasury Shares held by Walmart or an Affiliate, or Shares acquired on the open market, including shares acquired on the open market by forwarding cash to an independent broker who will purchase Shares on behalf, and in the name of the Recipient. Shares reserved for delivery pursuant to a Plan Award or any rights thereto, whether under the 2005 Plan or the Plan, that expire, are forfeited or otherwise are no longer exercisable or that are reacquired by Walmart pursuant to the terms of the 2005 Plan, the Plan, or a Plan Award, may be the subject of a new Plan Award.

Notwithstanding the foregoing, (a) Shares already owned by a Recipient and used to pay all or a portion of the exercise price of Shares subject to an Option, and (b) any other Shares reacquired by Walmart after such Shares have been issued (or, in the case of Open Market Shares, have been delivered), other than Restricted Stock that is forfeited or reacquired by Walmart without lapse of the Restrictions, shall not become Subject Shares to the extent such Shares are withheld, tendered, or reacquired by Walmart, or are otherwise no longer exercisable, after June 15, 2015.

## ADMINISTRATION

**4.1 Administration.** The Committee will administer the Plan and will grant all Plan Awards; provided that solely for purposes of granting Plan Awards to Recipients who are non-management directors, "Committee" shall mean the full Board. The Plan and Plan Awards to Section 16 Persons shall be administered by the Committee in compliance with Rule 16b-3.

**4.2 Duties and Powers.** The Committee shall have these duties and powers as to the Plan:

- (a) to establish rules, procedures, and forms governing the Plan;
- (b) to interpret and apply the provisions of the Plan and any Plan Award;
- (c) to recommend amendments of the Plan to the Board;
- (d) to determine those Associates who will be Recipients and what Plan Awards will be made to them;
- (e) to set the terms and conditions of any Plan Award and to determine and certify whether, and the extent to which, any such terms and conditions have been satisfied;
- (f) to determine the Fair Market Value of the Shares for any purpose;
- (g) to amend the terms of any Plan Award without the consent of the Recipient or any other person or to waive any conditions or obligations of a Recipient under or with respect to any Plan Award;
- (h) to make such adjustments or modifications to Plan Awards to Recipients who are working outside the United States as are advisable to fulfill the purposes of the Plan or to comply with applicable local law and to establish, amend and terminate sub-plans for Associates outside the United States with such provisions as are consistent with the Plan as may be suitable in other jurisdictions to the extent permitted under local law;
- (i) to correct any defect or supply any omission; and
- (j) take any other action it deems necessary or advisable.

Notwithstanding the authority of the Committee under this Section 4.2 and notwithstanding any other discretionary power granted to the Committee under the Plan, except in connection with any corporate transaction involving Walmart, the terms of outstanding Plan Awards may not be amended to reduce the exercise price of outstanding Options or Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other Plan Awards or Options or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Options or Stock Appreciation Rights without the prior approval of Walmart stockholders.

**4.3 Delegation.** Except for the administration of Qualified Performance Based Awards and matters under the Plan affected by Section 16 of the Exchange Act and the rules adopted thereunder, the Committee may delegate ministerial duties under the Plan (including but not limited to the duties described in Section 4.2(h)) to one or more administrators, who may be Associates of Walmart, and may delegate non-ministerial duties to an officer of Walmart; provided that the delegate of non-ministerial duties (a) shall not be authorized to make Plan Awards to himself or herself, and (b) in any Fiscal Year shall not make Plan Awards in excess of 100,000 Shares in the aggregate or 1,000 Shares to any one Recipient.

The Committee has delegated its powers, duties, and authority under the Plan (including the power to delegate, but not including the power to recommend amendments under Section 4.2(c)) with respect to Associates other than those who are non-management directors of Walmart, or who are otherwise Section 16 Persons, and other than Covered Employees whose awards are intended to be Qualified Performance Based Awards, to the Global Compensation Committee of the Board.

The Board may also delegate administration of the Plan or a particular feature of the Plan to another Committee of the Board.



Any delegated authority, duty or power may be revoked at any time by the delegator as it deems appropriate. Any delegated authority, duty or power may be exercised by the delegator as well as the delegate; provided, however, that in the event of any conflict between the exercise of any authority, duty or power by the delegator and the exercise of any authority, duty or power by the delegate, the exercise by the delegator shall govern.

**4.4 Determinations Binding.** All actions taken or determinations made by the Committee, in good faith, with respect to the Plan, a Plan Award or any Notice of Plan Award shall not be subject to review by anyone, but shall be final, binding and conclusive upon all persons interested in the Plan or any Plan Award.

## PARTICIPATION

**5.1** All Associates whom the Committee determines have the potential to contribute significantly to the success of Walmart or an Affiliate, are eligible to participate in the Plan, except that non-management directors may not receive Incentive Stock Options. An Associate may be granted one or more Plan Awards, unless prohibited by applicable law and subject to the limitations under Code Section 422 with respect to Incentive Stock Options. For any Performance Period for which Plan Awards are intended to be Qualified Performance Based Awards, the Committee shall designate the Associates eligible to be granted Plan Awards no later than the 90<sup>th</sup> day of the Fiscal Year (or in the case of a Performance Period other than a Fiscal Year, after not later than the date 25% of the Performance Period has elapsed).

## STOCK OPTIONS

**6.1 Term of Options.** Walmart may grant Options covering Subject Shares to Associates. The term of each Option shall be the term stated in the Notice of Plan Award; provided, however, that in the case of an Incentive Stock Option, the term shall be no more than 10 years from the date of grant unless the Incentive Stock Option is granted to a Recipient who, at the time of the grant, owns stock representing more than 10% of the voting power of all classes of stock of Walmart or any Parent/Subsidiary Corporation, in which case the term may not exceed 5 years from the date of grant.

Each Option shall be a Nonqualified Option unless designated otherwise in the Notice of Plan Award. Notwithstanding the designation of an Option, if the aggregate Fair Market Value of Shares subject to Incentive Stock Options that are exercisable for the first time by a Recipient during a calendar year exceeds \$100,000 (whether due to the terms of the Plan Award, acceleration of exercisability, miscalculation or error), or if such Option for any other reason fails to qualify as an Incentive Stock Option, the excess Options shall be treated as Nonqualified Options.

**6.2 Option Exercise Price and Consideration.** The per Share exercise price of an Option shall be determined by the Committee in its discretion, except that the per Share exercise price for an Incentive Stock Option shall be 100% of the Fair Market Value of a Share on the date of grant except that, with respect to an Incentive Stock Option granted to an Associate who owns stock representing more than 10% of the voting power of all classes of stock of Walmart or any Parent/Subsidiary Corporation at the time of the grant, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant. The type of consideration in which the exercise price of an Option is to be paid shall be determined by the Committee in its discretion, and, in the case of an Incentive Stock Option, shall be determined at the time of grant.

**6.3 Exercise of Options.** An Option shall be deemed to be exercised when the person entitled to exercise the Option gives notice of exercise to Walmart in accordance with the Option's terms and Walmart receives full payment for the Shares as to which the Option is exercised or other provision for such payment is made in accordance with rules and procedures established by the Committee from time to time. Except with respect to Incentive Stock Options, such rules and procedures may include procedures for a "net-share settlement" method of exercise, under which, subject to the method requirements in the rules and procedures, the Recipient provides an irrevocable notice of exercise of the Option and Walmart retains a number of Shares sufficient to cover the exercise price and the minimum required withholding, and delivers the net number of Shares to the Recipient. In addition, if determined by the Committee in its discretion, which may be applied differently among Associates or Plan Awards, an Option will be deemed exercised by the Recipient (or in the event of the death of the Recipient then by the person authorized to exercise the Recipient's Option under Section 11.6) on the expiration date of the Option, or if the NYSE is not open on the expiration date, on the last day prior to the expiration date on which the NYSE is open, using a net share settlement method of exercise to the extent that as of such expiration date the Option is vested and exercisable and the per Share exercise price of the Option is below the Fair Market Value of a Share on such expiration date.

**6.4 Termination of Employment.** If a Recipient's Continuous Status as an Associate is terminated for any reason other than Cause, the Recipient may exercise Options that are not subject to Restrictions as of the termination date to the extent set out in the Recipient's Notice of Plan Award. Incentive Stock Options may be exercised only within 60 days (or other period of time determined by the Committee at the time of grant of the Option and not exceeding 3 months) after the date of the termination (but in no event later than the expiration date of the term of that Option as set forth in the Notice of Plan Award), and only to the extent that Recipient was entitled to exercise the Incentive Stock Option at the date of that termination. To the extent the Recipient is not entitled to or does not exercise an Option at the date of that termination or within the time specified herein or in the Notice of Plan Award, the Option shall terminate. In addition, the Recipient's right to exercise Options will be tolled pending any period initiated by the Committee to determine the existence of Cause with respect to the Recipient regardless of whether the commencement of such period is prior to, coincident with, or subsequent to the termination of the Recipient's Continuous Status as an Associate. If the

Committee determines there is no Cause, then the tolling period will end and the Recipient's right to exercise Options will be reinstated; provided, however, in no event will the exercise date of an Option be later than the earlier of (a) 90 days following the termination of the Recipient's Continuous Status as an Associate plus the tolling period, or (b) the expiration date of the Option as set forth in the Notice of Plan Award. Notwithstanding any provision in the Plan to the contrary, a Recipient's Continuous Status as an Associate is not terminated for purposes of the Recipient's Options if immediately upon the termination of the Recipient's employment relationship with Walmart or an Affiliate the Recipient becomes a non-management director of Walmart.

**6.5 Administrative Suspension from Employment.** During a period for which the Recipient is subject to administrative suspension from employment, the Recipient's right to exercise Options will be suspended. If upon the conclusion of the administrative suspension the Recipient returns to employment, then the Recipient's right to exercise Options will be reinstated subject to Restrictions set forth in the Notice of Plan Award; provided, however, in no event will the exercise date of an Option be later than the expiration date of the term of that Option as set forth in the Notice of Plan Award.

**6.6 Disability of Recipient.** Notwithstanding the provisions of Section 6.4, in the case of a Recipient's Incentive Stock Option, if the Recipient's Continuous Status as an Associate is terminated as a result of his or her total and permanent disability (as defined in Code Section 22 (e)(3)), the Recipient may, but only within 12 months from the date of that termination (but in no event later than the expiration date of the term of that Option as set forth in the Notice of Plan Award), exercise an Incentive Stock Option to the extent otherwise entitled to exercise it at the date of that termination. To the extent the Recipient is not entitled to exercise an Incentive Stock Option at the date of termination, or if Recipient does not exercise that Incentive Stock Option to the extent so entitled within the time specified herein, the Incentive Stock Option shall terminate.

**6.7 Non-transferability of Options .** An Option may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner except by testamentary devise or by the laws of descent or distribution or, in those circumstances expressly permitted by the Committee, to a Permitted Transferee. For this purpose, a "Permitted Transferee" means any member of the Immediate Family of the Recipient, any trust of which all of the primary beneficiaries are the Recipient or members of his or her Immediate Family or any partnership of which all of the partners or members are the Recipient or members of his or her Immediate Family. The "Immediate Family" of a Recipient means the Recipient's spouse, children, stepchildren, grandchildren, parents, stepparents, siblings, grandparents, nieces and nephews, or the spouse of any of the foregoing individuals.

**6.8 Withholding.** The Committee may withhold, or provide for the payment of, any amounts necessary to collect any withholding taxes upon any taxable event relating to an Option in accordance with Section 11.10 except to the extent otherwise provided under Section 6.3.

## **STOCK AND RESTRICTED STOCK**

**7.1 Grant of Stock.** Walmart may grant Stock without Restrictions or payment to non-management directors as the full Board may determine in its sole discretion.

**7.2 Grant of Restricted Stock.** Walmart may grant Restricted Stock to those Associates the Committee may select in its sole discretion. Each Plan Award of Restricted Stock shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and any other terms and conditions as the Committee may determine in its discretion.

**7.3 Dividends; Voting.** While any Restriction applies to any Recipient's Restricted Stock, (a) unless the Committee provides otherwise, the Recipient shall receive the dividends paid on the Restricted Stock and shall not be required to return those dividends to Walmart in the event of the forfeiture of the Restricted Stock, (b) the Recipient shall have the right to, subject to all Restrictions then existing as to the Recipient's Restricted Stock, receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of Walmart, which proceeds shall automatically and without need for any other action become Restricted Stock and be delivered as provided in Section 7.4, and (c) the Recipient shall be entitled to vote the Restricted Stock during the Restriction period.

**7.4 Delivery of Shares.** Subject to any deferral election under Section 7.8, a Share will be delivered to the Recipient upon, or as soon as practicable after, the lapse of the Restrictions on a Share of Restricted Stock. Stock awarded under Section 7.1 shall be delivered immediately upon issuance of any such Plan Award. During the period of Restriction applicable to Restricted Stock, the Recipient shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber the Restricted Stock or any interest therein. As a result of the retention of rights in the Restricted Stock by Walmart, except as required by any law, neither any Shares of the Restricted Stock nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

**7.5 Forfeiture.** Unless expressly provided for in the Plan Award, any Restricted Stock held by the Recipient at the time the Recipient ceases to be an Associate for any reason shall be forfeited by the Recipient to Walmart and automatically re-conveyed to Walmart.

**7.6 Withholding.** The Committee may withhold in accordance with Section 11.10 any amounts necessary to collect any withholding taxes upon any taxable event relating to Stock, Restricted Stock, or Shares.

**7.7 Evidence of Share Ownership.** The Restricted Stock will be book-entry Shares held for the benefit of the Recipient with stop transfer instructions on Walmart's stop transfer records until the Restrictions lapse, at which time Walmart will remove stop transfer instructions from the Shares on its stock transfer records.

**7.8 Deferral of Restricted Stock.** At the time of grant of Stock or Restricted Stock (or at such earlier or later time as the Committee determines to be appropriate in light of the provisions of Code Section 409A) the Committee may permit a Recipient of a Plan Award of Stock or a Plan Award of Restricted Stock to defer his or her Stock or Restricted Stock in accordance with rules and procedures established by the Committee. Alternatively, the Committee may, in its discretion and at the times provided above, permit an individual who would have been a Recipient of a Plan Award of Stock or a Plan Award of Restricted Stock to elect instead to receive an equivalent Plan Award of Restricted Stock Units to be settled in Shares and may permit the Recipient to elect to defer receipt of Shares under such Plan Award of Restricted Stock Units in accordance with Section 8.7.

## RESTRICTED STOCK UNITS

**8.1 Grant of Restricted Stock Units.** Walmart may grant Restricted Stock Units to those Associates as the Committee may select in its sole discretion. Each Plan Award of Restricted Stock Units shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and the Notice of Plan Award, as the Committee may determine in its discretion. The Restrictions imposed shall take into account potential tax treatment under Code Section 409A.

**8.2 Beneficial Ownership.** Until the Restricted Stock Unit is released from Restrictions and settled in Shares or cash, the Associate shall not have any beneficial ownership in any Shares subject to the Restricted Stock Unit, nor shall the Associate have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Stock Unit or any interest therein. Except as required by any law, no Restricted Stock Unit nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Associate, whether as the direct or indirect result of any action of the Associate or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

**8.3 Settlement of Restricted Stock Units.** Upon the lapse of the Restrictions, the Recipient of Restricted Stock Units shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Shares subject to the Plan Award that are no longer subject to Restrictions, (b) in cash in an amount equal to the Fair Market Value of the number of Shares subject to the Plan Award that are no longer subject to Restrictions, or (c) any combination of cash and Shares, as the Committee shall determine in its sole discretion and specify at the time the Plan Award is granted. Where in the judgment of the Committee, it is in the interests of Walmart to do so, a grant of Restricted Stock Units may provide that Walmart or an Affiliate may purchase Shares on the open market on behalf of an Associate in accordance with Section 11.1 ("Open Market Shares").

**8.4 Forfeiture.** Restricted Stock Units and the entitlement to Shares, cash, or any combination thereunder will be forfeited and all rights of an Associate to such Restricted Stock Units and the Shares thereunder will terminate if the applicable Restrictions are not satisfied.

**8.5 Limitation of Rights.** A Recipient of Restricted Stock Units is not entitled to any rights of a holder of the Shares (e.g. voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. The Committee may, however, provide in the Notice of Plan Award that the Recipient shall be entitled to receive dividend equivalent payments on Restricted Stock Units, on such terms and conditions as the Notice of Plan Award shall specify.

**8.6 Withholding.** The Committee may withhold in accordance with Section 11.10 any amounts necessary to collect any withholding taxes upon any taxable event relating to Restricted Stock Units.

**8.7 Deferral of Restricted Stock Units.** At the time of grant of Restricted Stock Units (or at such earlier or later time as the Committee determines to be appropriate in light of the provisions of Code Section 409A) the Committee may permit the Recipient to elect to defer receipt of the Shares or cash to be delivered upon lapse of the Restrictions applicable to the Restricted Stock Units in accordance with rules and procedures established by the Committee. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Shares or cash.

## STOCK APPRECIATION RIGHTS

**9.1 Grant.** Walmart may grant Stock Appreciation Rights to those Associates as the Committee selects in its sole discretion, on any terms and conditions the Committee deems desirable. A Recipient granted a Stock Appreciation Right will be entitled to receive payment as set forth in the Notice of Plan Award in an amount equal to (a) the excess of the Fair Market Value of a Share on the date on which the Recipient properly exercises Stock Appreciation Rights that are no longer subject to Restrictions over the Fair Market Value of a Share on the date of grant of the Recipient's Stock Appreciation Rights, (b) a predetermined amount that is less than that excess, or (c) with respect to Recipients who are exempt from U.S. taxation and who are expected to remain exempt from U.S. taxation until the Plan Award is settled, any other amount as may be set by the Committee, multiplied by the

number of Stock Appreciation Rights as to which the Recipient exercises the Stock Appreciation Right. The Committee may provide that payment with respect to an exercised Stock Appreciation Right may occur on a date which is different than the exercise date, and may provide for additional payment in recognition of the time value of money and any delay between the exercise date and the payment date.

**9.2 Award Vesting and Forfeiture.** The Committee shall establish the Restrictions, if any, applicable to Stock Appreciation Rights. Stock Appreciation Rights and the entitlement to Shares thereunder will be forfeited and all rights of an Associate to such Stock Appreciation Rights and the Shares thereunder will terminate if any applicable Restrictions in the Plan or Notice of Plan Award are not satisfied.

**9.3 Beneficial Ownership.** The Recipient of any Stock Appreciation Rights shall not have any beneficial ownership in any Shares subject to such Plan Awards until Shares are delivered in satisfaction of the Plan Award nor shall the Recipient have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Stock Appreciation Rights or any interest therein. Except as required by any law, neither the Stock Appreciation Rights nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

**9.4 Election to Receive Payments.** A Recipient of a Stock Appreciation Right may elect to receive a payment to which the Recipient is entitled under the Plan Award by giving notice of such election to the Committee in accordance with the rules established by the Committee.

**9.5 Payments to Recipients.** Subject to the terms and conditions of the Notice of Plan Award granting the Stock Appreciation Rights, a payment to a Recipient with respect to Stock Appreciation Rights may be made (a) in cash, (b) in Shares having an aggregate Fair Market Value on the date on which the Stock Appreciation Rights are settled equal to the amount of the payment to be made under the Plan Award, or (c) any combination of cash and Shares, as the Committee shall determine in its sole discretion and specify at the time the Plan Award is granted. The Committee shall not make any payment in Shares if such payment would result in any adverse tax or other legal effect as to this Plan or Walmart.

**9.6 Limitation of Rights.** A Recipient of Stock Appreciation Rights is not entitled to any rights of a holder of the Shares (e.g., voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan.

**9.7 Withholding.** The Committee may withhold in accordance with Section 11.10 any amounts necessary to collect any withholding taxes upon any taxable event relating to the Stock Appreciation Rights.

**9.8 Deferral of Stock Appreciation Rights.** At the time of grant of a Plan Award of Stock Appreciation Rights the Committee may permit a Recipient who is exempt from U.S. taxation and who is expected to remain exempt from U.S. taxation until the Plan Award is settled to elect to defer the Shares or cash to be delivered in settlement of a Stock Appreciation Right in accordance with rules and procedures established by the Committee.

## PERFORMANCE UNITS

**10.1 Grant.** Walmart may grant Performance Units to such Associates as it may select in its sole discretion, on any terms and conditions the Committee deems desirable. Each Plan Award of Performance Units shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and Notice of Plan Award.

**10.2 Performance Goals.** The Committee shall set Performance Goals which, depending on the extent to which they are met during a Performance Period, will determine the number of Performance Units that will be earned by the Recipient at the end of the Performance Period. The Performance Goals shall be set at threshold, target and maximum performance levels, with the number of Performance Units to be earned tied to the degree of attainment of the various performance levels under the various Performance Goals during the Performance Period. No Performance Units will be earned if the threshold performance level is not attained.

**10.3 Beneficial Ownership.** The Recipient of Performance Units shall not have any beneficial ownership in any Shares subject to the Performance Units unless and until Shares are delivered in satisfaction of the Performance Units nor shall the Recipient have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Performance Units or any interest therein. Except as required by any law, neither the Performance Units nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.



**10.4 Determination of Achievement of Performance Goals.** The Committee shall, promptly after the date on which the necessary financial, individual or other information for a particular Performance Period becomes available, determine and certify the degree to which each of the Performance Goals have been attained.

**10.5 Settlement of Performance Units.** After the applicable Performance Period has ended, the Recipient of Performance Units shall be entitled to payment based on the performance level attained with respect to the Performance Goals applicable to the Performance Units. The Committee may, in its sole discretion, reduce, eliminate or increase any amount of Shares or cash earned under Performance Units for any individual or group, except that such amount of Shares or cash intended to be a Qualified Performance Based Award may not be increased above the amount provided in the Notice of Plan Award. Unless deferred in accordance with Section 10.9, Performance Units shall be settled as soon as practicable after the Committee determines and certifies the degree of attainment of Performance Goals for the Performance Period.

The Committee shall have the discretion and authority to make adjustments to any Performance Units in circumstances where, during the Performance Period: (a) a Recipient leaves Walmart or an Affiliate and is subsequently rehired; (b) a Recipient transfers between positions with different incentive percentages or Performance Goals; (c) a Recipient transfers to a position not eligible to participate in the Plan; (d) a Recipient becomes eligible, or ceases to be eligible, for an incentive from another incentive plan maintained by Walmart or an Affiliate; (e) a Recipient is on a leave of absence; and (f) similar circumstances deemed appropriate by the Committee, consistent with the purpose and terms of the Plan; provided however, that the Committee shall not be authorized to increase the amount of Performance Units payable to a Covered Employee that would otherwise be payable if the amount was intended to be Qualified Performance Based Award.

**10.6 Payments to Recipients.** Subject to the terms and conditions of the Notice of Plan Award, payment to a Recipient with respect to Performance Units may be made (a) in Shares, (b) in cash or by check equal to the Shares' Fair Market Value on the date the Performance Units are settled, or (c) any combination of cash and Shares, as the Committee shall determine at any time in its sole discretion.

**10.7 Limitation of Rights.** A Recipient of Performance Units is not entitled to any rights of a holder of the Shares (e.g. voting rights and dividend rights), prior to the receipt of Shares pursuant to the settlement of the Plan Award (if the Plan Award is settled in Shares). No dividend equivalents will be paid with respect to Performance Units.

**10.8 Withholding.** The Committee may withhold in accordance with Section 11.10 any amounts necessary to collect any withholding taxes upon any taxable event relating to Performance Units.

**10.9 Deferral of Shares or Cash Payout.** At the time of grant of Performance Units (or at such earlier or later time as the Committee determines to be appropriate in light of Code Section 409A) the Committee may permit the Recipient to elect to defer delivery of Shares (or payment of cash) with respect to the Plan Award in accordance with such rules and procedures established by the Committee. Such rules and procedures shall take into account potential tax treatment under Code Section 409A.

## MISCELLANEOUS

### 11.1 Issuance of Stock Certificates; Book-Entry; or Purchase of Stock.

- (a) If a Recipient has the right to the delivery of any Shares pursuant to any Plan Award, Walmart shall issue or cause to be issued a stock certificate or a book-entry crediting Shares to the Recipient's account promptly upon the exercise of the Plan Award or the right arising under the Plan Award.
- (b) A Recipient's right to Open Market Shares pursuant to settlement of a Plan Award of Restricted Stock Units or Performance Units shall not be satisfied by Walmart's delivery of Shares but rather Walmart or an Affiliate shall purchase the Shares on the open market on behalf of the Associate by forwarding cash to an independent broker who will in turn purchase the Shares on the open market on behalf, and in the name, of the Associate.

### 11.2 Compliance with Code Section 162(m).

- (a) To the extent awards to Covered Employees are intended to be Qualified Performance Based Awards, the material terms of the Performance Goals under which awards are paid (and any material changes in material terms) shall be disclosed to and approved by Walmart's stockholders in a separate vote. Material terms include the eligible Associates specified in Section 5.1, the Performance Measures pursuant to which the Performance Goals are set, and the maximum amount of compensation that could be paid to any Covered Employee or the formula used to calculate the amount of compensation to be paid to the Covered Employee if the Performance Goal is attained.
- (b) Performance Measures must be disclosed to and reapproved by the stockholders no later than the first stockholder meeting that occurs in the fifth year following the year in which stockholders previously approved the Performance Measures. If applicable laws change to permit Committee discretion to alter the governing Performance Measures without conditioning deductibility on obtaining stockholder approval (or reapproval) of any changes, the Committee shall have sole discretion to make changes without obtaining stockholder approval or reapproval.

- (c) Whenever the Committee determines that it is advisable to grant or pay awards that do not qualify as Qualified Performance Based Awards, the Committee may make grants or payments without satisfying the requirements of Code Section 162(m).
- (d) The Committee may, but shall not be required to, establish rules and procedures providing for the automatic deferral of Shares or other Plan payouts of Recipients who are Covered Employees as necessary to avoid a loss of deduction under Code Section 162(m)(1).
- (e) No Recipient may be granted a Plan Award denominated in Shares with respect to a number of Shares in any one Fiscal Year which when added to the Shares subject to any other Plan Award denominated in Shares granted to such Recipient in the same Fiscal Year would exceed 2,000,000 Shares; provided, however, that if the Performance Period applicable to a Plan Award exceeds twelve months, the 2,000,000 Share limit shall apply to each 12-month period in the Performance Period. If a Plan Award denominated in Shares is cancelled, the cancelled Plan Award continues to count against the maximum number of Shares for which a Plan Award denominated in Shares may be granted to a Recipient in any Fiscal Year. The Share limit shall be adjusted to the extent necessary to reflect adjustments to Shares required by Section 11.9.

**11.3 Termination of Employment or Interruption or Termination of Continuous Status as an Associate.** Except as otherwise expressly set forth in the Plan, the Committee shall determine the effect of the termination of a Recipient's employment, or a Recipient's disability or death, or any other interruption or termination of Continuous Status as an Associate, on the lapse of any Restrictions contained in a Plan Award made to the Recipient. During a period for which the Recipient is subject to administrative suspension, a Recipient's right to exercise or receive payment for any rights under any Plan Award or the vesting of any rights under any Plan Award shall be suspended to the extent permitted under local law.

**11.4 Forfeiture for Cause.** Notwithstanding anything to the contrary contained in the Plan, any Recipient upon a finding of "Cause" by the Committee shall forfeit all Plan Awards (and rights thereunder) granted under the Plan, whether or not vested or otherwise exercisable.

**11.5 Repayment Obligation.**

(a) Notwithstanding anything to the contrary contained in the Plan, in the event the Committee or its delegate (which expressly may include any officer of Walmart or a non-Associate third party (such as counsel to Walmart)) determines that a Recipient who is a current or former non-management director of Walmart or a current or former named executive officer for purposes of Walmart's proxy statement has engaged in Gross Misconduct, then the Recipient shall forfeit all Plan Awards then outstanding, and the Recipient shall repay to Walmart any payments received from Walmart with respect to any Plan Awards subsequent to the date which is twenty-four (24) months prior to the date of the behavior serving as the basis for the finding of Gross Misconduct. Any amount to be repaid by a Recipient pursuant to this Section 11.5 shall be held by the Recipient in constructive trust for the benefit of Walmart and shall be paid by the Recipient to Walmart with interest at the prime rate (as published in The Wall Street Journal) as of the date the Committee or its delegate determines the Recipient engaged in Gross Misconduct. The amount to be repaid pursuant to this Section 11.5 shall be determined on a gross basis, without reduction for any taxes incurred, as of the date of payment to the Recipient, and without regard to any subsequent change in the Fair Market Value of a Share.

(b) If the Committee determines at any time that the Recipient of a Plan Award, prior to or within one year after the date of settlement of such Plan Award, (A) engaged in any act the Committee deems inimical to the best interest of Walmart or an Affiliate, (B) failed to perform the Recipient's duties to the satisfaction of the Committee, (C) breached any restrictive covenant or confidentiality requirement to which the Recipient was subject, or (D) otherwise failed to comply with applicable policies of Walmart or an Affiliate at all times prior to the settlement of the Plan Award, the Recipient shall be obligated, upon demand, to return the amount paid or distributed in settlement of such Plan Award to Walmart. In addition, all Plan Awards, whether or not previously settled, and whether or not previously deferred, shall be subject to Walmart's policies or requirements of applicable law (including regulations and other applicable guidance) regarding clawbacks (recoupment) as in effect from time to time.

**11.6 Death of Recipient.** To the extent permitted in the Notice of Plan Award or under Committee rules and procedures, a Recipient may name a beneficiary or beneficiaries to whom the Recipient's Plan Award may be paid, or who is authorized to exercise the Recipient's Plan Award, in the event of the death of the Recipient, subject to Committee rules and procedures. If no such beneficiary is effectively named by the Recipient for any reason, then except to the extent otherwise provided in the Notice of Plan Award or Committee rules and procedures, if the Recipient dies, the Recipient's Plan Award may be paid to the Recipient's estate or may be exercised, in accordance with its terms or as allowed by law, by the Recipient's estate or by bequest or inheritance. Unless otherwise provided in the Notice of Plan Award, (a) Plan Awards may be exercised after death only to the extent the Recipient was otherwise entitled to exercise the Plan Award at the date of the Recipient's death and only if exercised within 12 months after the Recipient's death, and (b) to the extent a Plan Award was unvested at the date of death, the Plan Award shall terminate.

**11.7 Limitations on Liability and Award Obligations.** Receiving a Plan Award or being the owner of any Option, Restricted Stock, Restricted Stock Unit, Stock Appreciation Right, or Performance Unit shall not:

- (a) give a Recipient any rights except as expressly set forth in the Plan or in the Plan Award and except as a stockholder of Walmart as set forth herein as to the Restricted Stock only;

- (b) as to Shares deliverable on the exercise of Options or Stock Appreciation Rights, or in settlement of Performance Units or Restricted Stock Units, until the delivery (as evidenced by the appropriate entry on the books of Walmart of a duly authorized transfer agent of Walmart) of such Shares, give the Recipient the right to vote, or receive dividends on, or exercise any other rights as a stockholder with respect to such Shares, notwithstanding the exercise (in the case of Options or Stock Appreciation Rights) of the related Plan Award;
- (c) be considered a contract of employment or give the Recipient any right to continued employment, or to hold any position, with Walmart or any Affiliate;
- (d) create any fiduciary or other obligation of Walmart or any Affiliate to take any action or provide to the Recipient any assistance or dedicate or permit the use of any assets of Walmart or any Affiliate that would permit the Recipient to be able to attain any performance criteria stated in the Recipient's Plan Award;
- (e) create any trust, fiduciary or other duty or obligation of Walmart or any Affiliate to engage in any particular business, continue to engage in any particular business, engage in any particular business practices or sell any particular product or products;
- (f) create any obligation of Walmart or any Affiliate that shall be greater than the obligations of Walmart or that Affiliate to any general unsecured creditor of Walmart or the Affiliate; or
- (g) give a Recipient any right to receive any additional Plan Award of any type.

If Walmart or an Affiliate terminates a Recipient's employment with Walmart or the Affiliate, the potential value of any Plan Award that must be returned to Walmart will not be an element of any damages that the Recipient may have for any termination of employment or other relationship in violation of any contractual or other rights the Recipient may have.

**11.8 No Liability of Committee Members.** Walmart shall indemnify and hold harmless each member of the Committee and each other officer and director of Walmart or any Affiliate that has any duty or power relating to the administration of the Plan against any liability, obligation, cost or expense incurred by that person arising out of any act or omission to act in connection with the Plan or any Plan Award if he or she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of Walmart. Indemnification of Associates and agents shall be determined pursuant to the requirements of Article VI of Walmart's Amended and Restated Bylaws .

**11.9 Adjustments upon Changes in Capitalization or Merger.** Subject to any required action by the Walmart stockholders, the number and type of Shares (or other securities or property) covered by each Plan Award, and the number and type of Shares (or other securities or property) which have been authorized for delivery under the Plan but as to which no Plan Awards have yet been granted or which have been returned to the Plan upon cancellation or expiration of a Plan Award, the price per Share covered by any outstanding Plan Award that includes in its terms a price per Share, and the number of Shares with respect to which Plan Awards may be granted to an individual shall be proportionately adjusted to reflect an extraordinary dividend or other distribution (whether in the form of cash, Shares or other securities or property), stock split, reverse stock split, merger, reorganization, subdivision, consolidation or reduction of capital, recapitalization, consolidation, split-up, spin-off, combination or reclassification of the Shares, or any other increase or decrease in the number of outstanding Shares effected without receipt of consideration by Walmart, issuance or warrants or other rights to purchase Shares or other securities of Walmart or other similar corporate transaction or event that affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. That adjustment shall be made by the Committee, whose determination shall be final, binding and conclusive as to every person interested under the Plan. Except as expressly provided herein, no issuance by Walmart of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to a Plan Award.

**11.10 Tax Withholding.** Whenever taxes are to be withheld in connection with the grant, vesting, lapse of restrictions, exercise or settlement of a Plan Award or for any other reason in connection with a Plan Award (the date on which such withholding obligation arises being hereinafter referred to as the "Tax Date"), the Committee may decide, in its sole discretion, to provide for the payment for the withholding of federal, state and local taxes (including Social Security and Medicare ("FICA") taxes by one or a combination of the following methods and may (but need not) permit the Recipient to elect the method or methods: (a) payment in cash of the amount to be withheld, (b) requesting Walmart to withhold from Shares that would otherwise be delivered in settlement of a Plan Award payable in Shares (or upon the lapse of Restrictions on a Plan Award) a number of Shares having a Fair Market Value on the Tax Date or the last NYSE trading day prior to the Tax Date no greater than the amount to be withheld, (c) transfer of unencumbered Shares owned by the Recipient in circumstances permitted by the Committee valued at their Fair Market Value on the Tax Date or the last NYSE trading day prior to the Tax Date, (d) withholding from any cash compensation otherwise due to the Recipient; or (e) such other method as authorized by the Committee in its discretion. The Committee may set limits on the amount of withholding to be satisfied through withholding of Shares; e.g., the Committee may require that only the minimum withholding be satisfied in Shares, and may prohibit withholding from Open Market Shares or using a particular method if necessary or advisable in a particular country. Any fractional share amount must be paid in cash or withheld from compensation otherwise due to the Recipient.

**11.11 Amendment and Termination of the Plan.** The Board may amend or terminate the Plan at any time without the approval of the Recipients or any other person, except to the extent any action of that type is required to be approved by the stockholders of Walmart under applicable law, listing standards, or in connection with any outstanding Qualified Performance Based Awards.

**11.12 Compliance with Law.** The making of any Plan Award or delivery of any Shares is subject to compliance by Walmart with all applicable laws as determined by Walmart's legal counsel. Walmart need not issue or transfer any Plan Award or Shares pursuant to the Plan unless Walmart's legal counsel has approved all legal matters in connection with the delivery of any Plan Award or Shares.

**11.13 No Representation or Warranty Regarding Tax Treatment.** Notwithstanding any language contained in the Plan or any Plan Award, Walmart does not represent or warrant that any particular tax treatment will be achieved.

**11.14 Governing Law.** The Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

**11.15 Superseding Existing Plans, Effective Date, and Transition.** The Plan, as set forth herein, was approved by the Board on April 12, 2013, to be effective August 12, 2013, without additional approval of Walmart's stockholders. The 2005 Plan was effective January 1, 2005, and was approved by Walmart's stockholders on June 3, 2005. The 1998 Plan was effective as of March 5, 1998, and was approved by Walmart's stockholders on June 5, 1998. The Plan was effective January 1, 2010, and approved by Walmart's stockholders on June 4, 2010. Shares made available for delivery in settlement of Plan Awards shall also be available for delivery in settlement of amounts payable under the provisions of the Wal-Mart Stores, Inc. Director Compensation Deferral Plan.

**11.16 Funding.** To the extent the Plan is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), it is intended to be (and will be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. It is intended that the Plan be unfunded for federal tax purposes and for purposes of Title I of ERISA.

**11.17 Code Section 409A.** Plan Awards are intended to be exempt from the definition of "nonqualified deferred compensation" within the meaning of Code Section 409A, or to the extent not so exempt, to satisfy the requirements of Code Section 409A, and the Plan and Plan Awards shall be interpreted accordingly.



**AMENDED SCHEDULE OF EXECUTIVE OFFICERS WHO HAVE EXECUTED A POST-TERMINATION AGREEMENT AND COVENANT NOT TO COMPETE IN THE FORM FILED AS EXHIBIT 10(p) TO THE ANNUAL REPORT ON FORM 10-K OF THE COMPANY FOR THE FISCAL YEAR ENDED JANUARY 31, 2011 (this "Amended Schedule")**

This Amended Schedule amends the Schedule of Executive Officers Who Have Executed a Post-Termination Agreement and Covenant Not to Compete that followed the form of Post-Termination Agreement and Covenant Not to Compete originally filed by Wal-Mart Stores, Inc. as Exhibit 10(p) to its Annual Report on Form 10-K for the year ended January 31, 2011, as filed on March 30, 2011 (the "Form Agreement"). This Amended Schedule is included pursuant to Instruction 2 of Item 601(a) of Regulation S-K for the purpose of setting forth the details in which the specific agreements executed in the form of the Form Agreement differ from the Form Agreement, in particular to set forth the persons who, with Wal-Mart Stores, Inc., were parties to Post-Termination Agreements and Covenants Not to Compete in such form at January 31, 2014.

<b>Executive Officer Who is a Party to such a Post-Termination Agreement and Covenant Not to Compete</b>	<b>Date of Agreement</b>	<b>Value of Restricted Stock Award Granted in Connection with Agreement</b>
Neil M. Ashe	January 16, 2012	Not Applicable
Daniel J. Bartlett	May 16, 2013	Not Applicable
Rosalind G. Brewer	March 23, 2010	Not Applicable
M. Susan Chambers	March 15, 2010	\$1,000,000
Rollin L. Ford	January 19, 2010	\$1,000,000
Jeffrey J. Gearhart	June 11, 2013	\$1,500,000
Charles M. Holley, Jr.	March 24, 2010	\$1,000,000
C. Douglas McMillon	January 19, 2010	\$2,000,000
William S. Simon	March 30, 2010	\$2,000,000
Steven P. Whaley	January 19, 2010	\$300,000

In addition, certain terms of the Post-Termination Agreement and Covenant Not to Compete, dated January 16, 2012, between Wal-Mart Stores, Inc. and Neil M. Ashe differ from those of the Form Agreement as necessary to address certain laws of the jurisdiction in which Mr. Ashe resides.

Name of Grantee:	
Grant Date:	
Number of Shares:	xxxxxxx (Payout range: 0 to a maximum of xxxxxx shares)
Dollar Value Used to Calculate Number of Shares:	
Walmart Identification Number:	XXX-XX-
Performance Period:	Fiscal Year Ended January 31, 2017
Vesting Date:	January 31, 2017

**WAL-MART STORES, INC.  
STOCK INCENTIVE PLAN OF 2010**

**PERFORMANCE UNIT AWARD  
NOTIFICATION OF AWARD AND TERMS AND CONDITIONS OF AWARD**

This Performance Unit Award Agreement (this "Agreement") contains the terms and conditions of the Performance Unit Award granted to you by Wal-Mart Stores, Inc., a Delaware corporation ("Walmart"), under the Wal-Mart Stores, Inc. Stock Incentive Plan of 2010, as amended from time to time (the "Plan").

1. Grant of Performance Unit Award. Walmart has granted to you, effective on the Grant Date (shown above), the right to receive the number of Shares shown above (or such greater or smaller number of Shares as determined in accordance with Paragraph 6) as of the Vesting Date (as set forth above). Such Shares (as so determined) shall be paid as soon as administratively feasible after the later of the Vesting Date or the Committee's determination of whether, and the extent to which, the performance goals described in Paragraph 6 have been satisfied. The form of payment shall be Shares, and you will have no right to any cash payment equal to the Performance Unit Award or the underlying Shares.
2. Plan Governs. The Performance Unit Award and this Agreement are subject to the terms and conditions of the Plan. The Plan is incorporated in this Agreement by reference and all capitalized terms used in this Agreement have the meaning set forth in the Plan, unless this Agreement specifies a different meaning. By signing this Agreement, you accept the Performance Unit Award, acknowledge that a copy of the Plan and the prospectus covering the Plan have been made available to you and acknowledge that the award is subject to all the terms and provisions of the Plan and this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Committee of the Plan upon any questions arising under the Plan, including whether, and the extent to which, the performance goals described in Paragraph 6 have been satisfied.
3. Subject to Shareholder Approval. To the extent you are a "covered employee" within the meaning of Code Section 162(m), the award and this Agreement are subject to, and conditioned upon, shareholder approval of the material terms of the performance goals stated in Paragraph 6 below.
4. Payment. You are not required to pay for this Performance Unit Award or the underlying Shares.
5. Stockholder Rights. Until your Performance Unit Award vests and, if applicable, Shares have been delivered to you:
  - A. You do not have the right to vote the Shares underlying your Performance Unit Award; and
  - B. you will not receive, or be entitled to receive, cash or non-cash dividends on the Shares underlying your Performance Unit Award; and
  - C. you will not have any other beneficial rights as a shareholder of Walmart due to the Performance Unit Award.
6. Vesting and Delivery of Performance Units.
  - A. Vesting. On the Vesting Date set forth above, you shall become vested in a number of Shares determined by multiplying the total number of Shares subject to your Performance Unit Award (as shown above) by a percentage based on performance goals established by the Committee for the Performance Period, provided you have not incurred a Forfeiture Condition described below. You will, by separate writing incorporated into this Agreement, be notified of the applicable percentages and performance goals for the Performance Period.
  - B. Delivery of Shares. Subject to Paragraph 6E below, unless you have made an irrevocable election to defer such Shares, Shares that vest shall be delivered to you within 90 days of:
    1. the determination by the Committee of the degree of attainment of performance goals during the Performance Period; or
    2. an Accelerated Vesting pursuant to Paragraph 6D below.

C. Forfeiture Conditions. Subject to Paragraph 6D below, your Performance Unit Award that would otherwise vest in whole or in part on the Vesting Date will not vest and shall be immediately forfeited if, prior to the Vesting Date:

1. your Continuous Status as an Associate terminates for any reason (other than your death or Disability, to the extent provided in Paragraph 6D below); or
2. you (a) have become or (b) are discussing or negotiating the possibility of becoming, or (c) are considering an offer to become, or have accepted an offer or entered into an agreement to become an employee, officer, director, partner, manager, consultant to, or agent of, or otherwise becoming affiliated with, any entity competing or seeking to compete with Walmart or an Affiliate; or
3. you are subject to an administrative suspension, unless you are reinstated as an Associate in good standing at the end of the administrative suspension period, in which case your Performance Unit Award would vest (as provided in Paragraph 6A) as of the date of such reinstatement; or
4. you have not executed and delivered to Walmart a Non-Disclosure and Restricted Use Agreement, in a form to be provided to you by Walmart (each a "Forfeiture Condition").

D. Accelerated Vesting; Vesting Notwithstanding Termination. Your Performance Unit Award will vest earlier than described in Paragraph 6A under the following circumstances:

1. If your Continuous Status as an Associate is terminated by your Disability, you will become vested in a number of Shares equal to the number of Shares that would have become vested under Paragraph 6A had your Continuous Status as an Associate continued through the Vesting Date described in Paragraph 6A, prorated based upon the number of full calendar months during the Performance Period (as shown above) in which you had Continuous Status as an Associate. "Disability" for this purpose means you have a physical or mental condition resulting from bodily injury, disease or mental disorder that constitutes total disability under the U.S. Federal Social Security Act and for which you have actually been approved for Social Security disability benefits.
2. If your Continuous Status as an Associate is terminated by your death on or after ten years of service, you will become vested in a number of Shares equal to the number of Shares that would have become vested under Paragraph 6A had your Continuous Status as an Associate continued through the Vesting Date described in Paragraph 6A. If your Continuous Status as an Associate is terminated by your death before you have completed ten years of service, you will become vested in a number of Shares equal to the number of Shares that would have become vested under Paragraph 6A had your Continuous Status as an Associate continued through the Vesting Date described in Paragraph 6A, prorated based upon the number of full calendar months during the Performance Period (as shown above) in which you had Continuous Status as an Associate.

In the event of accelerated vesting under this Paragraph 6D, the vested Shares, as determined above, shall be delivered as soon as administratively feasible after the later of the Vesting Date or the Committee's determination of whether, and the extent to which, the performance goals described in Paragraph 6 have been satisfied.

E. Mandatory Deferral. If Walmart reasonably anticipates that the delivery of any Shares in any year would, when considered with your other compensation, result in Walmart's inability to deduct the value of such Shares because of the limitation on deductible compensation under Code Section 162(m), then Walmart shall defer the delivery of such Shares until the first year in which Walmart reasonably anticipates that the related deduction will not be limited under Section 162(m) (the "First Non-162(m) Year") in accordance with the Deferral Procedures under the Plan and Code Section 409A and the regulations thereunder. However, if you have made an irrevocable election to defer such Shares to a date later than the First Non-162(m) Year, then Walmart shall not deliver such Shares in the First Non-162(m) Year, but shall instead deliver your Shares in accordance with your irrevocable election and the Deferral Procedures.

F. Elective Deferral of Shares. You are eligible to defer delivery of the Shares underlying your Performance Unit Award hereunder in accordance with Section 10.9 of the Plan and rules and procedures relating thereto. You will be advised as to when any such deferral election must be made.

7. Taxes and Tax Withholding.

A. You agree to consult with any tax advisors you think necessary in connection with your Performance Unit Award and acknowledge that you are not relying, and will not rely, on Walmart or any Affiliate for any tax advice.

B. You acknowledge that, regardless of any action taken by Walmart or, if different, the Affiliate that employs you, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), is and remains your responsibility and may exceed the amount actually withheld by Walmart or an Affiliate. You further acknowledge that Walmart and any Affiliate (1) make no representations or undertakings regarding the treatment of any

Tax-Related Items in connection with any aspect of the Performance Unit Award, including, but not limited to, the grant, vesting or settlement of the Performance Unit Award, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Performance Unit Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that Walmart and/or the Affiliate that employs you (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

C. Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to Walmart or the Affiliate that employs you to satisfy all Tax-Related Items. In this regard, you authorize the Company or its agent to satisfy the obligations with regard to all Tax-Related Items by withholding of Shares to be issued upon settlement of the Performance Unit Award. In the event that such withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the Performance Unit Award, you authorize and direct Walmart and any broker or other third party designated by Walmart to sell on your behalf a whole number of Shares underlying the Performance Unit Award that Walmart determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. However, Walmart may also require you to satisfy the Tax-Related Items by any other method of withholding it authorizes, in its sole discretion.

D. If the obligation for Tax-Related Items is satisfied by withholding in Shares, Walmart or the Affiliate that employs you may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates. Further, if the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Performance Unit Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. If as a result of withholding whole Shares, an excess amount of tax is withheld, such excess tax will be reported and paid to the U.S. Internal Revenue Service. If the obligation for Tax-Related Items is satisfied through any other method(s) of withholding, Walmart or the Affiliate that employs you may consider the applicable withholding rates, including maximum applicable rates, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent.

E. Finally, you agree to pay to Walmart or the Affiliate that employs you, including through withholding from your wages or other cash compensation paid to you by Walmart or the Affiliate that employs you, any amount of Tax-Related Items that Walmart and/or the Affiliate that employs you may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. Walmart may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

8. Performance Unit Award Not Transferable. Neither a Performance Unit Award, nor your interest in a Performance Unit Award, may be sold, conveyed, assigned, transferred, pledged or otherwise disposed of or encumbered at any time prior to the delivery of the Shares underlying the Performance Unit Award. Any attempted action in violation of this paragraph shall be null, void, and without effect.

9. Appendix for Participants Outside of the United States and Country-Specific Schedule . Notwithstanding any provision in this Agreement to the contrary, if you are granted a Performance Unit Award while employed, providing services, or residing outside of the United States, you shall be subject to any special terms and conditions and country-specific provisions as set forth in Appendix for Participants Outside of the United States (the "Appendix") and Country-Specific Schedule to this Agreement. Moreover, if you relocate to one of the countries included in the Country-Specific Schedule, the special terms and conditions for such country will apply to you, to the extent the Committee determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix and any Country-Specific Schedule constitute part of this Agreement, and may be accessed on the Total Rewards website or by contacting Global Equity.

10. Other Provisions.

A. The value of the Performance Unit Award will not be taken into account in computing the amount of your salary or other compensation for purposes of determining any pension, retirement, death or other benefit under any employee benefit plan of Walmart or any Affiliate, except to the extent such plan or another agreement between you and Walmart specifically provides otherwise.

B. Walmart may, without liability for its good faith actions, place legend restrictions upon Shares underlying your vested Performance Units and issue "stop transfer" instructions requiring compliance with applicable U.S. or other securities laws and the terms of the Agreement and Plan.

C. Determinations regarding this Agreement (including, but not limited to, whether, and the extent to which, the performance goals described in Paragraph 6 have been satisfied, and whether an event has occurred resulting in the

forfeiture of or vesting of a Performance Unit Award) shall be made by the Committee in accordance with this Agreement, and all determinations of the Committee shall be final and conclusive and binding on all persons.

D. Neither this Agreement nor the Plan creates any contract of employment, and nothing in this Agreement or the Plan shall interfere with or limit in any way the right of Walmart or an Affiliate to terminate your employment or service at any time, nor confer upon you the right to continue in the employ of Walmart and/or any Affiliate. Nothing in this Agreement or the Plan creates any fiduciary or other duty to you owed by Walmart, any Affiliate, or any member of the Committee except as expressly stated in this Agreement or the Plan.

E. Walmart reserves the right to amend the Plan at any time. The Committee reserves the right to amend this Agreement at any time.

F. By signing this award Agreement, you agree to provide any information reasonably requested from time to time.

G. This Agreement shall be construed under the laws of the State of Delaware, without regard to its conflict of law provisions.

H. The provisions of this Agreement are severable, and if any one or more provisions are determined to be unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

I. Walmart may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Walmart or a third party designated by Walmart.

J. You acknowledge that a waiver by Walmart of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other Associate.

K. You understand that your country of residence may have insider trading and/or market abuse laws which may affect your ability to acquire or sell Shares under the Plan during such times you are considered to have "inside information" (as defined in the laws in your country). These laws may be the same or different from any Walmart insider trading policy. You acknowledge that it is your responsibility to be informed of and compliant with such regulations, and are advised to speak to your personal advisor on this matter.

L. Walmart reserves the right to impose other requirements on your participation in the Plan, on the Performance Unit Award and on any Shares acquired under the Plan, to the extent Walmart determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

M. By signing this Agreement, you acknowledge that the Plan and this Agreement (including any Appendix or Country-Specific Schedule thereto) have been made available to you and that you have read and understood these documents. By signing this Agreement, you accept the terms and conditions of your Performance Unit Award as set forth in this Agreement, subject to the terms and conditions of the Plan.

Grantee:

I acknowledge that the Plan and this Agreement have been made available to me and that I have read and understood these documents. I accept the terms and conditions of my Performance Unit Award as set forth in this Agreement, subject to the terms and conditions of the Plan.

By: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Agreed to and accepted this day of \_\_\_\_\_, 2014.

<b>Name of Grantee:</b>	
Grant Date:	
Number of Shares:	
Dollar Value of Award:	
Walmart Identification Number:	

**WAL-MART STORES, INC.  
STOCK INCENTIVE PLAN OF 2010**

**RESTRICTED STOCK AWARD  
NOTIFICATION OF AWARD AND TERMS AND CONDITIONS OF AWARD**

This Restricted Stock Award Notification of Award and Terms and Conditions of Award (this "Agreement") contains the terms and conditions of the Restricted Stock granted to you by Wal-Mart Stores, Inc., a Delaware corporation ("Walmart"), under the Wal-Mart Stores, Inc. Stock Incentive Plan of 2010, as amended from time to time (the "Plan").

1. Grant of Restricted Stock. Walmart has granted to you, effective on the Grant Date, the right to receive the number of Shares (communicated to you as part of your online or written acceptance of the award and this Agreement) subject to certain vesting conditions. Before the Shares are vested and delivered to you, they are referred to in this Agreement as "Restricted Stock."
2. Plan Governs. The Restricted Stock and this Agreement are subject to the terms and conditions of the Plan. The Plan is incorporated in this Agreement by reference and all capitalized terms used in this Agreement have the meaning set forth in the Plan, unless this Agreement specifies a different meaning. By signing this Agreement, you accept the Plan Award of Restricted Stock, acknowledge that the Plan and the prospectus covering the Plan have been made available to you and acknowledge that the Restricted Stock is subject to all the terms and provisions of the Plan and this Agreement. By signing this Agreement, you further agree to accept as binding, conclusive and final all decisions and interpretations by the Committee of the Plan upon any questions arising under the Plan.
3. Payment. The Restricted Stock is granted without requirement of payment. However, if the Shares have not been previously issued, you must pay the par value (\$0.10) per Share no later than 10 business days after the Grant Date. You will be advised if this is the case and you will be given payment instructions at that time.
4. Stockholder Rights. Your Restricted Stock will be held for you by Walmart until the applicable delivery date described in Paragraph 5. You shall have all the rights of a stockholder of Shares of Restricted Stock that vest. With respect to your unvested Restricted Stock,
  - A. you shall have the right to vote such Shares on any matter as to which Shares have voting rights at any meeting of shareholders of Walmart;
  - B. you shall have the right to receive, free of vesting restrictions (but subject to applicable withholding taxes) all cash dividends paid with respect to such Shares; and
  - C. any non-cash dividends and other non-cash proceeds of such Shares, including stock dividends and any other securities issued or distributed in respect of such Shares shall be subject to the same vesting and forfeiture conditions as the Shares of Restricted Stock to which they relate, and the term "Restricted Stock" when used in this Agreement shall also include any related stock dividends and other securities issued or distributed in respect of such Shares.
5. Vesting and Delivery of Restricted Stock
  - A. Vesting. Your Restricted Stock will vest as follows, provided you have not incurred a Forfeiture Condition described below:

<b>Percentage of Shares Vesting</b>	<b>Vesting Date</b>

- B. Forfeiture Conditions. Subject to Paragraph 5C below, the Shares of your Restricted Stock that would otherwise vest on a Vesting Date will not vest and shall be immediately forfeited if your Continuous Status as an Associate terminates or after the Grant Date and on or prior to the Vesting Date,
1. you (a) have become, or (b) are discussing or negotiating the possibility of becoming, or (c) are considering an offer to become, or have accepted an offer or entered into an agreement to become an employee, officer, director, partner, manager, consultant to, or agent of, or otherwise becoming affiliated with, any entity competing or seeking to compete with Walmart or an Affiliate; or
  2. you are subject to an administrative suspension, unless you are reinstated as an Associate in good standing on or before the Vesting Date; or
  3. You have not executed and delivered to Walmart a Non-Disclosure and Restricted Use Agreement, in a form to be provided to you by Walmart (each a "Forfeiture Condition").
- C. Accelerated Vesting; Vesting Notwithstanding Termination. Your Restricted Stock will vest earlier than described in Paragraph 5A under the following circumstances
1. if your Continuous Status as an Associate is terminated by reason of your Disability, your Restricted Stock that would have become vested on a Vesting Date occurring no more than 90 days after your Continuous Status as an Associate is so terminated will become immediately fully vested on the date your Continuous Status as an Associate is so terminated. "Disability" for this purpose has the meaning provided under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and regulations thereunder. It is your responsibility to notify Global Equity in the event you terminate due to Disability; and
  2. if your Continuous Status as an Associate is terminated by reason of your death on or after ten years of service or on or after the third anniversary of the Grant Date, then your unvested Restricted Stock shall immediately become fully vested; and
  3. the Committee may, in its discretion, at any time accelerate the vesting of your Restricted Stock on such terms and conditions as it deems appropriate.
- D. Delivery of Shares. Subject to Paragraph 5E and/or Paragraph 5F, Shares that vest shall be delivered to you within 90 days (or as soon as administratively feasible thereafter) of:
1. the applicable Vesting Date; or
  2. an Accelerated Vesting pursuant to Paragraph 5C above.
- E. Mandatory Deferral. If Walmart reasonably anticipates that the delivery of Shares upon the vesting of Restricted Stock in any year would, when considered with your other compensation, result in Walmart's inability to deduct the value of such Shares because of the limitation on deductible compensation under Code Section 162(m), then Walmart shall defer the delivery of such Shares until the first year in which Walmart reasonably anticipates that the related deduction will not be limited under Section 162(m) (the "First Non-162(m) Year") in accordance with the Deferral Procedures under the Plan and Code Section 409A. However, if you have made an irrevocable election to defer such Shares to a date later than the First Non-162(m) Year, then Walmart shall not deliver such Shares in the First Non-162(m) Year, but shall instead deliver your Shares in accordance with your irrevocable election and the Deferral Procedures.
- F. Elective Deferral of Restricted Stock. You are eligible to defer delivery of the Shares underlying your Plan Award of Restricted Stock hereunder in accordance with Section 7.8 of the Plan and rules and procedures relating thereto. You will be advised as to when any such deferral election must be made.
6. Forfeiture of Restricted Stock. If you suffer a Forfeiture Condition (e.g., if your Continuous Status as an Associate is terminated prior to the Vesting Date and the vesting is not accelerated under Paragraph 5C), you will immediately forfeit your Restricted Stock (including any cash dividends and non-cash proceeds related to the Restricted Stock for which the record date occurs on or after the date of the forfeiture), and all of your rights to and interest in the Restricted Stock and the Shares underlying the Restricted Stock shall terminate upon forfeiture without payment of consideration (except that if you paid par value for the Restricted Stock the par value of the forfeited shares of Restricted Stock will be returned to you). Forfeited Restricted Stock shall be reconveyed to Walmart.



7. Taxes and Tax Withholding.

- A. You agree to consult with any tax advisors you think necessary in connection with your Restricted Stock and acknowledge that you are not relying, and will not rely, on Walmart or any Affiliate for any tax advice. Please see Paragraph 10F regarding Section 83(b) elections.
- B. You acknowledge that, regardless of any action taken by Walmart or, if different, the Affiliate that employs you, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), is and remains your responsibility and may exceed the amount actually withheld by Walmart or an Affiliate. You further acknowledge that Walmart and any Affiliate (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock, including, but not limited to, the grant, vesting or delivery of the Restricted Stock, the subsequent sale of Shares acquired pursuant to such delivery and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that Walmart and/or the Affiliate that employs you (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- C. Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to Walmart or the Affiliate that employs you to satisfy all Tax-Related Items. In this regard, you authorize the Company or its agent to satisfy the obligations with regard to all Tax-Related Items by withholding in Shares to be issued upon delivery of the Restricted Stock. In the event that such withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the Restricted Stock, you authorize and direct Walmart and any broker or other third party designated by Walmart to sell on your behalf a whole number of Shares underlying the Restricted Stock that Walmart determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. However, the Committee may also require you to satisfy the Tax-Related Items by any other method of withholding it authorizes, in its sole discretion.
- D. If the obligation for Tax-Related Items is satisfied by withholding in Shares, Walmart or the Affiliate that employs you may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates. Further, if the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Restricted Stock, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. If as a result of withholding whole Shares, an excess amount of tax is withheld, such excess tax will be reported and paid to the U.S. Internal Revenue Service, provided you are a U.S. taxpayer. If the obligation for Tax-Related Items is satisfied through any other method(s) of withholding, Walmart or the Affiliate that employs you may consider the applicable withholding rates, including maximum applicable rates, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent.
- E. Finally, you agree to pay to Walmart or the Affiliate that employs you, including through withholding from your wages or other cash compensation paid to you by Walmart or the Affiliate that employs you, any amount of Tax-Related Items that Walmart and/or the Affiliate that employs you may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. Walmart may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

8. Restricted Stock Not Transferable. Neither the Restricted Stock, nor your interest in the Restricted Stock, may be sold, conveyed, assigned, transferred, pledged or otherwise disposed of or encumbered at any time prior to vesting and delivery applicable to any Shares underlying your vested Restricted Stock. Any attempted action in violation of this Paragraph shall be null, void, and without effect.

9. Appendix for Participants Outside of the United States and Country-Specific Schedule. Notwithstanding any provision in this Agreement to the contrary, if you are granted Restricted Stock while employed, providing services, or residing outside of the United States, you shall be subject to any special terms and conditions and country-specific provisions as set forth in Appendix for Participants Outside of the United States (the "Appendix") and Country-Specific Schedule to this Agreement. Moreover, if you relocate to one of the countries included in the Country-Specific Schedule, the special terms and conditions for such country will apply to you, to the extent Walmart determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix and any Country-Specific Schedule constitute part of this Agreement, and may be accessed on the Total Rewards website or by contacting Global Equity.

10. Other Provisions.

- A. The value of your Restricted Stock and the underlying Shares under this Agreement will not be taken into account in computing the amount of your salary or other compensation for purposes of determining any pension, retirement, death or other benefit under any employee benefit plan of Walmart or any Affiliate, except to the extent such plan or another agreement between you and Walmart specifically provides otherwise.
- B. Walmart may, without liability for its good faith actions, place legend restrictions upon Shares underlying your vested Restricted Stock and issue "stop transfer" instructions requiring compliance with applicable U.S. securities laws and the terms of the Agreement and the Plan.
- C. Determinations regarding this Agreement (including, but not limited to, whether an event has occurred resulting in the forfeiture of or vesting of Restricted Stock) shall be made by the Committee in accordance with this Agreement, and all determinations of the Committee shall be final and conclusive and binding on all persons.





- D. Neither this Agreement nor the Plan creates any contract of employment, and nothing in this Agreement or the Plan shall interfere with or limit in any way the right of Walmart or an Affiliate to terminate your employment or service at any time, nor confer upon you the right to continue in the employ of Walmart and/or any Affiliate. Nothing in this Agreement or the Plan creates any fiduciary or other duty to you owed by Walmart, any Affiliate, or any member of the Committee except as expressly stated in this Agreement or the Plan.
- E. Walmart reserves the right to amend the Plan at any time. The Committee reserves the right to amend this Agreement at any time.
- F. By accepting this Agreement,
  - 1. you agree to provide any information reasonably requested from time to time, and
  - 2. you agree not to make a Code Section 83(b) election with respect to this award of Restricted Stock.
- G. This Agreement shall be construed under the laws of the State of Delaware, without regard to its conflict of law provisions.
- H. The provisions of this Agreement are severable, and if any one or more provisions are determined to be unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.
- I. Walmart may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Walmart or a third party designated by Walmart.
- J. You acknowledge that a waiver by Walmart of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other Associate.
- K. You understand that your country of residence may have insider trading and/or market abuse laws which may affect your ability to acquire or sell Shares under the Plan during such times you are considered to have "inside information" (as defined in the laws in your country). These laws may be the same or different from any Walmart insider trading policy. You acknowledge that it is your responsibility to be informed of and compliant with such regulations, and are advised to speak to your personal advisor on this matter.
- L. Walmart reserves the right to impose other requirements on your participation in the Plan, on the Restricted Stock and on any Shares acquired under the Plan, to the extent Walmart determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
- M. By signing this Agreement, you acknowledge that the Plan and this Agreement (including any Appendix or Country-Specific Schedule thereto) have been made available to you and that you have read and understood these documents. By signing this Agreement, you accept the terms and conditions of your Restricted Stock as set forth in this Agreement, subject to the terms and conditions of the Plan.

Grantee:

I acknowledge that the Plan and this Agreement have been made available to me and that I have read and understood these documents. I accept the terms and conditions of my Restricted Stock award as set forth in this Agreement, subject to the terms and conditions of the Plan.

By: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Agreed to and accepted this day of \_\_\_\_\_, 2014.

**POST-TERMINATION AGREEMENT  
AND COVENANT NOT TO COMPETE**

This Post-Termination Agreement and Covenant Not to Compete (this "Agreement") is entered into as of January 31, 2014 by and between Wal-Mart Canada Corp. ("Walmart Canada"), an indirect wholly-owned subsidiary of Wal-Mart Stores, Inc. (collectively with its subsidiaries and affiliates, "Walmart") and David Cheesewright ("Associate").

**RECITALS**

WHEREAS, the Associate: (a) is being promoted from his existing position of Executive Vice President, President and Chief Executive Officer, EMEA Region (the "Promotion"); and (b) will receive a restricted stock unit award of U.S.D. \$1.5 million of shares of Walmart common stock and performance share unit awards of U.S.D. \$4.5 million of shares of Walmart common stock (collectively, the "Equity Awards"); and

WHEREAS, as consideration for and as a condition of: (a) Associate receiving the Promotion; and (b) receiving the Equity Awards (collectively, the "Special Items"), Associate is required to execute and deliver this Agreement to Walmart; and

WHEREAS, the parties agree that this Agreement shall supersede and replace in its entirety the Service Agreement between the Associate and Asda House Limited, as amended by the Amendment to the Service Agreement between the Associate and Asda House Limited dated October 2010 (collectively, the "Prior Agreements").

**AGREEMENT**

**NOW, THEREFORE,** in consideration of the premises and the acknowledgments, covenants, representations, warranties and agreements contained herein and for other good and valuable consideration, including but not limited to the Special Items being conveyed to Associate by Walmart and Walmart Canada, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**1. ACKNOWLEDGMENTS.** As part of this Agreement, the parties specifically acknowledge that:

(A) Walmart is a major retail operation, with stores located throughout the United States, territories of the United States, Canada, the United Kingdom, and other countries;

(B) Associate has served as Executive Vice President, President and Chief Executive Officer, EMEA Region, which appointment was made by the Walmart Board of Directors and which position is a key officer position and Associate will become Executive Vice President, President and Chief Executive Officer, Walmart International, effective February 1, 2014, which is a promotion and a key officer position appointed by the Walmart Board of Directors;

(C) As an essential part of its business, Walmart and Walmart Canada have cultivated, established and maintained long-term customer and vendor relationships and goodwill and competitive advantages, which are difficult to develop and maintain, have required and continue to require a significant investment of time, effort, and expense, and that can suffer significantly and irreparably upon the departure of key officers, regardless of whether the officer has been personally involved in developing or maintaining the relationships, goodwill or competitive advantages;

(D) In the development of their business, Walmart and Walmart Canada have expended a significant amount of time, money, and effort in developing, maintaining, and protecting private, sensitive, confidential, proprietary, and trade secret information including but not limited to, information regarding Walmart's and Walmart Canada's products or services, strategies, research and development efforts, logistics, transportation, selling and delivery plans, geographic markets, developing or potential geographic markets, developing or potential product markets, mergers, acquisitions, divestitures, data, business methods, computer programs and related source and object code, supplier and customer relationships, contacts and information, methods or sources of product manufacture, know-how, product or service cost or pricing, personnel allocation or organizational structure, business, marketing, development and expansion or contraction plans, information concerning the legal or financial affairs of Walmart and/or Walmart Canada, any other non-public information, and any other information protected by the Nondisclosure and Restricted Use Agreement executed by Associate (collectively, "Confidential Information"), the disclosure or misuse of which could cause irreparable harm to Walmart's and/or Walmart Canada's business, anticipated business, and its competitive position in the retail marketplace;

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(E) Associate has had access to such Confidential Information in Associate's current key officer position that would be of considerable value to Walmart's and/or Walmart Canada's global and domestic competitors and potential competitors and as Executive Vice President, President and Chief Executive Officer, Walmart International, Associate will continue to have access to Confidential Information that would be of considerable value to Walmart's global and domestic competitors and potential competitors; and

(F) Associate acknowledges that Walmart and Walmart Canada are entitled to take appropriate steps to ensure: (i) that its associates do not misappropriate or make any other improper use of Confidential Information; (ii) that no individual associate, competitor or potential competitor gains an unfair, competitive advantage over Walmart and/or Walmart Canada; and (iii) that its competitors and potential competitors do not improperly gain access to or make any use of Confidential Information in their efforts to compete against, or cause harm to, Walmart and/or Walmart Canada.

2. TRANSITION PAYMENTS. For purposes of this Agreement, the term "Transition Period" means a period of one (1) year from the effective date of Associate's termination of employment with Walmart (or any subsidiary or affiliate of Walmart). If Walmart terminates Associate's employment, Walmart will pay Associate during the Transition Period an amount equal to Associate's base salary at the rate in effect on the date of termination and the Annual Incentive Payment, as defined in Section 2(E)(iii) below, (collectively, the "Transition Payments"), subject to such withholding as may be required by law and subject to the conditions set forth in this Section 2. Transition Payments will also include continuation of the Associate's health and dental coverage (except for out-of-country health and dental coverage) for the duration of the Transition Period. All other employment benefit coverage will cease at the end of the Ontario Employment Standards Act minimum termination notice period applicable to the Associate's employment, not to exceed eight (8) weeks from the termination date. Transition Payments will commence and be paid at the times and in the amounts provided in Section 2(E)

(A) Transition Payments will not be paid if Associate is terminated as the result of Associate's violation of any Walmart or Walmart Canada policy.

(B) No Transition Payments will be paid if Associate voluntarily resigns or retires from employment with Walmart or Walmart Canada.

(C) Given the availability of other programs designed to provide financial protection in such circumstances, Transition Payments will not be paid under this Agreement if Associate dies or becomes disabled while employed. If Associate dies during the Transition Period, Transition Payments will cease, and Associate's heirs will not be entitled to the continuation of such payments. Transition Payments will not be affected by Associate's disability during the Transition Period.

(D) Associate's violation of the obligations under Sections 4, 5 or 6, below, or any other act that is materially harmful to Walmart's and/or Walmart Canada's business interests during the Transition Period, will result in the immediate termination of the Transition Payments, the recovery of the Transition Payments already made, and any other remedies that may be available to Walmart and/or Walmart Canada.

(E) Transition Payments will be paid as follows:

(i) The first Transition Payment shall be an amount equal to six months of the Associate's base salary, less applicable withholding, and shall be paid within thirty (30) days following termination;

(ii) Subsequent Transition Payments shall commence on the first regularly scheduled pay period following six (6) months after Associate's "Separation from Service" (as defined in section 409A of the Internal Revenue Code of 1986, as amended, and applicable guidance issued thereunder ("Section 409A")) and shall be made during each regularly scheduled pay period thereafter during the Transition Period. Each Transition Payment shall be the amount which would have continued as part of Associate's regular base salary, less applicable withholding, and shall be made in the regularly scheduled payroll cycle, subject to the terms and conditions of this Agreement; and

(F) Receipt of Transition Payments will not entitle Associate to participate during the Transition Period in any other incentive, restricted stock, performance share, stock option, stock incentive, profit sharing, management incentive or other associate benefit plans or programs maintained by Walmart or Walmart Canada; except, that, Associate will be entitled to participate in such plans or programs to the extent that the terms of the plan or program provide for participation by former associates. Such participation, if any, shall be governed by the terms of the applicable plan or program.

(G) The Associate acknowledges and agrees that the receipt by the Associate of Transition Payments shall fully satisfy any and all claims of the Associate with respect to his or her employment with Walmart and/or Walmart Canada or the termination thereof, including but not limited to notice of termination, termination pay, severance pay, pay in lieu of notice, wages, salary, commissions, vacation pay, holiday pay, overtime pay, incentive plan, long-term incentive plan, deferred profit sharing plan, executive retirement plan, stock purchase plan, employment benefit coverage, allowances, any other payment or benefit extended to the Associate, fees, disbursements, interest, and any and all claims under applicable employment standards and human rights legislation and under contract and common law and the Associate hereby releases and forever discharges Walmart and/or Walmart Canada with respect to any and all claims relative to same effective upon the Associate's initial receipt of any Transition Payment.

3. **BENEFITS.** Associate will be eligible for all other payments and benefits accrued and owing at the time of termination. Participation in all other benefit programs available to current associates will end on the effective date of Associate's termination, subject to Associate's rights, if any, to continue to receive health and dental coverage, as described in Section 2 above.

4. **COVENANT NOT TO COMPETE.** Due to the strategic, sensitive and far-reaching nature of the Associate's current and former positions at Walmart, Walmart Canada, and Asda House Limited, and the Confidential Information to which the Associate is and has been exposed, Associate agrees, promises, and covenants that:

(A) For a period of one (1) year from the date on which Associate's employment with Walmart and Walmart Canada terminates, and regardless of the cause or reason for such termination, Associate will not directly or indirectly:

(i) own, manage, operate, finance, join, control, advise, consult, render services to, have a current or future interest in, or participate in the ownership, management, operation, financing, or control of, or be employed by or connected in any manner with, any Competing Canadian Business as defined below in Section 4(B)(i), any Competing US Business as defined below in Section 4(B)(ii), and/or any Global Retail Business as defined below in Section 4(B)(iii); and/or

(ii) participate in any other activity that risks the use or disclosure of Confidential Information either overtly by the Associate or inevitably through the performance of such activity by the Associate; and/or

(iii) solicit for employment, hire or offer employment to, or otherwise aid or assist any person or entity other than Walmart and/or Walmart Canada in soliciting for employment, hiring, or offering employment to, any Officer, Officer Equivalent or Management Associate of Walmart, or any of its subsidiaries or affiliates, including Walmart Canada

(B)(i) For purposes of this Agreement, the term "Competing Canadian Business" shall include any general or specialty retail, grocery, wholesale membership club, or merchandising business, inclusive of its respective parent companies, subsidiaries and/or affiliates that: (a) is located in Canada and sells goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined) of the types sold from time to time by Walmart Canada or has plans to sell goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined) of the types sold from time to time by Walmart Canada within twelve (12) months following Associate's last day of employment with Walmart and/or Walmart Canada; and (b) has gross annual consolidated sales volume or revenues attributable to its retail operations (whether through physical locations, via the internet or combined) equal to or in excess of the equivalent of U.S.D. \$5 billion. The parties agree that as of the date of this Agreement, a Competing Canadian Business includes but is not limited to, such entities as Hudson Bay Company, Sears, Canadian Tire, Shoppers Drug Mart, Jean Coutu, A&P, Metro-Richelieu, Loblaw's, National Grocers, Sobeys, Future Shop, Target, Costco, Giant Tiger, Home Depot, RONA, Lowes, and Carrefour.

(ii) For purposes of this Agreement, the term "Competing US Business" shall include any general or specialty retail, grocery, wholesale membership club, or merchandising business, inclusive of its respective parent companies, subsidiaries and/or affiliates that: (a) sells goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined) or has plans to sell goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined) in the United States within twelve (12) months following Associate's last day of employment with Walmart and/or Walmart Canada; and (b) has gross annual consolidated sales volume or revenues attributable to its retail operations (whether through physical locations, via the internet or combined) equal to or in excess of U.S.D. \$5 billion.

(iii) For purposes of this Agreement, the term "Global Retail Business" shall include any general or specialty retail, grocery, wholesale membership club, or merchandising business, inclusive of its respective parent companies, subsidiaries and/or affiliates, that: (a) in any country or countries outside of the United States and Canada in which Walmart conducts business or intends to conduct business in the twelve (12) months following Associate's last day of employment with Walmart, sells goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined); and (b) has gross annual consolidated sales volume or revenues attributable to its retail operations (whether through physical locations, via the internet or combined) equal to or in excess of U.S.D. \$5 billion in any country pursuant to (B)(iii)(a) or in the aggregate equal to or in excess of U.S.D. \$5 billion in any countries taken together pursuant to (B)(iii)(a) when no business in any one country has annual consolidated sales volume or revenues attributable to its retail operations equal to or in excess of U.S.D. \$5 billion.

(iv) For purposes of this Agreement, the term "Management Associate" shall mean any domestic or international associate holding the title of "manager" or above.

(v) For purposes of this Agreement, the term "Officer" shall mean any domestic Walmart or Walmart Canada associate who holds a title of Vice President or above.

(vi) For purposes of this Agreement, the term "Officer Equivalent" shall mean any non-U.S. Walmart associate who Walmart views as holding a position equivalent to an officer position, such as managers and directors in international markets, irrespective of whether such managers and directors are on assignment in the U.S.

(C) Ownership of an investment of less than the greater of U.S.D. \$25,000 or 1% of any class of equity or debt security of a Competing Canadian Business, a Competing U.S. Business, and/or a Global Retail Business will not be deemed ownership or participation in ownership of a Competing Canadian Business, a Competing U.S. Business, and/or a Global Retail Business for purposes of this Agreement.

(D) The covenant not to compete contained in this Section 4 shall bind Associate, and shall remain in full force and effect, regardless of whether Associate qualifies, or continues to remain eligible, for the Transition Payments described in Section 2 above. Termination of the Transition Payments pursuant to Section 2 will not release Associate from Associate's obligations under this Section 4.

**5. FUTURE ASSISTANCE.** Associate agrees to provide reasonable assistance and cooperation to Walmart in connection with any agency investigation, litigation or similar proceedings that may exist or may arise regarding events as to which Associate has knowledge by virtue of Associate's employment with Walmart and/or Walmart Canada. Walmart will compensate Associate for reasonable travel, materials, and other expenses incidental to any such support Associate may provide to Walmart and/or Walmart Canada, at Walmart's and/or Walmart Canada's request.

**6. PRESERVATION OF CONFIDENTIAL INFORMATION.** Associate will not at any time, directly or indirectly, use or disclose any Confidential Information obtained during the course of Associate's employment with Walmart, Walmart Canada, and/or Asda House Limited and following the Associate's termination of employment with Walmart and/or Walmart Canada, except as may be authorized by Walmart.

**7. REMEDIES FOR BREACH.** The parties shall each be entitled to pursue all legal and equitable rights and remedies to secure performance of their respective obligations and duties under this Agreement, and enforcement of one or more of these rights and remedies will not preclude the parties from pursuing any other rights and remedies. Associate acknowledges that a breach of the provisions of Sections 4 through 6, above, could result in substantial and irreparable damage to Walmart's and/or Walmart Canada's business, and that the restrictions contained in Sections 4 through 6 are a reasonable attempt by Walmart and Walmart Canada to protect its rights and to safeguard its Confidential Information. Associate expressly agrees that upon a breach or a threatened breach of the provisions of Sections 4 through 6, Walmart shall be entitled to injunctive relief to restrain such violation, and Associate hereby expressly consents to the entry of such temporary, preliminary, and/or permanent injunctive relief, as may be necessary to enjoin the violation or threatened violation of Sections 4 through 6. With respect to any breach of this Agreement by Associate, Associate agrees to indemnify and hold Walmart and/or Walmart Canada harmless from and against any and all loss, cost, damage, or expense, including, but not limited to, attorneys' fees, incurred by Walmart and/or Walmart Canada, and to return immediately to Walmart and/or Walmart Canada all of the monies previously paid to Associate by Walmart and/or Walmart Canada under this Agreement; provided, however, that such repayment shall not constitute a waiver by Walmart or Walmart Canada of any other remedies available under this Section or by law, including injunctive relief.

**8. SEVERABILITY.** In the event that a court of competent jurisdiction shall determine that any portion of this Agreement is invalid or otherwise unenforceable, the parties agree that the remaining portions of the Agreement shall remain in full force and effect. The parties also expressly agree that if any portion of the covenant not to compete set forth in Section 4 shall be deemed unenforceable, then the Agreement shall automatically be deemed to have been amended to incorporate such terms as will render the covenant enforceable to the maximum extent permitted by law.



**9. NATURE OF THE RELATIONSHIP.** Nothing contained in this Agreement shall be deemed or construed to constitute a contract of employment for a definite term. The parties acknowledge that Associate is not employed by Walmart or Walmart Canada for a definite term, and that either party may sever the employment relationship at any time and for any reason not otherwise prohibited by law.

**10. ENTIRE AGREEMENT.** This document, along with the most recent Non-Disclosure and Restricted Use Agreement executed by and between the parties (the "Ancillary Agreement"), contain the entire understanding and agreement between Associate and Walmart regarding the subject matter of this Agreement and the Ancillary Agreement. This Agreement, together with the Ancillary Agreement, supersede and replace any and all prior understandings or agreements between the parties regarding this subject, including the Prior Agreements and no representations or statements by either party shall be deemed binding unless contained herein or therein.

**11. MODIFICATION.** This Agreement may not be amended, modified, or altered except in a writing signed by both parties or their designated representatives.

**12. SUCCESSORS AND ASSIGNS.** This Agreement will inure to the benefit of, and will be binding upon, Walmart, its successors and permitted assigns, Walmart Canada, its successors and permitted assigns, and on Associate and Associate's heirs, successors, and permitted assigns. No rights or obligations under this Agreement may be assigned to any other person without the express written consent of all parties hereto.

**13. COUNTERPARTS.** This Agreement may be executed in counterparts, in which case each of the two counterparts will be deemed to be an original.

**14. GOVERNING LAW AND VENUE.** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada. The parties do hereby irrevocably: (a) submit themselves to the personal jurisdiction of such courts; (b) agree to service of such courts' process upon them with respect to any such proceeding; (c) waive any objection to venue laid therein; and (d) consent to service of process by registered mail, return receipt requested. Associate further agrees that in any claim or action involving the execution, interpretation, validity, or enforcement of this Agreement, Associate will seek satisfaction exclusively from the assets of Walmart and/or Walmart Canada and will hold harmless all of Walmart's and/or Walmart Canada's individual directors, officers, employees, and representatives. The parties also agree that they will first attempt to resolve any disputes arising under this Agreement through good faith negotiations.

**15. STATEMENT OF UNDERSTANDING.** By signing below, Associate acknowledges: (i) that Associate has received a copy of this Agreement, (ii) that Associate has read the Agreement carefully before signing it, (iii) that Associate has had ample opportunity to ask questions concerning the Agreement and has had the opportunity to discuss the Agreement with legal counsel of Associate's own choosing, and (iv) that Associate understands the rights and obligations under this Agreement and enters into this Agreement voluntarily.

**16 . Section 409A.** To the extent applicable, the payments made under this Agreement are intended to comply with Section 409A. Although Walmart intends to administer this Agreement so that it will comply with the requirements of Section 409A, Walmart does not represent or warrant that this Agreement will comply with Section 409A or any other provision of federal, state, local, or non-United States law. Neither Walmart nor any of its directors, officers, employees or advisers shall not be liable to the Associate (or any other individual claiming a benefit through the Associate) for any tax, interest, or penalties the Associate may owe as a result of compensation paid under this Agreement, and shall have no obligation to indemnify or otherwise protect the Associate from the obligation to pay any taxes pursuant to Section 409A.

**IN WITNESS WHEREOF** , the parties hereto have executed this Agreement on the date first above written.

WAL-MART STORES, INC.

DAVID CHEESEWRIGHT

By: /s/ Jacqueline Telfair

/s/ David Cheesewright

Name: Jacquelin L. Telfair

Title: Vice President, Executive and Corporate Compensation

WAL-MART CANADA CORP.

By: /s/ Shelley Broader

Name: Shelley Broader

Title: President and Chief Executive Officer

Wal-Mart Canada Corp.





**Wal-Mart Stores, Inc.**  
**Ratio of Earnings to Fixed Charges**

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,				
	2014	2013	2012	2011	2010
Income from continuing operations before income taxes	\$ 24,656	\$ 25,662	\$ 24,332	\$ 23,506	\$ 22,086
Capitalized interest	(78)	(74)	(60)	(63)	(85)
Consolidated net income attributable to the noncontrolling interest	(673)	(757)	(688)	(604)	(513)
Adjusted income before income taxes	23,905	24,831	23,584	22,839	21,488
Fixed charges:					
Interest <sup>(1)</sup>	2,413	2,325	2,382	2,268	2,160
Interest component of rent	933	859	790	651	597
Total fixed charges	3,346	3,184	3,172	2,919	2,757
Income before income taxes and fixed charges	\$ 27,251	\$ 28,015	\$ 26,756	\$ 25,758	\$ 24,245
<b>Ratio of earnings to fixed charges</b>	<b>8.1</b>	<b>8.8</b>	<b>8.4</b>	<b>8.8</b>	<b>8.8</b>

(1) Includes interest on debt and capital leases, amortization of debt issuance costs and capitalized interest.

# Five-Year Financial Summary

Exhibit 13

Wal-Mart Stores, Inc.

(Amounts in millions, except per share and unit count data)	As of and for the Fiscal Years Ended January 31,				
	2014	2013	2012	2011	2010
<b>Operating results</b>					
Total revenues	\$ 476,294	\$ 468,651	\$ 446,509	\$ 421,395	\$ 407,697
Percentage change in total revenues from previous fiscal year	1.6 %	5.0%	6.0%	3.4 %	8.1 %
Net sales	473,076	465,604	443,416	418,500	404,743
Percentage change in net sales from previous fiscal year	1.6 %	5.0%	6.0%	3.4 %	0.9 %
Increase (decrease) in calendar comparable sales <sup>(1)</sup> in the United States	(0.5)%	2.4%	1.6%	(0.6)%	(0.8)%
Walmart U.S.	(0.6)%	2.0%	0.3%	(1.5)%	(0.7)%
Sam's Club	0.3 %	4.1%	8.4%	3.9 %	(1.4)%
Gross profit margin	24.3 %	24.3%	24.5%	24.8 %	24.9 %
Operating, selling, general and administrative expenses, as a percentage of net sales	19.3 %	19.0%	19.2%	19.4 %	19.7 %
Operating income	\$ 26,872	\$ 27,725	\$ 26,491	\$ 25,508	\$ 23,969
Income from continuing operations attributable to Walmart	15,918	16,963	15,734	15,340	14,433
Net income per common share:					
Diluted income per common share from continuing operations attributable to Walmart	\$ 4.85	\$ 5.01	\$ 4.53	\$ 4.18	\$ 3.72
Dividends declared per common share	1.88	1.59	1.46	1.21	1.09
<b>Financial position</b>					
Inventories	\$ 44,858	\$ 43,803	\$ 40,714	\$ 36,437	\$ 32,713
Property, equipment and capital lease assets, net	117,907	116,681	112,324	107,878	102,307
Total assets	204,751	203,105	193,406	180,782	170,407
Long-term debt and long-term capital lease obligations (excluding amounts due within one year)	44,559	41,417	47,079	43,842	36,401
Total Walmart shareholders' equity	76,255	76,343	71,315	68,542	70,468
<b>Unit counts</b>					
Walmart U.S. segment	4,203	4,005	3,868	3,804	3,755
Walmart International segment	6,107	5,783	5,287	4,191	3,739
Sam's Club segment	632	620	611	609	605
Total units	10,942	10,408	9,766	8,604	8,099

(1) Comparable store and club sales include fuel. Comparable sales include sales from stores and clubs open for the previous 12 months, including remodels, relocations and expansions, as well as e-commerce sales.

**Wal-Mart Stores, Inc.**  
**Form 10-K**  
**For the Fiscal Year Ended January 31, 2014**

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## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Overview

Wal-Mart Stores, Inc. ("Walmart," the "Company" or "we") operates retail and other stores in various formats around the world and is committed to saving people money so they can live better. Our operations consist of three reportable segments: Walmart U.S., Walmart International and Sam's Club.

- The Walmart U.S. segment includes the Company's mass merchant concept in the United States ("U.S."), operating under the "Walmart" or "Wal-Mart" brand with various formats, including supercenters, discount stores, Neighborhood Markets and other small stores, as well as walmart.com. Of our three segments, Walmart U.S. is the largest and has historically had the highest gross profit as a percentage of net sales ("gross profit rate"). In addition, Walmart U.S. has historically contributed the greatest amount to the Company's net sales and operating income.
- The Walmart International segment consists of the Company's operations outside of the U.S., including various retail websites. Walmart International operates retail, wholesale and other types of units, including restaurants and some banks. The overall gross profit rate for Walmart International is lower than that of Walmart U.S. because of its merchandise mix. Walmart International has generally been our most rapidly growing segment, growing primarily through new stores and acquisitions and, in recent years, has been growing its net sales and operating income at a faster rate than our other segments. However, for fiscal 2014, Walmart International sales growth slowed due to fluctuations in currency exchange rates, as well as no significant acquisitions, and operating income declined as a result of certain operating expenses.
- The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as samsclub.com. Sam's Club operates as a membership club warehouse with a lower gross profit rate and lower operating expenses as a percentage of net sales than our other segments.

At Walmart U.S., we earn the trust of our customers every day by providing a broad assortment of quality merchandise and services at everyday low prices ("EDLP"), while fostering a culture that rewards and embraces mutual respect, integrity and diversity. EDLP is our pricing philosophy under which we price items at a low price every day so that our customers trust that our prices will not change under frequent promotional activities. Our focus for Sam's Club is to provide exceptional value on brand name and private label merchandise at "members only" prices for both business and personal use. Internationally, we operate with similar philosophies.

Our fiscal year ends on January 31 for our U.S. and Canadian operations. We consolidate all other operations generally using a one-month lag and on a calendar year basis. Our business is seasonal to a certain extent due to different calendar events and national and religious holidays, as well as different weather patterns. Historically, our highest sales volume and operating income have occurred in the fiscal quarter ending January 31.

This discussion, which presents our results for the fiscal years ended January 31, 2014 ("fiscal 2014"), January 31, 2013 ("fiscal 2013") and January 31, 2012 ("fiscal 2012"), should be read in conjunction with our Consolidated Financial Statements and accompanying notes. We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from period to period and the primary factors that accounted for those changes. We also discuss certain performance metrics that management uses to assess the Company's performance. Additionally, the discussion provides information about the financial results of the various segments of our business to provide a better understanding of how those segments and their results affect the financial condition and results of operations of the Company as a whole.

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, we discuss segment operating income, comparable store and club sales and other measures. Management measures the results of the Company's segments using, among other measures, each segment's operating income, including certain corporate overhead allocations. From time to time, we revise the measurement of each segment's operating income or other measures, which include certain corporate overhead allocations, as determined by the information regularly reviewed by our chief operating decision maker. When we do so, the previous period amounts and balances are reclassified to conform to the current period's presentation. The amounts disclosed for "Corporate and support" in the leverage discussion of the Company's performance metrics consist of corporate overhead and other items not allocated to any of the Company's segments.

Comparable store and club sales is a metric that indicates the performance of our existing U.S. stores and clubs by measuring the change in sales for such stores and clubs, including e-commerce sales, for a particular period from the corresponding period in the previous year. Walmart's definition of comparable store and club sales includes sales from stores and clubs open for the previous 12 months, including remodels, relocations, expansions and conversions, as well as e-commerce sales. We measure the e-commerce sales impact by including those sales initiated through our websites and fulfilled through our dedicated e-commerce distribution facilities, as well as an estimate for sales initiated online, but fulfilled through our stores and clubs. Changes in format are excluded from comparable store and club sales when the conversion is accompanied by a relocation or expansion that results in a change in retail square feet of more than five percent. Comparable store and club sales are also referred to as "same-store" sales by others within the retail industry. The method of calculating comparable store and club sales varies across the retail industry. As a result, our calculation of comparable store and club sales is not necessarily comparable to similarly titled measures reported by other companies.

In discussing our operating results, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for all countries where the functional currency is not the U.S. dollar. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates, and the comparable prior year period's currency exchange rates. Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. When we refer to constant currency operating results, we are referring to our operating results without the impact of the currency exchange rate fluctuations and without the impact of acquisitions until the acquisitions are included in both comparable periods. The disclosure of constant currency amounts or results permits investors to understand better Walmart's underlying performance without the effects of currency exchange rate fluctuations or acquisitions. Volatility in currency exchange rates may impact the results, including net sales and operating income, of the Company and the Walmart International segment in the future.

We made certain reclassifications to prior period amounts or balances to conform to the presentation in the current fiscal year. These reclassifications did not impact the Company's operating income or consolidated net income. Additionally, certain prior period segment asset and expense allocations have been reclassified among segments to be comparable with the current period presentation.

### ***The Retail Industry***

We operate in the highly competitive retail industry in all of the countries we serve. We face strong sales competition from other discount, department, drug, dollar, variety and specialty stores, warehouse clubs and supermarkets, as well as internet-based retailers and catalog businesses. Many of these competitors are national, regional or international chains. We compete with a number of companies for prime retail site locations, as well as in attracting and retaining quality employees (whom we call "associates"). We, along with other retail companies, are influenced by a number of factors including, but not limited to: catastrophic events, climate change, competitive pressures, consumer disposable income, consumer debt levels and buying patterns, consumer credit availability, cost of goods, currency exchange rate fluctuations, customer preferences, deflation, fuel and energy prices, general economic conditions, inflation, insurance costs, interest rates, labor costs, tax rates, unemployment and weather patterns. Further information on the factors that can affect our operating results and on certain risks to our Company and an investment in its securities can be located in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 31, 2014, and in the discussion under "Forward-Looking Statements."

### **Company Performance Metrics**

The Company's performance metrics emphasize three priorities for improving shareholder value: growth, leverage and returns. The Company's priority of growth focuses on sales through comparable store and club sales, including e-commerce sales, and unit square feet growth; the priority of leverage encompasses the Company's objective to increase its operating income at a faster rate than the growth in net sales by growing its operating, selling, general and administrative expenses ("operating expenses") at a slower rate than the growth of its net sales; and the priority of returns focuses on how efficiently the Company employs its assets through return on investment and how effectively the Company manages working capital through free cash flow.

## Growth

### *Net Sales*

(Amounts in millions)	Fiscal Years Ended January 31,							
	2014			2013			2012	
	Net Sales	Percent of Total	Percent Change	Net Sales	Percent of Total	Percent Change	Net Sales	Percent of Total
Walmart U.S.	\$ 279,406	59.0%	1.8%	\$ 274,433	59.0%	3.9%	\$ 264,186	59.6%
Walmart International	136,513	28.9%	1.3%	134,748	28.9%	7.4%	125,435	28.3%
Sam's Club	57,157	12.1%	1.3%	56,423	12.1%	4.9%	53,795	12.1%
<b>Net sales</b>	<b>\$ 473,076</b>	<b>100.0%</b>	<b>1.6%</b>	<b>\$ 465,604</b>	<b>100.0%</b>	<b>5.0%</b>	<b>\$ 443,416</b>	<b>100.0%</b>

Our consolidated net sales increased 1.6% and 5.0% for fiscal 2014 and 2013, respectively, when compared to the previous fiscal year. The increase in net sales for fiscal 2014 was primarily due to 3.1% year-over-year growth in retail square feet, higher e-commerce sales, the impact of fiscal 2013 acquisitions, which accounted for \$730 million of the net sales increase, and positive comparable club sales at Sam's Club. The positive effect of these items was partially offset by \$5.1 billion of negative impact from fluctuations in currency exchange rates and decreases in comparable store sales at Walmart U.S. and in a number of our international operations. The increase in net sales for fiscal 2013 was due to 3.3% growth in retail square feet and positive comparable store and club sales. Additionally, net sales from acquisitions, through their respective anniversary dates, accounted for \$4.0 billion of the increase in net sales. The increase in net sales for fiscal 2013 was partially offset by \$4.5 billion of negative impact from fluctuations in currency exchange rates.

### *Calendar Comparable Store and Club Sales*

Comparable store and club sales is a metric that indicates the performance of our existing U.S. stores and clubs by measuring the change in sales for such stores and clubs, including e-commerce sales, for a particular period over the corresponding period in the previous year. The retail industry generally reports comparable store and club sales using the retail calendar (also known as the 4-5-4 calendar) and, to be consistent with the retail industry, we provide comparable store and club sales using the retail calendar in our quarterly earnings releases. However, when we discuss our comparable store and club sales below, we are referring to our calendar comparable store and club sales calculated using our fiscal calendar. As our fiscal calendar differs from the retail calendar, our calendar comparable store and club sales also differ from the retail calendar comparable store and club sales provided in our quarterly earnings releases. Calendar comparable store and club sales, as well as the impact of fuel, for fiscal 2014 and 2013, were as follows:

	With Fuel		Fuel Impact	
	Fiscal Years Ended January 31,		Fiscal Years Ended January 31,	
	2014	2013	2014	2013
Walmart U.S.	(0.6)%	2.0%	0.0 %	0.0%
Sam's Club	0.3 %	4.1%	(0.3)%	0.3%
<b>Total U.S.</b>	<b>(0.5)%</b>	<b>2.4%</b>	<b>(0.1)%</b>	<b>0.1%</b>

Comparable store and club sales in the U.S., including fuel, decreased 0.5% in fiscal 2014 and increased 2.4% in fiscal 2013, when compared to the previous fiscal year. The total U.S. comparable store and club sales for fiscal 2014 were negatively impacted by lower consumer spending primarily due to the slow recovery in general economic conditions, the 2% increase in the 2013 payroll tax rate, and the reduction in government food benefits and severe winter storms that occurred during the fourth quarter. These factors were partially offset by increased member traffic at Sam's Club primarily coming from Savings Members. Additionally, e-commerce sales positively impacted Walmart U.S. comparable store and Sam's Club comparable club sales percentages by approximately 0.3%. The total U.S. comparable store and club sales for fiscal 2013 increased as a result of improved average ticket and an increase in customer traffic.

As we continue to add new stores and clubs in the U.S., we do so with an understanding that additional stores and clubs may take sales away from existing units. We estimate the negative impact on comparable store and club sales as a result of opening new stores and clubs was approximately 0.8% and 0.7% in fiscal 2014 and 2013, respectively. Our estimate is calculated primarily by comparing the sales trends of the impacted stores and clubs, which are identified based on their proximity to the new stores and clubs, to those of nearby non-impacted stores and clubs, in each case, as measured after the new stores and clubs are opened.

## **Leverage**

### *Operating Income*

	Fiscal Years Ended January 31,							
	2014			2013			2012	
(Amounts in millions)	Operating Income	Percent of Total	Percent Change	Operating Income	Percent of Total	Percent Change	Operating Income	Percent of Total
Walmart U.S.	\$ 22,351	83.2 %	4.0 %	\$ 21,491	77.5 %	5.4%	\$ 20,381	76.9 %
Walmart International	5,454	20.3 %	(17.6)%	6,617	23.9 %	8.2%	6,113	23.1 %
Sam's Club	1,975	7.3 %	0.8 %	1,960	7.1 %	6.3%	1,844	7.0 %
Corporate and support	(2,908)	(10.8)%	24.1 %	(2,343)	(8.5)%	26.9%	(1,847)	(7.0)%
Operating income	\$ 26,872	100.0 %	(3.1)%	\$ 27,725	100.0 %	4.7%	\$ 26,491	100.0 %

We believe comparing both the growth of our operating expenses and our operating income to the growth of our net sales are meaningful measures as they indicate how effectively we manage costs and leverage operating expenses. Our objective for a fiscal year is to grow operating expenses at a slower rate than net sales and to grow operating income at a faster rate than net sales. On occasion, we may make strategic growth investments that may, at times, cause our operating expenses to grow at a faster rate than net sales and that may result in our operating income growing at a slower rate than net sales.

### *Operating Expenses*

For fiscal 2014, we did not meet our objective of growing operating expenses at a slower rate than net sales as operating expenses as a percentage of net sales increased 27 basis points. Overall, lower than anticipated net sales, higher investment in key areas, such as global leverage and e-commerce initiatives, and nearly \$1.0 billion of increased expenses for various matters described in the Walmart International segment discussion, were the primary causes for the increase in operating expenses as a percentage of net sales. Additional expenses related to the Foreign Corrupt Practices Act ("FCPA") inquiries and investigations, as well as our global compliance program and related organizational enhancements, also contributed to the increase in operating expenses as a percentage of net sales. The negative leverage impact of these items was partially offset by lower incentive expenses for fiscal 2014. For fiscal 2013, we met our objective of growing operating expenses at a slower rate than net sales as operating expenses as a percentage of net sales decreased 14 basis points. The fiscal 2013 decrease in operating expenses as a percentage of net sales was primarily due to productivity improvements and expense management.

Expenses incurred for the FCPA inquiries and investigations, as well as our global compliance program and related organizational enhancements, were \$ 282 million and \$ 157 million for fiscal 2014 and 2013, respectively.

### *Operating Income*

For fiscal 2014, we did not meet our objective of growing operating income at a faster rate than net sales as operating income decreased 3.1% while net sales increased 1.6%, when compared to the previous fiscal year. This was primarily due to the factors we discussed for not leveraging operating expenses, partially offset by increases in membership and other income of 5.6%. For fiscal 2013, we also did not meet our objective of growing operating income at a faster rate than net sales as operating income increased 4.7% while net sales increased 5.0%, when compared to the previous fiscal year. The primary causes for operating income growing slower than net sales in fiscal 2013 were our increased investments in e-commerce initiatives, increased expenses related to the FCPA inquiries and investigations, as well as our global compliance program and related organizational enhancements, and investments in price, which reduced gross margin.



## **Returns**

### *Return on Investment*

Management believes return on investment ("ROI") is a meaningful metric to share with investors because it helps investors assess how effectively Walmart is deploying its assets. Trends in ROI can fluctuate over time as management balances long-term potential strategic initiatives with possible short-term impacts. ROI was 17.0% and 18.1% for fiscal 2014 and 2013, respectively. The decline in ROI was primarily due to a decline in operating income, investments in property and equipment and the impact of acquisitions.

ROI is considered a non-GAAP financial measure. We consider return on assets ("ROA") to be the financial measure computed in accordance with generally accepted accounting principles ("GAAP") that is the most directly comparable financial measure to our calculation of ROI. ROA was 8.1% and 8.9% for fiscal 2014 and 2013, respectively.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the trailing twelve months or fiscal year divided by average invested capital during that period. We consider average invested capital to be the average of our beginning and ending total assets of continuing operations, plus average accumulated depreciation and amortization less average accounts payable and average accrued liabilities for that period, plus a rent factor equal to the rent for the fiscal year or trailing twelve months multiplied by a factor of eight. When we have discontinued operations, we exclude the impact of the discontinued operations.

Our calculation of ROI is considered a non-GAAP financial measure because we calculate ROI using financial measures that exclude and include amounts that are included and excluded in the most directly comparable GAAP financial measure. For example, we exclude the impact of depreciation and amortization from our reported operating income in calculating the numerator of our calculation of ROI. In addition, we include a factor of eight for rent expense that estimates the hypothetical capitalization of our operating leases. ROI differs from ROA (which is consolidated income from continuing operations for the period divided by average total assets of continuing operations for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; adjusts total assets of continuing operations for the impact of accumulated depreciation and amortization, accounts payable and accrued liabilities; and incorporates a factor of rent to arrive at total invested capital.

Although ROI is a standard financial metric, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI. We urge you to understand the methods used by other companies to calculate their ROI before comparing our ROI to that of such other companies.

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The calculation of ROI, along with a reconciliation to the calculation of ROA, the most comparable GAAP financial measure, is as follows:

(Amounts in millions)	Fiscal Years Ended January 31,	
	2014	2013
<b>CALCULATION OF RETURN ON INVESTMENT</b>		
<b>Numerator</b>		
Operating income	\$ 26,872	\$ 27,725
+ Interest income	119	186
+ Depreciation and amortization	8,870	8,478
+ Rent	2,828	2,581
= Adjusted operating income	<u>\$ 38,689</u>	<u>\$ 38,970</u>
<b>Denominator</b>		
Average total assets of continuing operations <sup>(1)</sup>	\$ 203,680	\$ 198,193
+ Average accumulated depreciation and amortization <sup>(1)</sup>	57,907	51,829
- Average accounts payable <sup>(1)</sup>	37,748	37,344
- Average accrued liabilities <sup>(1)</sup>	18,802	18,481
+ Rent x 8	22,624	20,648
= Average invested capital	<u>\$ 227,661</u>	<u>\$ 214,845</u>
<b>Return on investment (ROI)</b>	<u>17.0%</u>	<u>18.1%</u>
<b>CALCULATION OF RETURN ON ASSETS</b>		
<b>Numerator</b>		
Income from continuing operations	<u>\$ 16,551</u>	<u>\$ 17,704</u>
<b>Denominator</b>		
Average total assets of continuing operations <sup>(1)</sup>	<u>\$ 203,680</u>	<u>\$ 198,193</u>
<b>Return on assets (ROA)</b>	<u>8.1%</u>	<u>8.9%</u>

	As of January 31,		
	2014	2013	2012
<b>Certain Balance Sheet Data</b>			
Total assets of continuing operations <sup>(2)</sup>	\$ 204,291	\$ 203,068	\$ 193,317
Accumulated depreciation and amortization	60,771	55,043	48,614
Accounts payable	37,415	38,080	36,608
Accrued liabilities	18,793	18,808	18,154

- (1) The average is based on the addition of the account balance at the end of the current period to the account balance at the end of the prior period and dividing by 2.
- (2) Total assets of continuing operations as of January 31, 2014, 2013 and 2012 in the table exclude assets of discontinued operations that are reflected in the Company's Consolidated Balance Sheets of \$460 million, \$37 million and \$89 million, respectively.

### Free Cash Flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We generated free cash flow of \$10.1 billion, \$12.7 billion and \$10.7 billion for fiscal 2014, 2013 and 2012, respectively. The decline in free cash flow for fiscal 2014, when compared to the previous fiscal year, was primarily due to the timing of income tax payments, as well as lower income from continuing operations and slightly higher capital expenditures. The fiscal 2013 increase in free cash flow was primarily due to higher income from continuing operations positively impacting net cash generated from operating activities and lower capital expenditures.

Free cash flow is considered a non-GAAP financial measure. We consider net cash provided by operating activities to be the GAAP financial measure most directly comparable to free cash flow. Management believes that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the Company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated income from continuing operations as a measure of our performance and net cash provided by operating activities as a measure of our liquidity.

Additionally, our definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures as the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.

Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by our management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow. We urge you to understand the methods used by other companies to calculate their free cash flow before comparing our free cash flow to that of such other companies.

The following table sets forth a reconciliation of free cash flow to net cash provided by operating activities, as well as information regarding net cash used in investing activities and net cash used in financing activities.

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2014	2013	2012
Net cash provided by operating activities	\$ 23,257	\$ 25,591	\$ 24,255
Payments for property and equipment	(13,115)	(12,898)	(13,510)
<b>Free cash flow</b>	<b>\$ 10,142</b>	<b>\$ 12,693</b>	<b>\$ 10,745</b>
Net cash used in investing activities <sup>(1)</sup>	\$ (12,298)	\$ (12,611)	\$ (16,609)
Net cash used in financing activities	(11,017)	(11,972)	(8,458)

(1) "Net cash used in investing activities" includes payments for property and equipment, which is also included in our computation of free cash flow.

## Results of Operations

### Consolidated Results of Operations

(Amounts in millions, except unit counts)	Fiscal Years Ended January 31,		
	2014	2013	2012
Total revenues	\$ 476,294	\$ 468,651	\$ 446,509
Percentage change in total revenues from previous fiscal year	1.6 %	5.0%	6.0%
Net sales	\$ 473,076	\$ 465,604	\$ 443,416
Percentage change in net sales from previous fiscal year	1.6 %	5.0%	5.9%
Total U.S. calendar comparable store and club sales	(0.5)%	2.4%	1.6%
Gross profit margin as a percentage of net sales	24.3 %	24.3%	24.5%
Operating income	\$ 26,872	\$ 27,725	\$ 26,491
Operating income as a percentage of net sales	5.7 %	6.0%	6.0%
Income from continuing operations	\$ 16,551	\$ 17,704	\$ 16,408
Unit counts at period end	10,942	10,408	9,766
Retail square feet at period end	1,101	1,070	1,035

Our total revenues, which are mostly comprised of net sales, but also include membership and other income, increased 1.6% and 5.0% for fiscal 2014 and 2013, respectively, when compared to the previous fiscal year. The increase in total revenues was primarily a result of increases in our net sales, which also increased 1.6% and 5.0% for fiscal 2014 and 2013, respectively. The increase in net sales for fiscal 2014 was primarily due to 3.1% year-over-year growth in retail square feet, higher e-commerce sales, the impact of fiscal 2013 acquisitions, which accounted for \$730 million of the net sales increase, and positive comparable club sales at Sam's Club. The positive effect of these items was partially offset by \$5.1 billion of negative impact from fluctuations in currency exchange rates and decreases in comparable store sales at Walmart U.S. and in a number of our international operations. The increase in net sales for fiscal 2013 was due to 3.3% growth in retail square feet and positive comparable store and club sales. Additionally, net sales from acquisitions, through their respective anniversary dates, accounted for \$4.0 billion of the increase in net sales. The increase in net sales for fiscal 2013 was partially offset by \$4.5 billion of negative impact from fluctuations in currency exchange rates. Increases in membership and other income of 5.6%, primarily due to higher membership and other income at Sam's Club, also contributed to the increase in total revenues for fiscal 2014 and 2013.

Our gross profit rate decreased 3 basis points for fiscal 2014, when compared to the previous fiscal year, primarily due to our ongoing investment in price, as well as merchandise mix. For fiscal 2013, gross profit rate decreased 12 basis points, when compared to the previous fiscal year, primarily due to the Walmart U.S. segment's strategic focus on price investment and low price leadership.

For fiscal 2014, we did not meet our objective of growing operating expenses at a slower rate than net sales as operating expenses as a percentage of net sales increased 27 basis points. Overall, lower than anticipated net sales, higher investment in key areas, such as global leverage and e-commerce initiatives, and nearly \$1.0 billion of increased expenses for various matters described in the Walmart International segment discussion, were the primary cause for the increase in operating expenses as a percentage of net sales. Additional expenses related to the FCPA inquiries and investigations, as well as our global compliance program and related organizational enhancements also contributed to the increase in operating expenses as a percentage of net sales. The negative leverage impact of these items was partially offset by lower incentive expenses for fiscal 2014. For fiscal 2013, we met our objective of growing operating expenses at a slower rate than net sales as operating expenses as a percentage of net sales decreased 14 basis points. The fiscal 2013 decrease in operating expenses as a percentage of net sales was primarily due to productivity improvements and expense management.

For fiscal 2014, we did not meet our objective of growing operating income at a faster rate than net sales as operating income decreased 3.1% while net sales increased 1.6%, when compared to the previous fiscal year. This was primarily due to the factors we discussed for not leveraging operating expenses, partially offset by increases in membership and other income. For fiscal 2013, we also did not meet our objective of growing operating income at a faster rate than net sales as operating income increased 4.7% while net sales increased 5.0%, when compared to the previous fiscal year. The primary causes for operating income growing slower than net sales in fiscal 2013 were investments in e-commerce initiatives, increased expenses related to the FCPA inquiries and investigations, as well as our global compliance program and related organizational enhancements, and investments in price, which reduced gross margin.

Our effective income tax rates were 32.9% , 31.0% and 32.6% for fiscal 2014 , 2013 and 2012 , respectively. The reconciliation from the U.S. statutory rate to the effective income tax rates for fiscal 2014, 2013 and 2012 is presented in Note 9 in the "Notes to Consolidated Financial Statements." Our effective income tax rate for fiscal 2014 was higher than in fiscal 2013 primarily due to the tax impacts attributable to repatriated international earnings during fiscal 2014. Our fiscal 2013 effective income tax rate was lower than in fiscal 2012 primarily because the fiscal 2013 rate benefited from a number of discrete tax items, including the positive impact from fiscal 2013 legislative changes arising at the end of the fiscal 2012 year, most notably the American Taxpayer Relief Act of 2012. Our effective income tax rate may fluctuate from period to period as a result of factors including changes in our assessment of certain tax contingencies, increases or decreases in valuation allowances, changes in tax law, outcomes of administrative audits, the impact of discrete items and the mix of earnings among our U.S. and international operations where the statutory rates are generally lower than the U.S. statutory rate.

As a result of the factors discussed above, we reported \$16.6 billion, \$17.7 billion and \$16.4 billion of consolidated income from continuing operations for fiscal 2014 , 2013 and 2012 , respectively, a decrease of \$1.1 billion for fiscal 2014 and an increase of \$1.3 billion for fiscal 2013, when compared to the previous fiscal year. Diluted income per common share from continuing operations attributable to Walmart ("EPS") was \$4.85, \$5.01 and \$4.53 for fiscal 2014 , 2013 and 2012 , respectively.

### **Walmart U.S. Segment**

	Fiscal Years Ended January 31,		
	2014	2013	2012
<i>(Amounts in millions, except unit counts)</i>			
Net sales	\$ 279,406	\$ 274,433	\$ 264,186
Percentage change from previous fiscal year	1.8 %	3.9%	1.5%
Calendar comparable store sales	(0.6)%	2.0%	0.3%
Operating income	\$ 22,351	\$ 21,491	\$ 20,381
Operating income as a percentage of net sales	8.0 %	7.8%	7.7%
Unit counts at period end	4,203	4,005	3,868
Retail square feet at period end	659	641	627

Net sales for the Walmart U.S. segment increased 1.8% and 3.9% for fiscal 2014 and 2013, respectively, when compared to the previous fiscal year. For fiscal 2014, the increase in net sales was due to year-over-year growth in retail square feet of 2.9%, partially offset by a decline in comparable store sales of (0.6)% . Our comparable store sales were negatively impacted by lower consumer spending primarily due to the slow recovery in general economic conditions, the 2% increase in the 2013 payroll tax rate, and the reduction in government food benefits and severe winter storms that occurred in the fourth quarter. For fiscal 2013, the increase in net sales was due to a 2.0% increase in comparable store sales as a result of higher average ticket and an increase in customer traffic, combined with a 2.2% increase in retail square feet.

The fiscal 2014 gross profit rate declined slightly when compared to the previous fiscal year primarily due to our commitment to low price leadership, especially during fiscal 2014's highly competitive holiday sales season, partially offset by cost of goods savings initiatives and supply chain productivity. Gross profit rate declined 16 basis points for fiscal 2013, when compared to the previous fiscal year, primarily due to our strategic focus on price investment and low price leadership.

Walmart U.S. leveraged operating expenses for fiscal 2014 and 2013, as operating expenses as a percentage of segment net sales declined 18 and 27 basis points, respectively, compared to the previous fiscal year. The decrease in operating expenses as a percentage of segment net sales was driven by productivity initiatives in both years, as well as lower incentive expenses in fiscal 2014.

As a result of the factors discussed above, segment operating income was \$22.4 billion, \$21.5 billion and \$20.4 billion during fiscal 2014, 2013 and 2012, respectively, and Walmart U.S. grew operating income faster than sales during fiscal 2014 and 2013.

## Walmart International Segment

(Amounts in millions, except unit counts)	Fiscal Years Ended January 31,		
	2014	2013	2012
Net sales	\$ 136,513	\$ 134,748	\$ 125,435
Percentage change from previous fiscal year	1.3%	7.4%	15.3%
Operating income	\$ 5,454	\$ 6,617	\$ 6,113
Operating income as a percentage of net sales	4.0%	4.9%	4.9%
Unit counts at period end	6,107	5,783	5,287
Retail square feet at period end	358	346	326

Net sales for the Walmart International segment increased 1.3% and 7.4% for fiscal 2014 and 2013, respectively, when compared to the previous fiscal year. For fiscal 2014, the increase in net sales was due to year-over-year growth in retail square feet of 3.6% and the impact of fiscal 2013 acquisitions, which accounted for \$730 million of the net sales increase. In addition, higher e-commerce sales in each country with e-commerce operations, particularly in the United Kingdom, Brazil and China, contributed to the increase in net sales. The increase in net sales was partially offset by \$5.1 billion of negative impact from fluctuations in currency exchange rates. For fiscal 2013, the increase in net sales was due to year-over-year growth in retail square feet of 5.9% and positive comparable sales. In addition, net sales from fiscal 2012 acquisitions accounted for \$4.0 billion of the increase in net sales. The increase in net sales was partially offset by \$4.5 billion of negative impact from fluctuations in currency exchange rates.

Gross profit rate decreased 10 basis points for fiscal 2014 and was flat for fiscal 2013, when compared to the previous fiscal year. The fiscal 2014 decrease in gross profit rate was primarily due to price investments in certain countries, including Brazil, Canada and Mexico.

Walmart International did not leverage operating expenses for fiscal 2014 as operating expenses as a percentage of segment net sales increased 80 basis points, when compared to the previous fiscal year. Operating expenses as a percentage of segment net sales were impacted by lower than anticipated net sales, increased wages and strategic investments, including investments in e-commerce initiatives. In addition, we incurred nearly \$1.0 billion of aggregated expenses for the following matters that contributed to the increase in our operating expenses as a percentage of segment net sales:

- Charges for contingencies for non-income taxes and employment claims in Brazil;
- Charges for the closure of 29 units in China and 25 units in Brazil due to poor performance;
- Store lease expenses in China and Mexico to correct a historical accounting practice that did not conform to our global accounting policies; and
- Expenses for the termination of the joint venture, franchise and supply agreements related to our former partner's retail store operations in India.

Operating expenses as a percentage of segment net sales decreased 22 basis points in fiscal 2013, when compared to the previous fiscal year. Walmart International leveraged operating expenses in fiscal 2013 primarily due to expense management. While each country is focused on leveraging operating expenses, the countries that generated the most leverage included Brazil, Chile and the United Kingdom in fiscal 2013.

As a result of the factors discussed above, segment operating income was \$5.5 billion, \$6.6 billion and \$6.1 billion for fiscal 2014, 2013 and 2012, respectively. Fluctuations in currency exchange rates negatively impacted operating income \$26 million and \$111 million in fiscal 2014 and fiscal 2013, respectively, and positively impacted operating income \$105 million in fiscal 2012. Walmart International did not grow operating income faster than net sales in fiscal 2014, but grew operating income faster than net sales in fiscal 2013.

### Sam's Club Segment

We believe the information in the following table under the caption "Excluding Fuel" is useful to investors because it permits investors to understand the effect of the Sam's Club segment's fuel sales on its results of operations, which are impacted by the volatility of fuel prices. Volatility in fuel prices may continue to impact the operating results of the Sam's Club segment in the future.

(Amounts in millions, except unit counts)	Fiscal Years Ended January 31,		
	2014	2013	2012
<b>Including Fuel</b>			
Net sales	\$ 57,157	\$ 56,423	\$ 53,795
Percentage change from comparable period	1.3%	4.9%	8.8%
Calendar comparable club sales increase	0.3%	4.1%	8.4%
Operating income	\$ 1,975	\$ 1,960	\$ 1,844
Operating income as a percentage of net sales	3.5%	3.5%	3.4%
Unit counts at period end	632	620	611
Retail square feet at period end	84	83	82
<b>Excluding Fuel</b>			
Net sales	\$ 50,574	\$ 49,789	\$ 47,616
Percentage change from previous fiscal year	1.6%	4.6%	5.4%
Operating income	\$ 1,949	\$ 1,913	\$ 1,805
Operating income as a percentage of net sales	3.9%	3.8%	3.8%

Net sales for the Sam's Club segment increased 1.3% and 4.9% for fiscal 2014 and 2013, respectively, when compared to the previous fiscal year. The fiscal 2014 increase in net sales was due to year-over-year growth in retail square feet of 2.1%, driven by the addition of 12 new clubs, as well as positive comparable club sales of 0.3%. Our positive comparable club sales were the result of increased member traffic primarily coming from our Savings Members, partially offset by severe winter storms that occurred in the fourth quarter. The net sales increase in fiscal 2013 was primarily due to positive comparable club sales, driven by an increase in customer traffic and average ticket. The addition of nine new clubs in fiscal 2013 also helped increase net sales.

Gross profit rate was flat for fiscal 2014 and 2013, when compared to the previous fiscal year. For fiscal 2014, our gross profit was negatively impacted by \$39 million from an adjustment to our product warranty liabilities, which was offset by a favorable impact from merchandise mix.

Membership and other income increased 14.1% and 3.0% for fiscal 2014 and 2013, respectively, when compared to the previous fiscal year. The fiscal 2014 increase was primarily due to the improved contract terms relating to the profit sharing arrangement with our credit card provider, increased membership fees that were introduced on May 15, 2013, \$24 million of income from the sale of two real estate properties and an increase in members from the opening of 12 new clubs. The fiscal 2013 increase was primarily due to an increase in total members aided by the opening of nine new clubs.

Sam's Club did not leverage expenses for fiscal 2014 as operating expenses as a percentage of segment net sales increased 26 basis points, when compared to the previous fiscal year. The increase in operating expenses as a percentage of segment net sales was primarily due to a \$59 million charge for the implementation of a new in-club staffing structure and the pending closure of one club, as well as a state excise tax refund credit we received in the previous fiscal year. Sam's Club leveraged expenses for fiscal 2013 as operating expenses as a percentage of segment net sales decreased 9 basis points, when compared to the previous fiscal year. The fiscal 2013 decrease was due to improved wage management, a state excise tax refund credit we received and lower expenses in connection with club remodels.

As a result of the factors discussed above, operating income was \$2.0 billion, \$2.0 billion and \$1.8 billion for fiscal 2014, 2013 and 2012, respectively. Sam's Club did not grow operating income faster than net sales in fiscal 2014, but did grow operating income faster than sales in fiscal 2013.



## Liquidity and Capital Resources

### Liquidity

Cash flows provided by operating activities have historically supplied us with a significant source of liquidity. We use these cash flows, supplemented with long-term debt and short-term borrowings, to fund our operations and global expansion activities. Generally, some or all of the remaining available cash flow funds all or part of the dividends on our common stock and share repurchases.

(Amounts in millions)	Fiscal Years Ended January 31,		
	2014	2013	2012
Net cash provided by operating activities	\$ 23,257	\$ 25,591	\$ 24,255
Payments for property and equipment	(13,115)	(12,898)	(13,510)
<b>Free cash flow</b>	<b>\$ 10,142</b>	<b>\$ 12,693</b>	<b>\$ 10,745</b>
Net cash used in investing activities <sup>(1)</sup>	\$ (12,298)	\$ (12,611)	\$ (16,609)
Net cash used in financing activities	(11,017)	(11,972)	(8,458)

(1) "Net cash used in investing activities" includes payments for property and equipment, which is also included in our computation of free cash flow.

### **Cash Flows Provided by Operating Activities**

Cash flows provided by operating activities were \$23.3 billion, \$25.6 billion and \$24.3 billion for fiscal 2014, 2013 and 2012, respectively. The decrease in cash flows provided by operating activities for fiscal 2014, when compared to the previous fiscal year, was primarily due to the timing of income tax payments, as well as lower income from continuing operations. The increase in cash flows provided by operating activities in fiscal 2013, when compared to the previous fiscal year, was primarily due to higher income for continuing operations.

### **Cash Equivalents and Working Capital**

Cash and cash equivalents were \$7.3 billion and \$7.8 billion at January 31, 2014 and 2013, respectively. Our working capital deficits were \$8.2 billion and \$11.9 billion at January 31, 2014 and 2013, respectively. The decrease in our working capital deficit was primarily attributable to a decrease in long-term debt due within one year and an increase in our inventory levels due to lower than anticipated sales across the Company. Timing differences also contributed to the decrease in our working capital deficit. We generally operate with a working capital deficit due to our efficient use of cash in funding operations and in providing returns to our shareholders in the form of share repurchases and payments of cash dividends.

We employ financing strategies (e.g., global funding structures) in an effort to ensure cash can be made available in the country in which it is needed with the minimum cost possible. We do not believe it will be necessary to repatriate cash and cash equivalents held outside of the U.S. and anticipate our domestic liquidity needs will be met through other funding sources (ongoing cash flows generated from operations, external borrowings or both). Accordingly, we intend, with only certain exceptions, to continue to indefinitely reinvest our cash and cash equivalents held outside of the U.S. in our foreign operations. When the income earned (either from operations or through global funding structures) and indefinitely reinvested outside of the U.S. is taxed at local country tax rates, which are generally lower than the U.S. statutory rate, we realize an effective tax rate benefit. If our intentions with respect to reinvestment were to change, most of the amounts held within our foreign operations could be repatriated to the U.S., although any repatriation under current U.S. tax laws would be subject to U.S. federal income taxes, less applicable foreign tax credits. As of January 31, 2014 and 2013, cash and cash equivalents of approximately \$1.9 billion may not be freely transferable to the U.S. due to local laws or other restrictions. We do not expect local laws, other limitations or potential taxes on anticipated future repatriations of cash amounts held outside of the U.S. to have a material effect on our overall liquidity, financial condition or results of operations.

### Cash Flows Used in Investing Activities

Cash flows used in investing activities generally consist of payments for property and equipment and investments and business acquisitions. Payments for property and equipment were \$13.1 billion, \$12.9 billion and \$13.5 billion for fiscal 2014, 2013 and 2012, respectively. The fiscal 2014 increase was primarily for additional Neighborhood Markets and other small formats in the Walmart U.S. segment. The fiscal 2013 decrease was primarily the result of lowering the average cost for remodels. Payments for investments and business acquisitions, net of cash acquired, were \$15 million, \$316 million and \$3.5 billion for fiscal 2014, 2013 and 2012, respectively.

### Pending Transaction

As discussed in Note 13 to our Consolidated Financial Statements, we currently anticipate completing the following transaction that will impact our future cash flows from investing activities:

#### Vips Restaurant Business in Mexico

In September 2013, Wal-Mart de México, S.A.B. de C.V. ("Walmex"), a majority-owned subsidiary of the Company, entered into a definitive agreement with Alsea S.A.B. de C.V. to dispose of Walmex's Vips restaurant business ("Vips") in Mexico for approximately \$625 million. Accordingly, the Vips operating results are presented as discontinued operations in the Company's Consolidated Statements of Income for fiscal 2014, 2013 and 2012. Additionally, the Vips assets and liabilities to be disposed of are reported separately in the Company's Consolidated Balance Sheets as of January 31, 2014. The Vips sale is subject to approval by Mexican regulatory authorities and is currently expected to close during the first half of fiscal 2015. Upon completion of this transaction, the Company expects to record a net gain, which will be recorded in discontinued operations in the Company's Consolidated Statements of Income.

### Global Expansion Activities

In addition to our growth in retail square feet discussed throughout the "Results of Operations" discussion, we expanded in e-commerce in each of our segments during fiscal 2014, with Walmart U.S. and Sam's Club focused on the e-commerce market in the U.S. and Walmart International focused on the e-commerce markets in countries outside of the U.S., primarily the United Kingdom, China and Brazil. Some of our fiscal 2014 e-commerce accomplishments included developing a new recommendation engine to further personalize search, improving the mobile shopping experience, accelerating the deployment of our global technology platform and increasing assortment offered on our websites. Each of these accomplishments further supports the operations of our segments.

Our fiscal 2015 global expansion plans include continuing to grow our retail square feet, which will include a significant increase in the number of Neighborhood Markets and other small stores. In addition, we plan to continue to expand our e-commerce capabilities. We anticipate financing our global expansion activities through cash flows provided by operating activities and future debt financings. The following table provides our estimated range for fiscal 2015 capital expenditures, as well as our estimated range for growth in retail square feet. Our anticipated e-commerce capital expenditures are included in our estimated range for fiscal 2015 capital expenditures. The amounts in the table do not include capital expenditures or growth in retail square feet from any pending or future acquisitions.

	Fiscal 2015 Projected Capital Expenditures (in billions)				Fiscal 2015 Projected Growth in Retail Square Feet (in thousands)			
Walmart U.S.	\$	6.4	to	\$	6.9	21,000	to	23,000
Walmart International		4.0	to		4.5	12,000	to	14,000
Sam's Club		1.0	to		1.0	2,000	to	2,000
Corporate and support		1.0	to		1.0	—	to	—
<b>Total</b>	<b>\$</b>	<b>12.4</b>	<b>to</b>	<b>\$</b>	<b>13.4</b>	<b>35,000</b>	<b>to</b>	<b>39,000</b>

The following table represents the allocation of our capital expenditures for property and equipment:

Capital Expenditures	Allocation of Capital Expenditures Fiscal Years Ending January 31,	
	2014	2013
New stores and clubs, including expansions and relocations	\$ 5,083	\$ 4,340
Information systems, distribution, e-commerce and other	2,539	2,922
Remodels	1,030	995
<b>Total U.S.</b>	<b>8,652</b>	<b>8,257</b>
Walmart International	4,463	4,641
<b>Total capital expenditures</b>	<b>\$ 13,115</b>	<b>\$ 12,898</b>

### ***Cash Flows Used in Financing Activities***

Cash flows used in financing activities generally consist of transactions related to our short-term and long-term debt, as well as dividends paid and the repurchase of Company stock. Transactions with noncontrolling interest shareholders are also classified as cash flows from financing activities.

#### ***Short-term Borrowings***

Short-term borrowings increased \$911 million for fiscal 2014, compared to an increase of \$2.8 billion for the previous fiscal year. Favorable interest rates available to us have allowed us to continue to utilize the liquidity under our short-term borrowing programs to provide funding used for our operations, dividend payments, share repurchases, capital expenditures and for other cash requirements and corporate purposes as needed.

#### ***Long-term Debt***

Information on significant long-term debt issued during fiscal 2014, is as follows:

*(Amounts in millions)*

<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>
April 11, 2013	April 11, 2016	0.600%	\$ 1,000
April 11, 2013	April 11, 2018	1.125%	1,250
April 11, 2013	April 11, 2023	2.550%	1,750
April 11, 2013	April 11, 2043	4.000%	1,000
October 2, 2013	December 15, 2018	1.950%	1,000
October 2, 2013	October 2, 2043	4.750%	750
<b>Total</b>			<b>\$ 6,750</b>

The aggregate net proceeds from these long-term debt issuances were approximately \$6.7 billion, which were used to pay down and refinance existing debt and for other general corporate purposes. We also received additional aggregate net proceeds of approximately \$0.4 billion from other, smaller long-term debt issuances in several of our international operations, which were used primarily to refinance existing debt.

#### ***Dividends***

Our total dividend payments were \$6.1 billion, \$5.4 billion, and \$5.0 billion for fiscal 2014, 2013 and 2012, respectively. On February 20, 2014, the Board of Directors approved the fiscal 2015 annual dividend at \$1.92 per share, an increase compared to the fiscal 2014 dividend of \$1.88 per share. For fiscal 2015, the annual dividend will be paid in four quarterly installments of \$0.48 per share, according to the following record and payable dates:

<b>Record Date</b>	<b>Payable Date</b>
March 11, 2014	April 1, 2014
May 9, 2014	June 2, 2014
August 8, 2014	September 3, 2014
December 5, 2014	January 5, 2015

### *Company Share Repurchase Program*

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Board of Directors. On June 6, 2013, the Company's Board of Directors replaced the previous \$15.0 billion share repurchase program, which had approximately \$712 million of remaining authorization for share repurchases as of that date, with a new \$15.0 billion share repurchase program, which was announced on June 7, 2013. As was the case with the replaced share repurchase program, the current share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At January 31, 2014, authorization for \$11.3 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings and the market price of its common stock. The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total cash paid for share repurchases for fiscal 2014, 2013 and 2012:

(Amounts in millions, except per share data)	Fiscal Years Ended January 31,		
	2014	2013	2012
Total number of shares repurchased	89.1	113.2	115.3
Average price paid per share	\$ 74.99	\$ 67.15	\$ 54.64
Total cash paid for share repurchases	\$ 6,683	\$ 7,600	\$ 6,298

### *Transactions with Noncontrolling Interest Holders*

As discussed in Note 13 to our Consolidated Financial Statements, we have completed or anticipate completing the following transactions with noncontrolling interest shareholders that have impacted our cash flows from financing activities or that will impact our cash flows from financing activities in the future:

#### *India Operations*

During fiscal 2014, the Company acquired, for \$100 million, the remaining ownership interest in Bharti Walmart Private Limited, previously a joint venture between Bharti Ventures Limited ("Bharti") and the Company established in 2007, which operated the Company's wholesale cash & carry business in India. Upon completion of the transaction, the Company became the sole owner of the cash & carry business in India. In addition, the Company also terminated its joint venture, franchise and supply agreements with Bharti Retail Limited ("Bharti Retail"), which operates Bharti's retail business in India, and transferred its investment in that business to Bharti. In connection with the agreements related to the Bharti retail business, the Company paid and forgave indebtedness of approximately \$234 million. The amounts paid to complete these transactions are included in the other investing and other financing categories in the Company's Consolidated Statements of Cash Flows for fiscal 2014.

#### *Walmart Chile*

In September 2013, certain redeemable noncontrolling interest shareholders exercised put options that required the Company to purchase a portion of their shares in Walmart Chile at the mutually agreed upon redemption value to be determined after exercise of the put options. In fiscal 2014, the Company recorded an increase to redeemable noncontrolling interest of \$ 1.0 billion, with a corresponding decrease to capital in excess of par value, to reflect the estimated redemption value of the redeemable noncontrolling interest at \$ 1.5 billion. Subsequent to the initial exercise, the Company negotiated with the redeemable noncontrolling interest shareholders to acquire all of their redeemable noncontrolling interest shares. The Company completed this transaction in February 2014, after period end, using its existing cash and bringing its ownership interest in Walmart Chile to approximately 99.7 percent. The Company has since initiated a tender offer for the remaining 0.3 percent noncontrolling interest held by the public in Chile at the same value per share as was paid to the redeemable noncontrolling interest shareholders. The tender offer will expire in the first quarter of fiscal 2015.

**Capital Resources**

We believe cash flows from continuing operations, our current cash position and access to debt and capital markets will continue to be sufficient to meet our anticipated operating cash needs, including seasonal buildups in merchandise inventories, and complete our capital expenditures, dividend payments and share repurchases.

We have strong commercial and long-term debt ratings that have enabled and should continue to enable us to refinance our debt as it becomes due at favorable rates in debt capital markets. At January 31, 2014, the ratings assigned to our commercial paper and rated series of our outstanding long-term debt were as follows:

Rating agency	Commercial paper	Long-term debt
Standard & Poor's	A-1+	AA
Moody's Investors Service	P-1	Aa2
Fitch Ratings	F1+	AA

Credit rating agencies review their ratings periodically and, therefore, the credit ratings assigned to us by each agency may be subject to revision at any time. Accordingly, we are not able to predict whether our current credit ratings will remain consistent over time. Factors that could affect our credit ratings include changes in our operating performance, the general economic environment, conditions in the retail industry, our financial position, including our total debt and capitalization, and changes in our business strategy. Any downgrade of our credit ratings by a credit rating agency could increase our future borrowing costs or impair our ability to access capital and credit markets on terms commercially acceptable to us. In addition, any downgrade of our current short-term credit ratings could impair our ability to access the commercial paper markets with the same flexibility that we have experienced historically, potentially requiring us to rely more heavily on more expensive types of debt financing. The credit rating agency ratings are not recommendations to buy, sell or hold our commercial paper or debt securities. Each rating may be subject to revision or withdrawal at any time by the assigning rating organization and should be evaluated independently of any other rating. Moreover, each credit rating is specific to the security to which it applies.

To monitor our credit rating and our capacity for long-term financing, we consider various qualitative and quantitative factors. We monitor the ratio of our debt-to-total capitalization as support for our long-term financing decisions. At January 31, 2014 and 2013, the ratio of our debt-to-total capitalization was 42.6% and 41.5%, respectively. For the purpose of this calculation, debt is defined as the sum of short-term borrowings, long-term debt due within one year, obligations under capital leases due within one year, long-term debt and long-term obligations under capital leases. Total capitalization is defined as debt plus total Walmart shareholders' equity. The increase in our debt-to-total capitalization ratio was primarily driven by changes in working capital and higher long-term debt balances.

## Contractual Obligations and Other Commercial Commitments

The following table sets forth certain information concerning our obligations and commitments to make contractual future payments, such as debt and lease agreements, and certain contingent commitments:

		Payments Due During Fiscal Years Ending January 31,				
(Amounts in millions)	Total	2015	2016-2017	2018-2019	Thereafter	
Recorded contractual obligations:						
Long-term debt <sup>(1)</sup>	\$ 45,874	\$ 4,103	\$ 6,876	\$ 4,638	\$ 30,257	
Short-term borrowings	7,670	7,670	—	—	—	
Capital lease obligations <sup>(2)</sup>	6,291	586	1,077	917	3,711	
Unrecorded contractual obligations:						
Non-cancelable operating leases	17,170	1,734	3,094	2,506	9,836	
Estimated interest on long-term debt	34,034	1,921	3,692	3,459	24,962	
Trade letters of credit	2,843	2,843	—	—	—	
Purchase obligations	5,032	4,383	621	20	8	
Total commercial commitments	\$ 118,914	\$ 23,240	\$ 15,360	\$ 11,540	\$ 68,774	

(1) "Long-term debt" includes the fair value of our derivatives classified as fair value hedges.

(2) "Capital lease obligations" includes executory costs and imputed interest related to capital lease obligations that are not yet recorded. Refer to Note 11 for more information.

Additionally, the Company has approximately \$15.4 billion in undrawn lines of credit and standby letter of credit facilities which, if drawn upon, would be included in the liabilities section of the Company's Consolidated Balance Sheets.

Estimated interest payments are based on our principal amounts and expected maturities of all debt outstanding at January 31, 2014, and management's forecasted market rates for our variable rate debt.

Purchase obligations include legally binding contracts such as firm commitments for inventory and utility purchases, as well as commitments to make capital expenditures, software acquisition and license commitments and legally binding service contracts. Purchase orders for inventory and other services are not included in the table above. Purchase orders represent authorizations to purchase rather than binding agreements. For the purposes of this table, contractual obligations for the purchase of goods or services are defined as agreements that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Our purchase orders are based on our current inventory needs and are fulfilled by our suppliers within short time periods. We also enter into contracts for outsourced services; however, the obligations under these contracts are not significant and the contracts generally contain clauses allowing for cancellation without significant penalty.

The expected timing for payment of the obligations discussed above is estimated based on current information. Timing of payments and actual amounts paid with respect to some unrecorded contractual commitments may be different depending on the timing of receipt of goods or services or changes to agreed-upon amounts for some obligations.

In addition to the amounts shown in the table above, \$763 million of unrecognized tax benefits are considered uncertain tax positions and have been recorded as liabilities. The timing of the payment, if any, associated with these liabilities is uncertain. Refer to Note 9 in the "Notes to Consolidated Financial Statements" for additional discussion of unrecognized tax benefits.

## Off Balance Sheet Arrangements

In addition to the unrecorded contractual obligations presented above, we have entered into certain arrangements, as discussed below, for which the timing of payment, if any, is unknown.

The Company has future lease commitments for land and buildings for approximately 317 future locations. These lease commitments have lease terms ranging from 4 to 40 years and provide for certain minimum rentals. If executed, payments under operating leases would increase by \$49 million for fiscal 2015, based on current estimates.

In connection with certain long-term debt issuances, we could be liable for early termination payments if certain unlikely events were to occur. At January 31, 2014, the aggregate termination payment would have been \$ 74 million. The arrangement pursuant to which this payment could be made will expire in fiscal 2019.

## Market Risk

In addition to the risks inherent in our operations, we are exposed to certain market risks, including changes in interest rates and fluctuations in currency exchange rates.

The analysis presented below for each of our market risk sensitive instruments is based on a hypothetical scenario used to calibrate potential risk and does not represent our view of future market changes. The effect of a change in a particular assumption is calculated without adjusting any other assumption. In reality, however, a change in one factor could cause a change in another, which may magnify or negate other sensitivities.

### Interest Rate Risk

We are exposed to changes in interest rates as a result of our short-term borrowings and long-term debt issuances. We hedge a portion of our interest rate risk by managing the mix of fixed and variable rate debt. We also enter into interest rate swaps and for fiscal 2014, the net fair value of our derivatives increased approximately \$107 million primarily due to fluctuations in market interest rates, which helped reduce the Company's overall exposure to interest rate risk.

The table below provides information about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table represents the principal cash flows and related weighted-average interest rates by expected maturity dates. For interest rate swaps, including forward starting interest rate swaps, the table represents the contractual cash flows and weighted-average interest rates by the contractual maturity date, unless otherwise noted. The notional amounts are used to calculate contractual cash flows to be exchanged under the contracts. The weighted-average variable rates are based upon prevailing market rates at January 31, 2014.

(Amounts in millions)	Expected Maturity Date						
	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Thereafter	Total
<b>Liabilities</b>							
<b>Short-term borrowings:</b>							
Variable rate	\$ 7,670	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,670
Weighted-average interest rate	0.1%	—%	—%	—%	—%	—%	0.1%
<b>Long-term debt <sup>(1)</sup>:</b>							
Fixed rate	\$ 3,309	\$ 4,084	\$ 2,000	\$ 1,000	\$ 3,500	\$ 30,223	\$ 44,116
Weighted-average interest rate	2.3%	2.4%	1.7%	5.4%	3.0%	5.1%	4.3%
Variable rate	\$ 665	\$ 292	\$ —	\$ —	\$ —	\$ —	\$ 957
Weighted-average interest rate	4.3%	0.6%	—%	—%	—%	—%	3.2%
<b>Interest rate derivatives</b>							
<b>Interest rate swaps:</b>							
Variable to fixed <sup>(2)</sup>	\$ 2,665	\$ 292	\$ —	\$ —	\$ —	\$ —	\$ 2,957
Weighted-average pay rate	2.7%	0.9%	—%	—%	—%	—%	2.5%
Weighted-average receive rate	0.3%	0.6%	—%	—%	—%	—%	0.3%
Fixed to variable	\$ 1,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,000
Weighted-average pay rate	0.3%	—%	—%	—%	—%	—%	0.3%
Weighted-average receive rate	3.1%	—%	—%	—%	—%	—%	3.1%

(1) The long-term debt amounts in the table exclude the Company's derivatives classified as fair value hedges.

(2) Forward starting interest rate swaps have been included in the fiscal 2015 maturity category based on when the related hedged forecasted debt issuances, and corresponding swap terminations, are expected to occur.

As of January 31, 2014, our variable rate borrowings, including the effect of our commercial paper and interest rate swaps, represented 18% of our total short-term and long-term debt. Based on January 31, 2014 debt levels, a 100 basis point change in prevailing market rates would cause our annual interest costs to change by approximately \$78 million.



### *Foreign Currency Risk*

We are exposed to fluctuations in foreign currency exchange rates as a result of our net investments and operations in countries other than the United States. For fiscal 2014, movements in currency exchange rates and the related impact on the translation of the balance sheets of the Company's subsidiaries in Japan, Canada, Brazil and Africa were the primary cause of a \$2.8 billion net loss in the currency translation and other category of accumulated other comprehensive income (loss). We hedge a portion of our foreign currency risk by entering into currency swaps and designating certain foreign-currency-denominated long-term debt as net investment hedges.

We hold currency swaps to hedge the currency exchange component of our net investments and also to hedge the currency exchange rate fluctuation exposure associated with the forecasted payments of principal and interest of non-U.S. denominated debt. The aggregate fair value of these swaps was in an asset position of \$550 million and \$453 million at January 31, 2014 and 2013, respectively. A hypothetical 10% increase or decrease in the currency exchange rates underlying these swaps from the market rate at January 31, 2014 would have resulted in a loss or gain in the value of the swaps of \$274 million. A hypothetical 10% change in interest rates underlying these swaps from the market rates in effect at January 31, 2014 would have resulted in a loss or gain in value of the swaps of \$7 million.

In addition to currency swaps, we have designated foreign-currency-denominated long-term debt as nonderivative hedges of net investments of certain of our foreign operations. At January 31, 2014 and 2013, we had £ 2.5 billion of outstanding long-term debt designated as a hedge of our net investment in the United Kingdom. At January 31, 2014, a hypothetical 10% increase or decrease in the value of the U.S. dollar relative to the British pound would have resulted in a gain or loss in the value of the debt of \$375 million. In addition, we had outstanding long-term debt of ¥ 200 billion at January 31, 2014 and ¥ 275 billion at January 31, 2013, that was designated as a hedge of our net investment in Japan. At January 31, 2014, a hypothetical 10% increase or decrease in value of the U.S. dollar relative to the Japanese yen would have resulted in a gain or loss in the value of the debt of \$177 million.

### **Other Matters**

We discuss our existing FCPA investigation and related matters in the Annual Report on Form 10-K for fiscal 2014, including certain risks arising therefrom, in Part I, Item 1A of the Form 10-K under the caption "Risk Factors" and in Note 10 to our Consolidated Financial Statements, which is captioned "Contingencies," under the sub-caption "FCPA Investigation and Related Matters." We also discuss various legal proceedings related to the FCPA investigation in Item 3 of the Form 10-K under the caption "Item 3. Legal Proceedings," under the sub-caption "II. Certain Other Proceedings."

### **Summary of Critical Accounting Estimates**

Management strives to report our financial results in a clear and understandable manner, although in some cases accounting and disclosure rules are complex and require us to use technical terminology. In preparing the Company's Consolidated Financial Statements, we follow accounting principles generally accepted in the United States. These principles require us to make certain estimates and apply judgments that affect our financial position and results of operations as reflected in our financial statements. These judgments and estimates are based on past events and expectations of future outcomes. Actual results may differ from our estimates.

Management continually reviews our accounting policies, how they are applied and how they are reported and disclosed in our financial statements. Following is a summary of our critical accounting estimates and how they are applied in preparation of the financial statements.

### ***Inventories***

We value inventories at the lower of cost or market as determined primarily by the retail method of accounting, using the last-in, first-out ("LIFO") method for substantially all of the Walmart U.S. segment's merchandise inventories. The retail method of accounting results in inventory being valued at the lower of cost or market since permanent markdowns are currently taken as a reduction of the retail value of inventory. The Sam's Club segment's merchandise is valued based on the weighted-average cost using the LIFO method. Inventories for the Walmart International segment are primarily valued by the retail method of accounting and are stated using the first-in, first-out ("FIFO") method.

Under the retail method of accounting, inventory is stated at cost, which is determined by applying a cost-to-retail ratio to each merchandise grouping's retail value. The FIFO cost-to-retail ratio is generally based on the fiscal year purchase activity. The cost-to-retail ratio for measuring any LIFO provision is based on the initial margin of the fiscal year purchase activity less the impact of any permanent markdowns. The retail method of accounting requires management to make certain judgments and estimates that may significantly impact the ending inventory valuation at cost, as well as the amount of gross profit recognized. Judgments made include recording markdowns used to sell inventory and shrinkage. When management determines the ability to sell inventory has diminished, markdowns for clearance activity and the related cost impact are recorded. Factors considered in the determination of markdowns include current and anticipated demand, customer preferences and age of merchandise, as

well as seasonal and fashion trends. Changes in weather patterns and customer preferences could cause material changes in the amount and timing of markdowns from year to year.

When necessary, we record a LIFO provision for the estimated annual effect of inflation, and these estimates are adjusted to actual results determined at year-end. Our LIFO provision is calculated based on inventory levels, markup rates and internally generated retail price indices. At January 31, 2014 and 2013, our inventories valued at LIFO approximated those inventories as if they were valued at FIFO.

We provide for estimated inventory losses, or shrinkage, between physical inventory counts on the basis of a percentage of sales. Following annual inventory counts, the provision is adjusted to reflect updated historical results.

### ***Impairment of Assets***

We evaluate long-lived assets other than goodwill and assets with indefinite lives for indicators of impairment whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. Management's judgments regarding the existence of impairment indicators are based on market conditions and operational performance, such as operating income and cash flows. The evaluation for long-lived assets is performed at the lowest level of identifiable cash flows, which is generally at the individual store level or, in certain markets, at the market group level. The variability of these factors depends on a number of conditions, including uncertainty about future events and changes in demographics. Thus, our accounting estimates may change from period to period. These factors could cause management to conclude that indicators of impairment exist and require impairment tests be performed, which could result in management determining the value of long-lived assets is impaired, resulting in a write-down of the related long-lived assets.

Goodwill and other indefinite-lived acquired intangible assets are not amortized, but are evaluated for impairment annually or whenever events or changes in circumstances indicate that the value of a certain asset may be impaired. Generally, this evaluation begins with a qualitative assessment to determine whether a quantitative impairment test is necessary. If we determine, after performing an assessment based on the qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, or that a fair value of the reporting unit substantially in excess of the carrying amount cannot be assured, then a quantitative impairment test would be performed. The quantitative test for impairment requires management to make judgments relating to future cash flows, growth rates and economic and market conditions. These evaluations are based on determining the fair value of a reporting unit or asset using a valuation method such as discounted cash flow or a relative, market-based approach. Historically, our reporting units have generated sufficient returns to recover the cost of goodwill and other indefinite-lived acquired intangible assets. Because of the nature of the factors used in these tests, if different conditions occur in future periods, future operating results could be materially impacted.

### ***Income Taxes***

Income taxes have a significant effect on our net earnings. We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Accordingly, the determination of our provision for income taxes requires significant judgment, the use of estimates and the interpretation and application of complex tax laws. Our effective income tax rate is affected by many factors, including changes in our assessment of certain tax contingencies, increases and decreases in valuation allowances, changes in tax law, outcomes of administrative audits, the impact of discrete items and the mix of earnings among our U.S. and international operations where the statutory rates are generally lower than the U.S. statutory rate, and may fluctuate as a result.

Our tax returns are routinely audited and settlements of issues raised in these audits sometimes affect our tax provisions. The benefits of uncertain tax positions are recorded in our financial statements only after determining a more likely than not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities. When facts and circumstances change, we reassess these probabilities and record any changes in the financial statements as appropriate. We account for uncertain tax positions by determining the minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements. This determination requires the use of significant judgment in evaluating our tax positions and assessing the timing and amounts of deductible and taxable items.

Deferred tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss and tax credit carryforwards. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent that a portion is not more likely than not to be realized. Many factors are considered when assessing whether it is more likely than not that the deferred tax assets will be realized, including recent cumulative earnings, expectations of future taxable income, carryforward periods and other relevant quantitative and qualitative factors. The recoverability of the deferred tax assets is evaluated by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. This evaluation relies heavily on estimates.

## Forward-Looking Statements

This Annual Report contains statements that Walmart believes are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Those statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act. Those forward-looking statements include statements in Management's Discussion and Analysis of Financial Condition and Results of Operations: under the caption "Overview" with respect to the volatility of currency exchange rates possibly affecting the results, including net sales and operating income, of Walmart and its Walmart International segment in the future; under the captions "Company Performance Metrics" and "Company Performance Metrics-Leverage- *Operating Income* " with respect to Walmart's objectives of growing net sales at a faster rate than operating expenses and growing operating income at a faster rate than net sales and that strategic growth investments may cause Walmart's operating expenses to grow at a faster rate than net sales and resulting in Walmart's operating income growing at a slower rate than net sales; under the caption "Results of Operations- *Consolidated Results of Operations* " regarding the possible fluctuation of our effective tax rate over future periods; under the caption "Results of Operations- *Sam's Club Segment*" with respect to the volatility of fuel prices possibly continuing to affect the operating results of Walmart's Sam's Club segment in the future; under the caption "Liquidity and Capital Resources- *Cash Flows Provided by Operating Activities - Cash Equivalents and Working Capital* ," as well as in Note 1 to our Consolidated Financial Statements, regarding our ability to meet our liquidity needs through sources other than the cash we hold outside of the United States, our intention to permanently reinvest cash held outside of the United States, and our ability to repatriate cash held outside of the United States; under the caption "Liquidity and Capital Resources- *Cash Flows Used in Investing Activities - Global Expansion Activities* " and also in the letter of Walmart's President and CEO to our shareholders, associates and customers contained in this Annual Report (the "CEO Letter") with respect to Walmart's fiscal 2015 global expansion plans, including a significant increase in the number of Neighborhood Markets and other small format stores, growing our retail square feet and expanding our e-commerce capabilities and our plans to finance that expansion primarily through cash flows and future debt financings, with respect to Walmart's estimated range of capital expenditures (including e-commerce capital expenditures) in fiscal 2015 for the Walmart U.S. segment, the Walmart International segment, the Sam's Club segment, in the "other unallocated" category and in total, with respect to the estimated/projected growth in retail square feet in total and by reportable segment in fiscal 2015; under the caption "Liquidity and Capital Resources - *Cash Flows Used in Investing Activities - Pending Transactions* " regarding the expectation that the Company will record a net gain on the sale of the Vips restaurant operations by Walmex; under the caption "Liquidity and Capital Resources- *Cash Flows Used in Financing Activities - Dividends* ," as well as in Note 15 to our Consolidated Financial Statements and elsewhere in this Annual Report under the caption "Dividends payable per share," regarding the payment of the dividend on our shares of common stock in fiscal 2015, the expected payment of certain installments of the dividend on our shares of common stock on certain dates in fiscal 2015 and the expected total amount of the dividend per share to be paid in fiscal 2015; under the caption "Liquidity and Capital Resources- *Transactions with Noncontrolling Interest Holders* " with respect to certain transactions having an impact on Walmart's cash flows from financing activities in the future; under the caption "Liquidity and Capital Resources- *Capital Resources* " with respect to Walmart's cash flows from continuing operations, current cash position and access to debt and capital markets continuing to be sufficient to meet operating cash needs, including for seasonal build-ups in inventories, completing capital expenditures and funding dividend payments and shares repurchases, the factors that influence Walmart's credit ratings, any downgrade of Walmart's credit ratings potentially increasing future borrowing costs and impairing Walmart's ability to access capital and credit markets on terms acceptable to Walmart and downgrades in Walmart's current short-term credit ratings impairing its ability to access the commercial paper markets with the same flexibility as Walmart has experienced historically, potentially requiring Walmart to rely more heavily on more expensive types of debt financing; and under the caption "Liquidity and Capital Resources- *Off Balance Sheet Arrangements* " with respect to the amount of increases in payments under operating leases if certain leases are executed.

These forward-looking statements also include statements in: Note 3 to our Consolidated Financial Statements regarding the weighted-average periods over which certain compensation cost is expected to be recognized; Note 8 to our Consolidated Financial Statements regarding the portion of any net investment and cash flow instruments of the Company that is ineffective as a hedge being insignificant and the amounts related to the our derivatives expected to be reclassified from accumulated other comprehensive income (loss) to net income during the next 12 months being insignificant; Note 9 to our Consolidated Financial Statements regarding the realization of certain net deferred tax assets, the possibility that tax audit resolutions over the twelve months ending January 31, 2015, could reduce unrecognized tax benefits by an amount within a certain range or beyond that range and the reasons for that reduction, the expectation that any change will not have a significant impact on the Company's Consolidated Financial Statements and the possibility that the resolution of a group of related matters might result in a material liability to Walmart; Note 10 to our Consolidated Financial Statements regarding an adverse decision in, or settlement of, certain litigation to which Walmart is a party possibly resulting in material liability to Walmart and respecting management's expectations that the certain matters relating to an FCPA investigation will not have a material adverse effect on its business; and Note 11 to our Consolidated Financial Statements regarding the amount of the increase in payments under operating leases if certain leases for real property were executed. The CEO's Letter also includes forward looking statements regarding Walmart continuing to invest in training and development of its associates and increasing investment in e-commerce as e-commerce opportunities present themselves. The section of this Annual Report

captioned "Walmart U.S." includes forward-looking statements regarding management's expectation for the Walmart U.S. segment to purchase an additional \$250 billion of merchandise from U.S. manufacturers over the next 10 years and to continue to grow its supercenter fleet and for the Walmart U.S. segment to open new Neighborhood Markets and Walmart Express units within a certain range and to add retail square feet within a certain range and to open a number of new units within a certain range in fiscal 2015. The section of this Annual Report captioned "Walmart International" contains forward-looking statements regarding the Walmart International segment continuing to be a growth vehicle for Walmart and having a goal of funding price investment by being the lowest cost operator in every market. The section of this Annual Report captioned "Sam's Club" includes forward-looking statements that relates to management's expectation for the Sam's Club segment opening a certain number of new clubs and launching new membership enhancements in fiscal 2015. The forward-looking statements described above are identified by the use in such statements of one or more of the words or phrases "aim," "anticipate," "anticipated," "could be," "could impair," "could increase," "could potentially be," "could reduce," "estimated," "expansion," "expect," "goal," "grow," "intend," "is expected," "may cause," "may continue," "may fluctuate," "may impact," "may not be," "may result," "objective," "objectives," "plan," "plans," "projected," "should continue," "will be," "will be met," "will be paid," "will continue," "will depend," "will have," "will impact," "will increase," "would be," and "would increase," and other similar words or phrases. Similarly, descriptions of our objectives, strategies, plans, goals or targets are also forward-looking statements. These statements discuss, among other things, expected growth, future revenues, future cash flows, future capital expenditures, future performance, future initiatives and the anticipation and expectations of Walmart and its management as to future occurrences and trends.

The forward-looking statements included in this Annual Report and that we make elsewhere are subject to certain factors, in the United States and internationally, that could materially affect our financial performance, our results of operations, including our sales, earnings per share or comparable store sales or comparable club sales and our effective income tax rate for any period and our business operations, business strategy, plans, goals or objectives. These factors include, but are not limited to: general economic conditions, including changes in the economy of the United States or other specific markets in which we operate, economic instability, changes in the monetary policies of the United States, the Board of Governors of the Federal Reserve System, other governments or central banks, economic crises and disruptions in the financial markets, including as a result of sovereign debt crises, governmental budget deficits, unemployment and partial employment levels, employment conditions within our markets, credit availability to consumers and businesses, levels of consumer disposable income, consumer confidence, consumer credit availability, consumer spending patterns, consumer debt levels, consumer preferences, including consumer demand for the merchandise we offer for sale, consumer acceptance of our e-commerce websites and merchandise offerings on those websites, inflation, deflation, commodity prices, the cost of the goods we sell, competitive pressures, unanticipated expenses and needs for capital expenditures that affect our cash flows, the seasonality of our business, seasonal buying patterns in the United States and our other markets, anticipated store or club closures, labor costs, transportation costs, the cost of diesel fuel, gasoline, natural gas and electricity, the selling prices of fuel, the cost of healthcare and other benefits, accident costs, our casualty and other insurance costs, information security costs, the cost of construction materials, availability and the cost of acceptable building sites for new stores, clubs and other units, availability of qualified labor pools in the specific markets in which we operate, including the availability of persons with the skills and abilities necessary to meet Walmart's needs for managing and staffing its new units and conducting their operations, real estate, zoning, land use and other laws, ordinances, legal restrictions and initiatives that may prevent Walmart from building, or that impose limitations on Walmart's ability to build, new units in certain locations or relocate or expand existing units, availability of necessary utilities for new units; availability of skilled labor and labor, material and other construction costs in areas in which new or relocated units are proposed to be constructed or existing units are proposed to be expanded or remodeled, competitive pressures and the initiatives of our competitors, accident-related costs, weather conditions patterns and events, climate change, catastrophic events and natural disasters, as well as storm and other damage to our stores, clubs, distribution centers and other facilities and store closings and other limitations on our customers' access to our stores and clubs resulting from such events and disasters, disruption in the availability of our online shopping sites on the internet, cyberattacks on our information systems, disruption in our supply chain, including availability and transport of goods from domestic and foreign suppliers, trade restrictions, changes in tariff and freight rates, adoption of or changes in tax, labor and other laws and regulations that affect our business, including changes in corporate and personal tax rates and the imposition of new taxes and surcharges, costs of compliance with laws and regulations, the mix of our earnings from our United States and foreign operations, changes in our assessment of certain tax contingencies, increases or decreases in valuation allowances, outcome of administrative audits, the impact of discrete items on our effective tax rate, the resolution of other tax matters, developments in and the outcome of legal and regulatory proceedings to which we are a party or are subject and the expenses associated therewith, the requirements for expenditures in connection with the FCPA-related matters, including enhancements to Walmart's compliance program and ongoing investigations, changes in the rating of any of our indebtedness; currency exchange rate fluctuations and volatility, fluctuations in market rates of interest, and other conditions and events affecting domestic and global financial and capital markets, public health emergencies, economic and geo-political conditions and events, including civil unrest and disturbances and terrorist attacks, unanticipated changes in generally accepted accounting principles or in the interpretations or applicability thereof, unanticipated changes in accounting estimates and judgments, and unanticipated restructurings and the related expenses. Moreover, we typically earn a disproportionate part of our annual operating income in the fourth quarter as a result of the seasonal buying patterns. Those buying patterns are difficult to

forecast with certainty.

The foregoing list of factors that may affect our business operations and financial performance is not exclusive. Other factors and unanticipated events could adversely affect our business operations and financial performance. We discuss certain of these matters more fully, as well as certain risk factors that may affect our business operations, financial condition, results of operations and liquidity in other of our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K under the heading "Item 1A. Risk Factors." We filed our Annual Report on Form 10-K for the fiscal year ended January 31, 2014, with the SEC on March 21, 2014. The forward-looking statements described above are made based on knowledge of our business and the environment in which we operate and assumptions that we believe to be reasonable at the time such forward-looking statements are made. However, because of the factors described and listed above, as well as other factors, or as a result of changes in facts, assumptions not being realized or other circumstances, actual results may materially differ from anticipated results described or implied in these forward-looking statements. We cannot assure the reader that the results or developments expected or anticipated by us will be realized or, even if substantially realized, that those results or developments will result in the expected consequences for us or affect us, our business or our operations in the way we expect. You are urged to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statements and not to place undue reliance on such forward-looking statements. The forward-looking statements included in this Annual Report speak only as of the date of this report, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances, except as may be required by applicable law.

**Wal-Mart Stores, Inc.**  
**Consolidated Statements of Income**

	Fiscal Years Ended January 31,		
	2014	2013	2012
<i>(Amounts in millions, except per share data)</i>			
<b>Revenues:</b>			
Net sales	\$ 473,076	\$ 465,604	\$ 443,416
Membership and other income	3,218	3,047	3,093
Total revenues	476,294	468,651	446,509
<b>Costs and expenses:</b>			
Cost of sales	358,069	352,297	334,993
Operating, selling, general and administrative expenses	91,353	88,629	85,025
Operating income	26,872	27,725	26,491
<b>Interest:</b>			
Debt	2,072	1,977	2,034
Capital leases	263	272	286
Interest income	(119)	(186)	(161)
Interest, net	2,216	2,063	2,159
<b>Income from continuing operations before income taxes</b>	<b>24,656</b>	<b>25,662</b>	<b>24,332</b>
<b>Provision for income taxes:</b>			
Current	8,619	7,976	6,722
Deferred	(514)	(18)	1,202
Total provision for income taxes	8,105	7,958	7,924
<b>Income from continuing operations</b>	<b>16,551</b>	<b>17,704</b>	<b>16,408</b>
<b>Income (loss) from discontinued operations, net of income taxes</b>	<b>144</b>	<b>52</b>	<b>(21)</b>
<b>Consolidated net income</b>	<b>16,695</b>	<b>17,756</b>	<b>16,387</b>
<b>Less consolidated net income attributable to noncontrolling interest</b>	<b>(673)</b>	<b>(757)</b>	<b>(688)</b>
<b>Consolidated net income attributable to Walmart</b>	<b>\$ 16,022</b>	<b>\$ 16,999</b>	<b>\$ 15,699</b>
<b>Basic net income per common share:</b>			
Basic income per common share from continuing operations attributable to Walmart	\$ 4.87	\$ 5.03	\$ 4.55
Basic income (loss) per common share from discontinued operations attributable to Walmart	0.03	0.01	(0.01)
<b>Basic net income per common share attributable to Walmart</b>	<b>\$ 4.90</b>	<b>\$ 5.04</b>	<b>\$ 4.54</b>
<b>Diluted net income per common share:</b>			
Diluted income per common share from continuing operations attributable to Walmart	\$ 4.85	\$ 5.01	\$ 4.53
Diluted income (loss) per common share from discontinued operations attributable to Walmart	0.03	0.01	(0.01)
<b>Diluted net income per common share attributable to Walmart</b>	<b>\$ 4.88</b>	<b>\$ 5.02</b>	<b>\$ 4.52</b>
<b>Weighted-average common shares outstanding:</b>			
Basic	3,269	3,374	3,460
Diluted	3,283	3,389	3,474
<b>Dividends declared per common share</b>	<b>\$ 1.88</b>	<b>\$ 1.59</b>	<b>\$ 1.46</b>

See accompanying notes.



**Wal-Mart Stores, Inc.**  
**Consolidated Statements of Comprehensive Income**

	<b>Fiscal Years Ended January 31,</b>		
<i>(Amounts in millions)</i>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Consolidated net income	\$ 16,695	\$ 17,756	\$ 16,387
Less consolidated net income attributable to nonredeemable noncontrolling interest	(606)	(684)	(627)
Less consolidated net income attributable to redeemable noncontrolling interest	(67)	(73)	(61)
<b>Consolidated net income attributable to Walmart</b>	<b>16,022</b>	<b>16,999</b>	<b>15,699</b>
Other comprehensive income (loss), net of income taxes			
Currency translation and other	(3,146)	1,042	(2,758)
Derivative instruments	207	136	(67)
Minimum pension liability	153	(166)	43
Other comprehensive income (loss), net of income taxes	(2,786)	1,012	(2,782)
Less other comprehensive income (loss) attributable to nonredeemable noncontrolling interest	311	(138)	660
Less other comprehensive income (loss) attributable to redeemable noncontrolling interest	66	(51)	66
<b>Other comprehensive income (loss) attributable to Walmart</b>	<b>(2,409)</b>	<b>823</b>	<b>(2,056)</b>
Comprehensive income, net of income taxes	13,909	18,768	13,605
Less comprehensive income (loss) attributable to nonredeemable noncontrolling interest	(295)	(822)	33
Less comprehensive income (loss) attributable to redeemable noncontrolling interest	(1)	(124)	5
<b>Comprehensive income attributable to Walmart</b>	<b>\$ 13,613</b>	<b>\$ 17,822</b>	<b>\$ 13,643</b>

*See accompanying notes.*



**Wal-Mart Stores, Inc.**  
**Consolidated Balance Sheets**

(Amounts in millions)	As of January 31,	
	2014	2013
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 7,281	\$ 7,781
Receivables, net	6,677	6,768
Inventories	44,858	43,803
Prepaid expenses and other	1,909	1,551
Current assets of discontinued operations	460	37
Total current assets	61,185	59,940
<b>Property and equipment:</b>		
Property and equipment	173,089	165,825
Less accumulated depreciation	(57,725)	(51,896)
Property and equipment, net	115,364	113,929
<b>Property under capital leases:</b>		
Property under capital leases	5,589	5,899
Less accumulated amortization	(3,046)	(3,147)
Property under capital leases, net	2,543	2,752
Goodwill	19,510	20,497
Other assets and deferred charges	6,149	5,987
<b>Total assets</b>	<b>\$ 204,751</b>	<b>\$ 203,105</b>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 7,670	\$ 6,805
Accounts payable	37,415	38,080
Accrued liabilities	18,793	18,808
Accrued income taxes	966	2,211
Long-term debt due within one year	4,103	5,587
Obligations under capital leases due within one year	309	327
Current liabilities of discontinued operations	89	—
Total current liabilities	69,345	71,818
Long-term debt	41,771	38,394
Long-term obligations under capital leases	2,788	3,023
Deferred income taxes and other	8,017	7,613
Redeemable noncontrolling interest	1,491	519
Commitments and contingencies		
<b>Equity:</b>		
Common stock	323	332
Capital in excess of par value	2,362	3,620
Retained earnings	76,566	72,978
Accumulated other comprehensive income (loss)	(2,996)	(587)
Total Walmart shareholders' equity	76,255	76,343
Nonredeemable noncontrolling interest	5,084	5,395
Total equity	81,339	81,738
<b>Total liabilities, redeemable noncontrolling interest and equity</b>	<b>\$ 204,751</b>	<b>\$ 203,105</b>

See accompanying notes.



**Wal-Mart Stores, Inc.**  
**Consolidated Statement of Shareholders' Equity**

	Common Stock		Capital in	Retained	Accumulated	Total	Nonredeemable	Total	Redeemable
	Shares	Amount	Excess of Par Value		Other Comprehensive Income (Loss)	Walmart Shareholders' Equity		Equity	Noncontrolling Interest
<i>(Amounts in millions)</i>									
<b>Balances as of February 1, 2011</b>	3,516	\$ 352	\$ 3,577	\$ 63,967	\$ 646	\$ 68,542	\$ 2,705	\$ 71,247	\$ 408
Consolidated net income	—	—	—	15,699	—	15,699	627	16,326	61
Other comprehensive loss, net of income taxes	—	—	—	—	(2,056)	(2,056)	(660)	(2,716)	(66)
Cash dividends declared (\$1.46 per share)	—	—	—	(5,048)	—	(5,048)	—	(5,048)	—
Purchase of Company stock	(113)	(11)	(229)	(5,930)	—	(6,170)	—	(6,170)	—
Nonredeemable noncontrolling interest of acquired entity	—	—	—	—	—	—	1,988	1,988	—
Other	15	1	344	3	—	348	(214)	134	1
<b>Balances as of January 31, 2012</b>	3,418	342	3,692	68,691	(1,410)	71,315	4,446	75,761	404
Consolidated net income	—	—	—	16,999	—	16,999	684	17,683	73
Other comprehensive income, net of income taxes	—	—	—	—	823	823	138	961	51
Cash dividends declared (\$1.59 per share)	—	—	—	(5,361)	—	(5,361)	—	(5,361)	—
Purchase of Company stock	(115)	(11)	(357)	(7,341)	—	(7,709)	—	(7,709)	—
Nonredeemable noncontrolling interest of acquired entity	—	—	—	—	—	—	469	469	—
Other	11	1	285	(10)	—	276	(342)	(66)	(9)
<b>Balances as of January 31, 2013</b>	3,314	332	3,620	72,978	(587)	76,343	5,395	81,738	519
Consolidated net income	—	—	—	16,022	—	16,022	595	16,617	78
Other comprehensive loss, net of income taxes	—	—	—	—	(2,409)	(2,409)	(311)	(2,720)	(66)
Cash dividends declared (\$1.88 per share)	—	—	—	(6,139)	—	(6,139)	—	(6,139)	—
Purchase of Company stock	(87)	(9)	(294)	(6,254)	—	(6,557)	—	(6,557)	—
Redemption value adjustment of redeemable noncontrolling interest	—	—	(1,019)	—	—	(1,019)	—	(1,019)	1,019
Other	6	—	55	(41)	—	14	(595)	(581)	(59)
<b>Balances as of January 31, 2014</b>	3,233	\$ 323	\$ 2,362	\$ 76,566	\$ (2,996)	\$ 76,255	\$ 5,084	\$ 81,339	\$ 1,491

See accompanying notes.

**Wal-Mart Stores, Inc.**  
**Consolidated Statements of Cash Flows**

	Fiscal Years Ended January 31,		
	2014	2013	2012
<i>(Amounts in millions)</i>			
<b>Cash flows from operating activities:</b>			
Consolidated net income	\$ 16,695	\$ 17,756	\$ 16,387
Income (loss) from discontinued operations, net of income taxes	(144)	(52)	21
Income from continuing operations	16,551	17,704	16,408
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	8,870	8,478	8,106
Deferred income taxes	(279)	(133)	1,050
Other operating activities	938	602	468
Changes in certain assets and liabilities, net of effects of acquisitions:			
Receivables, net	(566)	(614)	(796)
Inventories	(1,667)	(2,759)	(3,727)
Accounts payable	531	1,061	2,687
Accrued liabilities	103	271	(935)
Accrued income taxes	(1,224)	981	994
Net cash provided by operating activities	23,257	25,591	24,255
<b>Cash flows from investing activities:</b>			
Payments for property and equipment	(13,115)	(12,898)	(13,510)
Proceeds from the disposal of property and equipment	727	532	580
Investments and business acquisitions, net of cash acquired	(15)	(316)	(3,548)
Other investing activities	105	71	(131)
Net cash used in investing activities	(12,298)	(12,611)	(16,609)
<b>Cash flows from financing activities:</b>			
Net change in short-term borrowings	911	2,754	3,019
Proceeds from issuance of long-term debt	7,072	211	5,050
Payments of long-term debt	(4,968)	(1,478)	(4,584)
Dividends paid	(6,139)	(5,361)	(5,048)
Dividends paid to and stock purchases of noncontrolling interest	(722)	(414)	(526)
Purchase of Company stock	(6,683)	(7,600)	(6,298)
Other financing activities	(488)	(84)	(71)
Net cash used in financing activities	(11,017)	(11,972)	(8,458)
Effect of exchange rates on cash and cash equivalents	(442)	223	(33)
Net increase (decrease) in cash and cash equivalents	(500)	1,231	(845)
Cash and cash equivalents at beginning of year	7,781	6,550	7,395
Cash and cash equivalents at end of year	\$ 7,281	\$ 7,781	\$ 6,550
<b>Supplemental disclosure of cash flow information:</b>			
Income taxes paid	\$ 8,641	\$ 7,304	\$ 5,899
Interest paid	2,362	2,262	2,346

See accompanying notes.

**Wal-Mart Stores, Inc.**  
**Notes to Consolidated Financial Statements**

**Note 1. Summary of Significant Accounting Policies*****General***

Wal-Mart Stores, Inc. ("Walmart" or the "Company") operates retail stores in various formats under 71 banners around the world, aggregated into three reportable segments: Walmart U.S., Walmart International and Sam's Club. Walmart is committed to saving people money so they can live better. Walmart earns the trust of its customers every day by providing a broad assortment of quality merchandise and services at everyday low prices ("EDLP"), while fostering a culture that rewards and embraces mutual respect, integrity and diversity. EDLP is the Company's pricing philosophy under which it prices items at a low price every day so its customers trust that its prices will not change under frequent promotional activity.

***Principles of Consolidation***

The Consolidated Financial Statements include the accounts of Walmart and its subsidiaries as of and for the fiscal years ended January 31, 2014 ("fiscal 2014"), January 31, 2013 ("fiscal 2013") and January 31, 2012 ("fiscal 2012"). All material intercompany accounts and transactions have been eliminated in consolidation. Investments in unconsolidated affiliates, which are 50% or less owned and do not otherwise meet consolidation requirements, are accounted for primarily using the equity method. These investments are immaterial to the Company's Consolidated Financial Statements.

The Company's Consolidated Financial Statements are based on a fiscal year ending on January 31 for the United States ("U.S.") and Canadian operations. The Company consolidates all other operations generally using a one-month lag and based on a calendar year. There were no significant intervening events during January 2014 that materially affected the Consolidated Financial Statements.

In fiscal 2014, the Company corrected certain amounts pertaining to previous fiscal years as management determined they were not material, individually or in the aggregate, to any of the periods presented in the Company's Consolidated Financial Statements.

***Use of Estimates***

The Consolidated Financial Statements have been prepared in conformity with U.S. generally accepted accounting principles. Those principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Management's estimates and assumptions also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

***Cash and Cash Equivalents***

The Company considers investments with a maturity when purchased of three months or less to be cash equivalents. All credit card, debit card and electronic benefits transfer transactions that process in less than seven days are classified as cash and cash equivalents. The amounts due from banks for these transactions classified as cash and cash equivalents totaled \$1.6 billion and \$1.3 billion at January 31, 2014 and 2013, respectively. In addition, cash and cash equivalents included restricted cash of \$ 654 million and \$ 715 million at January 31, 2014 and 2013, respectively, which was primarily related to cash collateral holdings from various counterparties, as required by certain derivative and trust agreements.

The Company's cash balances are held in various locations around the world. Of the Company's \$7.3 billion and \$7.8 billion of cash and cash equivalents at January 31, 2014 and 2013, respectively, \$5.8 billion and \$5.2 billion, respectively, were held outside of the U.S. and were generally utilized to support liquidity needs in the Company's non-U.S. operations.

The Company employs financing strategies (e.g., global funding structures) in an effort to ensure that cash can be made available in the country in which it is needed with the minimum cost possible. Management does not believe it will be necessary to repatriate cash and cash equivalents held outside of the U.S. and anticipates its domestic liquidity needs will be met through other funding sources (ongoing cash flows generated from operations, external borrowings or both). Accordingly, management intends, with only certain exceptions, to continue to indefinitely reinvest the Company's cash and cash equivalents held outside of the U.S. in its foreign operations. When the income earned (either from operations or through global funding structures) and indefinitely reinvested outside of the U.S. is taxed at local country tax rates, which are generally lower than the U.S. statutory rate, the Company realizes an effective tax rate benefit. If the Company's intentions with respect to reinvestment were to change, most of the amounts held within the Company's foreign operations could be repatriated to the U.S., although any repatriation under current U.S. tax laws would be subject to U.S. federal income taxes, less applicable foreign tax credits. As of January 31, 2014 and 2013, cash and cash equivalents of approximately \$1.9 billion may not be freely transferable to the U.S. due to local laws or other restrictions. Management does not expect local laws, other limitations or potential taxes on

anticipated future repatriations of cash amounts held outside of the U.S. to have a material effect on the Company's overall liquidity, financial condition or results of operations.

### ***Receivables***

Receivables are stated at their carrying values, net of a reserve for doubtful accounts. Receivables consist primarily of amounts due from:

- insurance companies resulting from pharmacy sales;
- banks for customer credit and debit cards and electronic bank transfers that take in excess of seven days to process;
- consumer financing programs in certain international operations;
- suppliers for marketing or incentive programs; and
- real estate transactions.

The Walmart International segment offers a limited number of consumer credit products, primarily through its financial institutions in select countries. The receivable balance from consumer credit products was \$ 1.3 billion , net of a reserve for doubtful accounts of \$ 119 million at January 31, 2014 , compared to a receivable balance of \$ 1.2 billion , net of a reserve for doubtful accounts of \$ 115 million at January 31, 2013 . These balances are included in receivables, net, in the Company's Consolidated Balance Sheets.

### ***Inventories***

The Company values inventories at the lower of cost or market as determined primarily by the retail method of accounting, using the last-in, first-out ("LIFO") method for substantially all of the Walmart U.S. segment's inventories. The Walmart International segment's inventories are primarily valued by the retail method of accounting, using the first-in, first-out ("FIFO") method. The retail method of accounting results in inventory being valued at the lower of cost or market since permanent markdowns are immediately recorded as a reduction of the retail value of inventory. The Sam's Club segment's inventories are valued based on the weighted-average cost using the LIFO method. At January 31, 2014 and January 31, 2013 , the Company's inventories valued at LIFO approximate those inventories as if they were valued at FIFO.

### ***Property and Equipment***

Property and equipment are stated at cost. Gains or losses on disposition are recognized as earned or incurred. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred. The following table summarizes the Company's property and equipment balances and includes the estimated useful lives that are generally used to depreciate the assets on a straight-line basis:

(Amounts in millions)	Estimated Useful Lives	Fiscal Years Ended January 31,	
		2014	2013
Land	N/A	\$ 26,184	\$ 25,612
Buildings and improvements	3-40 years	95,488	90,686
Fixtures and equipment	3-25 years	42,971	40,903
Transportation equipment	3-15 years	2,785	2,796
Construction in progress	N/A	5,661	5,828
<b>Property and equipment</b>		<b>\$ 173,089</b>	<b>\$ 165,825</b>
Accumulated depreciation		(57,725)	(51,896)
<b>Property and equipment, net</b>		<b>\$ 115,364</b>	<b>\$ 113,929</b>

Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the remaining expected lease term. Depreciation expense for property and equipment, including amortization of property under capital leases, for fiscal 2014 , 2013 and 2012 was \$8.8 billion , \$8.4 billion and \$8.1 billion , respectively. Interest costs capitalized on construction projects were \$ 78 million , \$ 74 million and \$ 60 million in fiscal 2014 , 2013 and 2012 , respectively.

### ***Long-Lived Assets***

Long-lived assets are stated at cost. Management reviews long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows, which is at the individual store or club level or, in certain circumstances, a market group of stores. Undiscounted cash flows expected to be generated by the related assets are estimated over the assets' useful lives based on updated projections. If the evaluation indicates that the carrying amount of the assets may not be recoverable, any potential impairment is measured based upon the fair value of the related asset or asset group as determined by an appropriate market appraisal or other valuation technique. Impairment charges of long-lived assets for fiscal 2014, 2013 and 2012 were not significant.



### Goodwill and Other Acquired Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations and is allocated to the appropriate reporting unit when acquired. Other acquired intangible assets are stated at the fair value acquired as determined by a valuation technique commensurate with the intended use of the related asset. Goodwill and indefinite-lived intangible assets are not amortized; rather, they are evaluated for impairment annually and whenever events or changes in circumstances indicate that the value of the asset may be impaired. Definite-lived intangible assets are considered long-lived assets and are amortized on a straight-line basis over the periods that expected economic benefits will be provided.

Goodwill is evaluated for impairment using either a qualitative or quantitative approach for each of the Company's reporting units. Generally, a qualitative assessment is first performed to determine whether a quantitative goodwill impairment test is necessary. If management determines, after performing an assessment based on the qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, or that a fair value of the reporting unit substantially in excess of the carrying amount cannot be assured, then a quantitative goodwill impairment test would be required. The quantitative test for goodwill impairment is performed by determining the fair value of the related reporting units. Fair value is measured based on the discounted cash flow method and relative market-based approaches.

For the reporting units that were tested using only the qualitative assessment, management determined that the fair value of each reporting unit is more likely than not greater than the carrying amount and, as a result, quantitative analyses were not required. For the reporting units tested using a quantitative impairment test, management determined the fair value of each reporting unit is greater than the carrying amount. Accordingly, the Company has not recorded any impairment charges related to goodwill.

The following table reflects goodwill activity, by reportable segment, for fiscal 2014 and 2013 :

<i>(Amounts in millions)</i>	<b>Walmart U.S.</b>	<b>Walmart International</b>	<b>Sam's Club</b>	<b>Total</b>
<b>Balances as of February 1, 2012</b>	\$ 439	\$ 19,899	\$ 313	\$ 20,651
Changes in currency translation and other	—	(65)	—	(65)
Purchase accounting adjustments for prior fiscal year acquisitions <sup>(1)</sup>	4	(532)	—	(528)
Acquisitions <sup>(2)</sup>	—	439	—	439
<b>Balances as of January 31, 2013</b>	443	19,741	313	20,497
Changes in currency translation and other	—	(1,000)	—	(1,000)
Acquisitions <sup>(2)</sup>	8	5	—	13
<b>Balances as of January 31, 2014</b>	<u>\$ 451</u>	<u>\$ 18,746</u>	<u>\$ 313</u>	<u>\$ 19,510</u>

(1) Fiscal 2013 purchase accounting adjustments primarily relate to the finalization of the purchase price allocation for the fiscal 2012 acquisition of Massmart.

(2) Goodwill recorded for fiscal 2014 and 2013 acquisitions relates to several acquisitions that are not significant, individually or in the aggregate, to the Company's Consolidated Financial Statements.

Indefinite-lived intangible assets are included in other assets and deferred charges in the Company's Consolidated Balance Sheets. These assets are evaluated for impairment based on their fair values using valuation techniques which are updated annually based on the most recent variables and assumptions. There were no impairment charges related to indefinite-lived intangible assets recorded for fiscal 2014 , 2013 and 2012 .

### Self-Insurance Reserves

The Company uses a combination of insurance, self-insured retention and self-insurance for a number of risks, including, but not limited to, workers' compensation, general liability, vehicle liability, property and the Company's obligation for employee-related health care benefits. Liabilities relating to these claims associated with these risks are estimated by considering historical claims experience, frequency, severity, demographic factors and other actuarial assumptions, including incurred but not reported claims. In estimating its liability for such claims, the Company periodically analyzes its historical trends, including loss development, and applies appropriate loss development factors to the incurred costs associated with the claims. The Company also maintains stop-loss insurance coverage for workers' compensation and general liability of \$5 million and \$15 million , respectively, per occurrence, to limit exposure to certain risks.

## ***Income Taxes***

Income taxes are accounted for under the balance sheet method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases ("temporary differences"). Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in income in the period that includes the enactment date.

Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent that a portion is not more likely than not to be realized. Many factors are considered when assessing whether it is more likely than not that the deferred tax assets will be realized, including recent cumulative earnings, expectations of future taxable income, carryforward periods, and other relevant quantitative and qualitative factors. The recoverability of the deferred tax assets is evaluated by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. These sources of income rely heavily on estimates.

In determining the provision for income taxes, an annual effective income tax rate is used based on annual income, permanent differences between book and tax income, and statutory income tax rates. Discrete events such as audit settlements or changes in tax laws are recognized in the period in which they occur.

The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company records interest and penalties related to unrecognized tax benefits in interest expense and operating, selling, general and administrative expenses, respectively, in the Company's Consolidated Statements of Income. Refer to Note 9 for additional income tax disclosures.

## ***Revenue Recognition***

### ***Sales***

The Company recognizes sales revenue, net of sales taxes and estimated sales returns, at the time it sells merchandise to the customer.

### ***Membership Fee Revenue***

The Company recognizes membership fee revenue both in the United States and internationally over the term of the membership, which is typically 12 months. The following table summarizes membership fee activity for fiscal 2014, 2013 and 2012 :

	Fiscal Years Ended January 31,		
	2014	2013	2012
<i>(Amounts in millions)</i>			
<b>Deferred membership fee revenue, beginning of year</b>	\$ 575	\$ 559	\$ 542
Cash received from members	1,249	1,133	1,111
Membership fee revenue recognized	(1,183)	(1,117)	(1,094)
<b>Deferred membership fee revenue, end of year</b>	<u>\$ 641</u>	<u>\$ 575</u>	<u>\$ 559</u>

Membership fee revenue is included in membership and other income in the Company's Consolidated Statements of Income. The deferred membership fee is included in accrued liabilities in the Company's Consolidated Balance Sheets.

### ***Shopping Cards***

Customer purchases of shopping cards are not recognized as revenue until the card is redeemed and the customer purchases merchandise using the shopping card. Shopping cards in the U.S. do not carry an expiration date; therefore, customers and members can redeem their shopping cards for merchandise indefinitely. Shopping cards in certain foreign countries where the Company does business may have expiration dates. A certain amount of shopping cards, both with and without expiration dates, will not be redeemed. Management estimates unredeemed shopping cards and recognizes revenue for these amounts over shopping card historical usage periods based on historical redemption rates. Management periodically reviews and updates its estimates of usage periods and redemption rates.

### ***Financial and Other Services***

The Company recognizes revenue from service transactions at the time the service is performed. Generally, revenue from services is classified as a component of net sales in the Company's Consolidated Statements of Income.

### ***Cost of Sales***

Cost of sales includes actual product cost, the cost of transportation to the Company's distribution facilities, stores and clubs from suppliers, the cost of transportation from the Company's distribution facilities to the stores, clubs and customers and the cost of warehousing for the Sam's Club segment and import distribution centers. Cost of sales is reduced by supplier payments that are not a reimbursement of specific, incremental and identifiable costs.

### ***Payments from Suppliers***

The Company receives consideration from suppliers for various programs, primarily volume incentives, warehouse allowances and reimbursements for specific programs such as markdowns, margin protection, advertising and supplier-specific fixtures. Payments from suppliers are accounted for as a reduction of cost of sales and are recognized in the Company's Consolidated Statements of Income when the related inventory is sold, except when the payment is a reimbursement of specific, incremental and identifiable costs.

### ***Operating, Selling, General and Administrative Expenses***

Operating, selling, general and administrative expenses include all operating costs of the Company, except cost of sales, as described above. As a result, the majority of the cost of warehousing and occupancy for the Walmart U.S. and Walmart International segments' distribution facilities is included in operating, selling, general and administrative expenses. Because the Company does not include most of the cost of its Walmart U.S. and Walmart International segments' distribution facilities in cost of sales, its gross profit and gross profit as a percentage of net sales ("gross profit margin") may not be comparable to those of other retailers that may include all costs related to their distribution facilities in cost of sales and in the calculation of gross profit.

### ***Advertising Costs***

Advertising costs are expensed as incurred and were \$2.4 billion for fiscal 2014 and \$2.3 billion for both fiscal 2013 and 2012 . Advertising costs consist primarily of print, television and digital advertisements and are recorded in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. Reimbursements from suppliers that are for specific, incremental and identifiable advertising costs are recognized as a reduction of advertising expenses in operating, selling, general and administrative expenses.

### ***Leases***

The Company estimates the expected term of a lease by assuming the exercise of renewal options where an economic penalty exists that would preclude the abandonment of the lease at the end of the initial non-cancelable term and the exercise of such renewal is at the sole discretion of the Company. The expected term is used in the determination of whether a store or club lease is a capital or operating lease and in the calculation of straight-line rent expense. Additionally, the useful life of leasehold improvements is limited by the expected lease term or the economic life of the asset, whichever is shorter. If significant expenditures are made for leasehold improvements late in the expected term of a lease and renewal is reasonably assured, the useful life of the leasehold improvement is limited to the end of the renewal period or economic life of the asset, whichever is shorter.

Rent abatements and escalations are considered in the calculation of minimum lease payments in the Company's capital lease tests and in determining straight-line rent expense for operating leases.

### ***Pre-Opening Costs***

The cost of start-up activities, including organization costs, related to new store openings, store remodels, relocations, expansions and conversions are expensed as incurred and included in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. Pre-opening costs totaled \$338 million , \$316 million and \$308 million for fiscal 2014 , 2013 and 2012 , respectively.

### ***Currency Translation***

The assets and liabilities of all international subsidiaries are translated from the respective local currency to the U.S. dollar using exchange rates at the balance sheet date. Related translation adjustments are recorded as a component of accumulated other comprehensive income (loss). The income statements of international subsidiaries are translated from the respective local currencies to the U.S. dollar using average exchange rates for the period covered by the income statements.

### ***Reclassifications***

Certain reclassifications have been made to previous fiscal year amounts and balances to conform to the presentation in the current fiscal year. These reclassifications did not impact consolidated operating income or net income. Additionally, certain segment asset and expense allocations have been reclassified among segments in the current period. See Note 14 for further discussion of the Company's segments.

**Note 2. Net Income Per Common Share**

Basic income per common share from continuing operations attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period. Diluted income per common share from continuing operations attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of outstanding stock options and other share-based awards. The Company did not have significant stock options or other share-based awards outstanding that were antidilutive and not included in the calculation of diluted income per common share from continuing operations attributable to Walmart for fiscal 2014 , 2013 and 2012 .

The following table provides a reconciliation of the numerators and denominators used to determine basic and diluted income per common share from continuing operations attributable to Walmart:

	Fiscal Years Ended January 31,		
	2014	2013	2012
<i>(Amounts in millions, except per share data)</i>			
<b>Numerator</b>			
Income from continuing operations	\$ 16,551	\$ 17,704	\$ 16,408
Less income from continuing operations attributable to noncontrolling interest	(633)	(741)	(674)
Income from continuing operations attributable to Walmart	<u>\$ 15,918</u>	<u>\$ 16,963</u>	<u>\$ 15,734</u>
<b>Denominator</b>			
Weighted-average common shares outstanding, basic	3,269	3,374	3,460
Dilutive impact of stock options and other share-based awards	14	15	14
Weighted-average common shares outstanding, diluted	<u>3,283</u>	<u>3,389</u>	<u>3,474</u>
<b>Income per common share from continuing operations attributable to Walmart</b>			
Basic	\$ 4.87	\$ 5.03	\$ 4.55
Diluted	4.85	5.01	4.53

### Note 3. Shareholders' Equity

#### Share-Based Compensation

The Company has awarded share-based compensation to associates and nonemployee directors of the Company. The compensation expense recognized for all plans was \$388 million, \$378 million and \$355 million for fiscal 2014, 2013 and 2012, respectively. Share-based compensation expense is included in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. The total income tax benefit recognized for share-based compensation was \$145 million, \$142 million and \$134 million for fiscal 2014, 2013 and 2012, respectively. The following table summarizes the Company's share-based compensation expense by award type:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2014	2013	2012
Restricted stock and performance share awards	\$ 141	\$ 152	\$ 142
Restricted stock rights	224	195	184
Stock options	23	31	29
<b>Share-based compensation expense</b>	<b>\$ 388</b>	<b>\$ 378</b>	<b>\$ 355</b>

The Company's shareholder-approved Stock Incentive Plan of 2010 (the "Plan") became effective June 4, 2010 and amended and restated the Company's Stock Incentive Plan of 2005. The Plan was established to grant stock options, restricted (non-vested) stock, performance shares and other equity compensation awards for which 210 million shares of common stock issued or to be issued under the Plan have been registered under the Securities Act of 1933, as amended. The Company believes that such awards serve to align the interests of its associates with those of its shareholders.

The Plan's award types are summarized as follows:

- **Restricted Stock and Performance Share Awards.** Restricted stock awards are for shares that vest based on the passage of time and include restrictions related to employment. Performance share awards vest based on the passage of time and achievement of performance criteria and may range from 0% to 150% of the original award amount. Vesting periods for these awards are generally between three and five years. Restricted stock and performance share awards may be settled or deferred in stock and are accounted for as equity in the Company's Consolidated Balance Sheets. The fair value of restricted stock awards is determined on the date of grant and is expensed ratably over the vesting period. The fair value of performance share awards is determined on the date of grant using the Company's stock price discounted for the expected dividend yield through the vesting period and is recognized over the vesting period.
- **Restricted Stock Rights.** Restricted stock rights provide rights to Company stock after a specified service period; 50% vest three years from the grant date and the remaining 50% vest five years from the grant date. The fair value of each restricted stock right is determined on the date of grant using the stock price discounted for the expected dividend yield through the vesting period and is recognized ratably over the vesting period. The expected dividend yield is based on the anticipated dividends over the vesting period. The weighted-average discount for the dividend yield used to determine the fair value of restricted stock rights granted in fiscal 2014, 2013 and 2012 was 10.3%, 12.2% and 11.7%, respectively.
- **Stock Options.** Stock options allow the associate to buy a specified number of shares at a set price. Options granted generally vest over five years and have a contractual term of ten years. Options may include restrictions related to employment, satisfaction of performance conditions or other conditions. Under the Plan and prior plans, substantially all stock options have been granted with an exercise price equal to the market price of the Company's stock at the date of grant.

In addition to the Plan, the Company's subsidiary in the United Kingdom, ASDA, has two other stock option plans for certain ASDA colleagues. A combined 49 million shares of the Company's common stock were registered under the Securities Act of 1933, as amended, for issuance upon the exercise of stock options granted under the Colleague Share Ownership Plan 1999 (the "CSOP") and the ASDA Sharesave Plan 2000 ("Sharesave Plan").

- **CSOP.** The CSOP grants have either a three - or six -year vesting period. The CSOP options may be exercised during the two months immediately following the vesting date.
- **Sharesave Plan.** The Sharesave Plan grants options at 80% of the Company's average stock price for the three days preceding the grant date. The Sharesave Plan options vest after three years and may generally be exercised up to six months after the vesting date.

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The following table shows the activity for each award type during fiscal 2014 :

	Restricted Stock and Performance Share Awards <sup>(2)</sup>		Restricted Stock Rights		Stock Options <sup>(1)</sup>	
	Shares	Weighted-Average Grant-Date Fair Value Per Share	Shares	Weighted-Average Grant-Date Fair Value Per Share	Shares	Weighted-Average Exercise Price Per Share
<i>(Shares in thousands)</i>						
Outstanding at February 1, 2013	12,598	\$ 57.37	17,839	\$ 49.79	10,240	\$ 47.58
Granted	3,688	76.05	5,095	77.75	1,846	56.63
Vested/exercised	(2,445)	55.31	(3,998)	55.33	(3,421)	48.88
Forfeited or expired	(3,890)	61.32	(1,151)	60.38	(415)	59.43
<b>Outstanding at January 31, 2014</b>	<b>9,951</b>	<b>\$ 63.26</b>	<b>17,785</b>	<b>\$ 55.87</b>	<b>8,250</b>	<b>\$ 48.47</b>
<b>Exercisable at January 31, 2014</b>					<b>3,119</b>	<b>\$ 48.45</b>

(1) Includes stock option awards granted under the Plan, the CSOP and the Sharesave Plan.

(2) Assumes payout rate at 100% for Performance Share Awards.

As of January 31, 2014 , the unrecognized compensation cost for restricted stock and performance share awards, restricted stock rights and stock option awards was \$200 million , \$497 million and \$26 million , respectively, and is expected to be recognized over a weighted-average period of 2.0 years, 2.1 years and 2.8 years, respectively. Additionally, as of January 31, 2014 , the weighted-average remaining life for stock options outstanding and stock options exercisable was 5.8 years and 2.2 years, respectively, and had an aggregate intrinsic value of \$209 million and \$82 million , respectively.

The following table includes additional information related to restricted stock and performance share awards and restricted stock rights:

	Fiscal Years Ended January 31,		
	2014	2013	2012
<i>(Amounts in millions)</i>			
Fair value of restricted stock and performance share awards vested	\$ 116	\$ 155	\$ 134
Fair value of restricted stock rights vested	189	168	178

The following table includes additional information related to stock option awards:

	Fiscal Years Ended January 31,		
	2014	2013	2012
<i>(Amounts in millions)</i>			
Fair value of stock options vested	\$ 16	\$ 33	\$ 50
Proceeds from stock options exercised	108	320	420
Intrinsic value of stock options exercised	99	207	91

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes-Merton option valuation model that uses various assumptions for inputs. The Company uses expected volatilities and risk-free interest rates that correlate with the expected term of the option when estimating an option's fair value. The following table provides the weighted-average assumptions used to estimate the fair values of the Company's stock options granted in fiscal 2014 , 2013 and 2012 :

	Fiscal Years Ended January 31,		
	2014	2013	2012
Dividend yield <sup>(1)</sup>	2.5%	2.8%	2.9%
Volatility <sup>(2)</sup>	15.2%	16.2%	17.6%
Risk-free interest rate <sup>(3)</sup>	0.4%	0.6%	1.3%
Expected life in years <sup>(4)</sup>	3.3	3.0	3.0
Weighted-average fair value of options granted	\$ 15.27	\$ 10.57	\$ 9.61

(1) Expected dividend yield is based on the anticipated dividends over the vesting period.

(2) Expected volatility is based on historical volatility of the Company's stock.

(3) Risk-free interest rate is based on the U.S. Treasury yield curve at the time of the grant.

(4) Expected life in years is based on historical exercise and expiration activity of grants with similar vesting periods.

### Share Repurchase Program

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Board of Directors. On June 6, 2013, the Company's Board of Directors replaced the previous \$15.0 billion share repurchase program, which had approximately \$712 million of remaining authorization for share repurchases as of that date, with a new \$15.0 billion share repurchase program, which was announced on June 7, 2013. As was the case with the replaced share repurchase program, the current share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At January 31, 2014, authorization for \$11.3 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings and the market price of its common stock. The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total cash paid for share repurchases for fiscal 2014, 2013 and 2012:

	Fiscal Years Ended January 31,		
	2014	2013	2012
(Amounts in millions, except per share data)			
Total number of shares repurchased	89.1	113.2	115.3
Average price paid per share	\$ 74.99	\$ 67.15	\$ 54.64
Total cash paid for share repurchases	\$ 6,683	\$ 7,600	\$ 6,298

### Note 4. Accumulated Other Comprehensive Income (Loss)

Effective fiscal 2014, the Company adopted accounting guidance that requires, on a prospective basis, separate disclosure of significant items reclassified out of accumulated other comprehensive income (loss) by component. The following table provides the fiscal 2014, 2013 and 2012 changes in the composition of total accumulated other comprehensive income (loss), including the amounts reclassified out of accumulated other comprehensive income (loss) by component for fiscal 2014:

	Currency Translation and Other	Derivative Instruments	Minimum Pension Liability	Total
(Amounts in millions and net of income taxes)				
<b>Balances as of January 31, 2011</b>	\$ 1,226	\$ 60	\$ (640)	\$ 646
Other comprehensive income (loss)	(2,032)	(67)	43	(2,056)
<b>Balances as of January 31, 2012</b>	(806)	(7)	(597)	(1,410)
Other comprehensive income (loss)	853	136	(166)	823
<b>Balances as of January 31, 2013</b>	47	129	(763)	(587)
Other comprehensive income (loss) before reclassifications	(2,769)	194	149	(2,426)
Amounts reclassified from accumulated other comprehensive income (loss)	—	13	4	17
<b>Balances as of January 31, 2014</b>	<u>\$ (2,722)</u>	<u>\$ 336</u>	<u>\$ (610)</u>	<u>\$ (2,996)</u>

Amounts reclassified from accumulated other comprehensive income (loss) for derivative instruments are generally included in interest, net, in the Company's Consolidated Statements of Income, and the amounts related to the minimum pension liability are included in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income.

The Company's unrealized net gains and losses on net investment hedges, included in the currency translation and other category of accumulated other comprehensive income (loss), were not significant as of January 31, 2014 or January 31, 2013.



## Note 5. Accrued Liabilities

The Company's accrued liabilities consist of the following:

(Amounts in millions)	As of January 31,	
	2014	2013
Accrued wages and benefits <sup>(1)</sup>	\$ 4,652	\$ 5,059
Self-insurance <sup>(2)</sup>	3,477	3,373
Accrued taxes <sup>(3)</sup>	2,554	2,851
Other <sup>(4)</sup>	8,110	7,525
<b>Total accrued liabilities</b>	<b>\$ 18,793</b>	<b>\$ 18,808</b>

(1) Accrued wages and benefits include accrued wages, salaries, vacation, bonuses and other incentive plans.

(2) Self-insurance consists of all insurance-related liabilities, such as workers' compensation, general liability, vehicle liability, property liability and employee-related health care benefits.

(3) Accrued taxes include accrued payroll, value added, sales and miscellaneous other taxes.

(4) Other accrued liabilities consist of various items such as maintenance, utilities, advertising and interest.

## Note 6. Short-term Borrowings and Long-term Debt

Short-term borrowings consist of commercial paper and lines of credit. Short-term borrowings outstanding at January 31, 2014 and 2013 were \$7.7 billion and \$6.8 billion, respectively. The following table includes additional information related to the Company's short-term borrowings for fiscal 2014, 2013 and 2012:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2014	2013	2012
Maximum amount outstanding at any month-end	\$ 13,318	\$ 8,740	\$ 9,594
Average daily short-term borrowings	8,971	6,007	6,040
Weighted-average interest rate	0.1%	0.1%	0.1%

The Company has various lines of credit, committed with 24 financial institutions, totaling \$ 17.3 billion as of January 31, 2014 and with 27 financial institutions, totaling \$18.1 billion as of January 31, 2013. The lines of credit, including drawn and undrawn amounts, are summarized in the following table:

(Amounts in millions)	Fiscal Years Ended January 31,					
	2014			2013		
	Available	Drawn	Undrawn	Available	Drawn	Undrawn
Five-year credit facility <sup>(1)</sup>	\$ 6,000	\$ —	\$ 6,000	\$ 6,258	\$ —	\$ 6,258
364-day revolving credit facility <sup>(2)</sup>	9,400	—	9,400	10,000	—	10,000
Stand-by letters of credit <sup>(3)</sup>	1,883	1,836	47	1,871	1,868	3
<b>Total</b>	<b>\$ 17,283</b>	<b>\$ 1,836</b>	<b>\$ 15,447</b>	<b>\$ 18,129</b>	<b>\$ 1,868</b>	<b>\$ 16,261</b>

(1) In June 2013, the Company renewed and extended its existing five-year credit facility, which is used to support its commercial paper program.

(2) In June 2013, the Company renewed and extended its existing 364-day revolving credit facility, which is used to support its commercial paper program.

(3) In June 2013, the Company renewed the stand-by letters of credit, which are used to support various potential and actual obligations.

The committed lines of credit mature at various times between June 2014 and June 2018, carry interest rates generally ranging between LIBOR plus 10 basis points and LIBOR plus 75 basis points, and incur commitment fees ranging between 1.5 and 4.0 basis points. In conjunction with the lines of credit listed in the table above, the Company has agreed to observe certain covenants, the most restrictive of which relates to the maximum amount of secured debt.

Additionally, the Company had trade letters of credit outstanding totaling \$ 2.8 billion and \$ 2.7 billion at January 31, 2014 and 2013, respectively.

The Company's long-term debt, which includes the fair value instruments further discussed in Note 8, consists of the following:

		January 31, 2014		January 31, 2013	
(Amounts in millions)	Maturity Dates By Fiscal Year	Amount	Average Rate <sup>(1)</sup>	Amount	Average Rate <sup>(1)</sup>
Unsecured debt					
Fixed	2015-2044	\$ 35,500	4.3%	\$ 32,476	4.6%
Variable	2015	500	5.4%	500	5.5%
Total U.S. dollar denominated		36,000		32,976	
Fixed	2030	1,356	4.9%	1,358	4.9%
Variable		—		—	
Total Euro denominated		1,356		1,358	
Fixed	2031-2039	5,770	5.3%	5,550	5.3%
Variable		—		—	
Total Sterling denominated		5,770		5,550	
Fixed	2015-2021	1,490	1.3%	1,942	1.4%
Variable	2015-2016	457	0.7%	1,056	0.7%
Total Yen denominated		1,947		2,998	
Total unsecured debt		45,073		42,882	
Total other debt (in USD) <sup>(2)</sup>		801		1,099	
Total debt		45,874		43,981	
Less amounts due within one year		(4,103)		(5,587)	
Long-term debt		\$ 41,771		\$ 38,394	

- (1) The average rate represents the weighted-average stated rate for each corresponding debt category, based on year-end balances and year-end interest rates. Interest costs are also impacted by certain derivative financial instruments described in Note 8.
- (2) A portion of other debt at January 31, 2014 and 2013 includes secured debt in the amount of \$ 572 million and \$627 million , respectively, which was collateralized by property that had an aggregate carrying amount of approximately \$ 471 million and \$599 million , respectively.

At January 31, 2014 and 2013 , the Company had \$ 500 million in debt with embedded put options. The issuance of money market puttable reset securities in the amount of \$ 500 million is structured to be remarketed in connection with the annual reset of the interest rate. If, for any reason, the remarketing of the notes does not occur at the time of any interest rate reset, the holders of the notes must sell, and the Company must repurchase, the notes at par. Accordingly, this issuance has been classified as long-term debt due within one year in the Company's Consolidated Balance Sheets. Annual maturities of long-term debt during the next five years and thereafter are as follows:

(Amounts in millions)	Annual Maturity
<b>Fiscal Year</b>	
2015	\$ 4,103
2016	4,480
2017	2,396
2018	1,107
2019	3,531
Thereafter	30,257
<b>Total</b>	<u>\$ 45,874</u>

## Debt Issuances

Information on significant long-term debt issued during fiscal 2014 , is as follows:

Issue Date	Maturity Date	Interest Rate	Principal Amount
April 11, 2013	April 11, 2016	0.600%	\$ 1,000
April 11, 2013	April 11, 2018	1.125%	1,250
April 11, 2013	April 11, 2023	2.550%	1,750
April 11, 2013	April 11, 2043	4.000%	1,000
October 2, 2013	December 15, 2018	1.950%	1,000
October 2, 2013	October 2, 2043	4.750%	750
<b>Total</b>			<b>\$ 6,750</b>

The aggregate net proceeds from these long-term debt issuances were approximately \$6.7 billion , which were used to pay down and refinance existing debt and for other general corporate purposes. The Company also received additional aggregate net proceeds of approximately \$ 0.4 billion from other, smaller long-term debt issuances by several of its international operations, which were used primarily to refinance existing debt.

On April 11, 2013 , the Company issued \$1.0 billion principal amount of its 0.600% Notes due 2016 , \$1.25 billion principal amount of its 1.125% Notes due 2018 , \$1.75 billion principal amount of its 2.550% Notes due 2023 and \$1.0 billion principal amount of its 4.000% Notes due 2043 . The aggregate net proceeds from these note issuances were approximately \$5.0 billion . The notes of each series require semi-annual interest payments on April 11 and October 11 of each year, with the first interest payment made on October 11, 2013 . Unless previously purchased and canceled, the Company will repay the notes of each series at 100% of the principal amount, together with accrued and unpaid interest thereon, at maturity. However, the Company has the right to redeem any or all of the notes that mature on April 11, 2023 , at any time on or after January 11, 2023 , and to redeem any or all of the notes that mature on April 11, 2043 , at any time on or after October 11, 2042 , in each case at 100% of the principal amount, together with the accrued and unpaid interest thereon to, but excluding, the date of redemption. The notes of each series are senior, unsecured obligations of the Company and are not convertible or exchangeable.

On October 2, 2013 , the Company issued \$1.0 billion principal amount of its 1.950% Notes due 2018 and \$750 million principal amount of its 4.750% Notes due 2043 . The aggregate net proceeds from these note issuances were approximately \$1.7 billion . The 1.950% Notes due 2018 series requires semi-annual interest payments on June 15 and December 15 of each year, with the first interest payment commencing on June 15, 2014 . The 4.750% Notes due 2043 series require semi-annual interest payments on October 2 and April 2 of each year, commencing on April 2, 2014 . Unless previously purchased and canceled, the Company will repay the notes of each series at 100% of the principal amount, together with accrued and unpaid interest thereon, at maturity. However, the Company has the right to redeem any or all of the notes that mature on October 2, 2043 , at any time on or after April 2, 2043 , at 100% of the principal amount, together with the accrued and unpaid interest thereon to, but excluding, the date of redemption. The notes of each series are senior, unsecured obligations of the Company and are not convertible or exchangeable.

The Company did not issue any significant amounts of long-term debt during fiscal 2013.

## Note 7. Fair Value Measurements

The Company records and discloses certain financial and non-financial assets and liabilities at their fair value. The fair value of an asset is the price at which the asset could be sold in an ordinary transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor. Assets and liabilities recorded at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are:

- Level 1: observable inputs such as quoted prices in active markets;
- Level 2: inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3: unobservable inputs for which little or no market data exists, therefore requiring the Company to develop its own assumptions.

### *Recurring Fair Value Measurements*

The Company holds derivative instruments that are required to be measured at fair value on a recurring basis. The fair values are the estimated amounts the Company would receive or pay upon termination of the related derivative agreements as of the reporting dates. The fair values have been measured using the income approach and Level 2 inputs, which include the relevant interest rate and foreign currency forward curves. As of January 31, 2014 and 2013, the notional amounts and fair values of these derivatives were as follows:

	January 31, 2014		January 31, 2013	
	Notional Amount	Fair Value	Notional Amount	Fair Value
<i>(Amounts in millions)</i>				
Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges	\$ 1,000	\$ 5	\$ 3,445	\$ 60
Receive fixed-rate, pay fixed-rate cross-currency interest rate swaps designated as net investment hedges	1,250	97	1,250	223
Receive fixed-rate, pay fixed-rate cross-currency interest rate swaps designated as cash flow hedges	3,004	453	2,944	230
Receive variable-rate, pay fixed-rate interest rate swaps designated as cash flow hedges	457	(2)	1,056	(8)
Receive variable-rate, pay fixed-rate forward starting interest rate swaps designated as cash flow hedges	2,500	166	5,000	10
<b>Total</b>	<b>\$ 8,211</b>	<b>\$ 719</b>	<b>\$ 13,695</b>	<b>\$ 515</b>

### *Nonrecurring Fair Value Measurements*

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company's assets and liabilities are also subject to nonrecurring fair value measurements. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges. The Company did not record any significant impairment charges to assets measured at fair value on a nonrecurring basis during the fiscal years ended January 31, 2014, or 2013.

### *Other Fair Value Disclosures*

The Company records cash and cash equivalents and short-term borrowings at cost. The carrying values of these instruments approximate their fair value due to their short-term maturities.

The Company's long-term debt is also recorded at cost. The fair value is estimated using Level 2 inputs based on the Company's current incremental borrowing rate for similar types of borrowing arrangements. The carrying value and fair value of the Company's long-term debt as of January 31, 2014 and 2013, was as follows:

	January 31, 2014		January 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<i>(Amounts in millions)</i>				
Long-term debt, including amounts due within one year	\$ 45,874	\$ 50,757	\$ 43,981	\$ 50,664

**Note 8. Derivative Financial Instruments**

The Company uses derivative financial instruments for hedging and non-trading purposes to manage its exposure to changes in interest and currency exchange rates, as well as to maintain an appropriate mix of fixed- and variable-rate debt. Use of derivative financial instruments in hedging programs subjects the Company to certain risks, such as market and credit risks. Market risk represents the possibility that the value of the derivative financial instrument will change. In a hedging relationship, the change in the value of the derivative financial instrument is offset to a great extent by the change in the value of the underlying hedged item. Credit risk related to a derivative financial instrument represents the possibility that the counterparty will not fulfill the terms of the contract. The notional, or contractual, amount of the Company's derivative financial instruments is used to measure interest to be paid or received and does not represent the Company's exposure due to credit risk. Credit risk is monitored through established approval procedures, including setting concentration limits by counterparty, reviewing credit ratings and requiring collateral (generally cash) from the counterparty when appropriate.

The Company only enters into derivative transactions with counterparties rated "A-" or better by nationally recognized credit rating agencies. Subsequent to entering into derivative transactions, the Company regularly monitors the credit ratings of its counterparties. In connection with various derivative agreements, including master netting arrangements, the Company held cash collateral from counterparties of \$ 641 million and \$ 413 million at January 31, 2014 and January 31, 2013, respectively. The Company records cash collateral received as amounts due to the counterparties exclusive of any derivative asset. Furthermore, as part of the master netting arrangements with these counterparties, the Company is also required to post collateral if the Company's net derivative liability position exceeds \$ 150 million with any counterparty. The Company did not have any cash collateral posted with counterparties at January 31, 2014 or January 31, 2013. The Company records cash collateral it posts with counterparties as amounts receivable from those counterparties exclusive of any derivative liability.

The Company uses derivative financial instruments for the purpose of hedging its exposure to interest and currency exchange rate risks and, accordingly, the contractual terms of a hedged instrument closely mirror those of the hedged item, providing a high degree of risk reduction and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria are recorded using hedge accounting. If a derivative financial instrument is recorded using hedge accounting, depending on the nature of the hedge, changes in the fair value of the instrument will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or be recognized in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings. Any hedge ineffectiveness is immediately recognized in earnings. The Company's net investment and cash flow instruments are highly effective hedges and the ineffective portion has not been, and is not expected to be, significant. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are recorded at fair value with unrealized gains or losses reported in earnings during the period of the change.

*Fair Value Instruments*

The Company is a party to receive fixed-rate, pay variable-rate interest rate swaps that the Company uses to hedge the fair value of fixed-rate debt. The notional amounts are used to measure interest to be paid or received and do not represent the Company's exposure due to credit loss. The Company's interest rate swaps that receive fixed-interest rate payments and pay variable-interest rate payments are designated as fair value hedges. As the specific terms and notional amounts of the derivative instruments match those of the fixed-rate debt being hedged, the derivative instruments are assumed to be perfectly effective hedges. Changes in the fair values of these derivative instruments are recorded in earnings, but are offset by corresponding changes in the fair values of the hedged items, also recorded in earnings, and, accordingly, do not impact the Company's Consolidated Statements of Income. These fair value instruments will mature on dates ranging from February 2014 to May 2014.

*Net Investment Instruments*

The Company is a party to cross-currency interest rate swaps that the Company uses to hedge its net investments. The agreements are contracts to exchange fixed-rate payments in one currency for fixed-rate payments in another currency. All changes in the fair value of these instruments are recorded in accumulated other comprehensive income (loss), offsetting the currency translation adjustment of the related investment that is also recorded in accumulated other comprehensive income (loss). These instruments will mature on dates ranging from October 2023 to February 2030.

The Company has issued foreign-currency-denominated long-term debt as hedges of net investments of certain of its foreign operations. These foreign-currency-denominated long-term debt issuances are designated and qualify as nonderivative hedging instruments. Accordingly, the foreign currency translation of these debt instruments is recorded in accumulated other comprehensive income (loss), offsetting the foreign currency translation adjustment of the related net investments that is also recorded in accumulated other comprehensive income (loss). At January 31, 2014 and January 31, 2013, the Company had ¥ 200 billion and ¥ 275 billion, respectively, of outstanding long-term debt designated as a hedge of its net investment in Japan, as well as outstanding long-term debt of £2.5 billion at January 31, 2014 and January 31, 2013, that was designated as a hedge of its net investment in the United Kingdom. These nonderivative net investment hedges will mature on dates ranging from August 2014 to January 2039.

*Cash Flow Instruments*

The Company is a party to receive variable-rate, pay fixed-rate interest rate swaps that the Company uses to hedge the interest rate risk of certain non-U.S. denominated debt. The swaps are designated as cash flow hedges of interest expense risk. Amounts reported in accumulated other comprehensive income (loss) related to these derivatives are reclassified from accumulated other comprehensive income (loss) to earnings as interest is expensed for the Company's variable-rate debt, converting the variable-rate interest expense into fixed-rate interest expense. These cash flow instruments will mature on dates ranging from August 2014 to July 2015 .

The Company is also a party to receive fixed-rate, pay fixed-rate cross-currency interest rate swaps to hedge the currency exposure associated with the forecasted payments of principal and interest of certain non-U.S. denominated debt. The swaps are designated as cash flow hedges of the currency risk related to payments on the non-U.S. denominated debt. The effective portion of changes in the fair value of derivatives designated as cash flow hedges of foreign exchange risk is recorded in accumulated other comprehensive income (loss) and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The hedged items are recognized foreign currency-denominated liabilities that are remeasured at spot exchange rates each period, and the assessment of effectiveness (and measurement of any ineffectiveness) is based on total changes in the related derivative's cash flows. As a result, the amount reclassified into earnings each period includes an amount that offsets the related transaction gain or loss arising from that remeasurement and the adjustment to earnings for the period's allocable portion of the initial spot-forward difference associated with the hedging instrument. These cash flow instruments will mature on dates ranging from September 2029 to March 2034 .

The Company also uses forward starting receive variable-rate, pay fixed-rate swaps ("forward starting swaps"), to hedge its exposure to the variability in future cash flows due to changes in the LIBOR swap rate for 10 - and 30 -year debt issuances forecasted to occur in the future. Amounts reported in accumulated other comprehensive income (loss) related to these derivatives will be reclassified from accumulated other comprehensive income (loss) to earnings as interest expense is incurred on the forecasted hedged fixed-rate debt, adjusting interest expense to reflect the fixed-rate entered into by the forward starting swaps. These cash flow instruments hedge forecasted interest payments to be made through May 2044. These forward starting swaps will be terminated on the day the hedged forecasted debt issuances occur, but no later than October 31, 2014 , if the hedged forecasted debt issuances do not occur. The Company terminated forward starting swaps with an aggregate notional amount of \$2.5 billion by making a cash payment to the related counterparties of \$74 million in connection with the April 2013 debt issuances described in Note 6. The \$74 million loss was recorded in accumulated other comprehensive income (loss) and will be reclassified to earnings over the life of the related debt, effectively adjusting interest expense to reflect the fixed-rate entered into by the forward starting swaps.

*Financial Statement Presentation*

Although subject to master netting arrangements, the Company does not offset derivative assets and derivative liabilities in its Consolidated Balance Sheets. Derivative instruments with an unrealized gain are recorded in the Company's Consolidated Balance Sheets as either current or non-current assets, based on maturity date, and those hedging instruments with an unrealized loss are recorded as either current or non-current liabilities, based on maturity date.

The Company's derivative instruments, as well as its nonderivative debt instruments designated and qualifying as net investment hedges, were classified as follows in the Company's Consolidated Balance Sheets:

	January 31, 2014			January 31, 2013		
	Fair Value Instruments	Net Investment Instruments	Cash Flow Instruments	Fair Value Instruments	Net Investment Instruments	Cash Flow Instruments
<i>(Amounts in millions)</i>						
<b>Derivative instruments</b>						
Prepaid expenses and other	\$ 5	\$ —	\$ —	\$ 29	\$ —	\$ —
Other assets and deferred charges	—	97	619	31	223	327
<b>Derivative asset subtotals</b>	<b>\$ 5</b>	<b>\$ 97</b>	<b>\$ 619</b>	<b>\$ 60</b>	<b>\$ 223</b>	<b>\$ 327</b>
Accrued liabilities	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ 4
Deferred income taxes and other	—	—	1	—	—	91
<b>Derivative liability subtotals</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 95</b>
<b>Nonderivative hedging instruments</b>						
Long-term debt due within one year	\$ —	\$ 973	\$ —	\$ —	\$ 818	\$ —
Long-term debt	—	5,095	—	—	6,145	—
<b>Nonderivative hedge liability subtotals</b>	<b>\$ —</b>	<b>\$ 6,068</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 6,963</b>	<b>\$ —</b>

Gains and losses related to the Company's derivatives primarily relate to interest rate hedges, which are included in interest, net, in the Company's Consolidated Statements of Income. Amounts related to the Company's derivatives expected to be reclassified from accumulated other comprehensive income (loss) to net income during the next 12 months are not significant.





## Note 9. Taxes

### *Income from Continuing Operations*

The components of income from continuing operations before income taxes are as follows:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2014	2013	2012
U.S.	\$ 19,412	\$ 19,352	\$ 18,685
Non-U.S.	5,244	6,310	5,647
<b>Total income from continuing operations before income taxes</b>	<b>\$ 24,656</b>	<b>\$ 25,662</b>	<b>\$ 24,332</b>

A summary of the provision for income taxes is as follows:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2014	2013	2012
<b>Current:</b>			
U.S. federal	\$ 6,377	\$ 5,611	\$ 4,596
U.S. state and local	719	622	743
International	1,523	1,743	1,383
<b>Total current tax provision</b>	<b>8,619</b>	<b>7,976</b>	<b>6,722</b>
<b>Deferred:</b>			
U.S. federal	(72)	38	1,444
U.S. state and local	37	(8)	57
International	(479)	(48)	(299)
<b>Total deferred tax expense (benefit)</b>	<b>(514)</b>	<b>(18)</b>	<b>1,202</b>
<b>Total provision for income taxes</b>	<b>\$ 8,105</b>	<b>\$ 7,958</b>	<b>\$ 7,924</b>

### *Effective Income Tax Rate Reconciliation*

The Company's effective income tax rate is typically lower than the U.S. statutory tax rate primarily because of benefits from lower-taxed global operations, including the use of global funding structures and certain U.S. tax credits as further discussed in the "Cash and Cash Equivalents" section of the Company's significant accounting policies in Note 1. The Company's non-U.S. income is generally subject to local country tax rates that are below the 35% U.S. statutory tax rate. Certain non-U.S. earnings have been indefinitely reinvested outside the U.S. and are not subject to current U.S. income tax. A reconciliation of the significant differences between the U.S. statutory tax rate and the effective income tax rate on pretax income from continuing operations is as follows:

	Fiscal Years Ended January 31,		
	2014	2013	2012
U.S. statutory tax rate	35.0 %	35.0 %	35.0 %
U.S. state income taxes, net of federal income tax benefit	2.0 %	1.7 %	2.0 %
Income taxed outside the U.S.	(2.8)%	(2.6)%	(2.8)%
Net impact of repatriated international earnings	(1.4)%	(2.5)%	(0.3)%
Other, net	0.1 %	(0.6)%	(1.3)%
<b>Effective income tax rate</b>	<b>32.9 %</b>	<b>31.0 %</b>	<b>32.6 %</b>

### Deferred Taxes

The significant components of the Company's deferred tax account balances are as follows:

(Amounts in millions)	January 31,	
	2014	2013
<b>Deferred tax assets:</b>		
Loss and tax credit carryforwards	\$ 3,566	\$ 3,525
Accrued liabilities	2,986	2,683
Share-based compensation	126	204
Other	1,573	1,500
<b>Total deferred tax assets</b>	<b>8,251</b>	<b>7,912</b>
Valuation allowances	(1,801)	(2,225)
<b>Deferred tax assets, net of valuation allowance</b>	<b>6,450</b>	<b>5,687</b>
<b>Deferred tax liabilities:</b>		
Property and equipment	6,295	5,830
Inventories	1,641	1,912
Other	1,827	1,157
<b>Total deferred tax liabilities</b>	<b>9,763</b>	<b>8,899</b>
<b>Net deferred tax liabilities</b>	<b>\$ 3,313</b>	<b>\$ 3,212</b>

The deferred taxes are classified as follows in the Company's Consolidated Balance Sheets:

(Amounts in millions)	January 31,	
	2014	2013
<b>Balance Sheet classification:</b>		
<b>Assets:</b>		
Prepaid expenses and other	\$ 822	\$ 520
Other assets and deferred charges	1,151	757
<b>Asset subtotals</b>	<b>1,973</b>	<b>1,277</b>
<b>Liabilities:</b>		
Accrued liabilities	176	116
Deferred income taxes and other	5,110	4,373
<b>Liability subtotals</b>	<b>5,286</b>	<b>4,489</b>
<b>Net deferred tax liabilities</b>	<b>\$ 3,313</b>	<b>\$ 3,212</b>

### Unremitted Earnings

United States income taxes have not been provided on accumulated but undistributed earnings of the Company's international subsidiaries of approximately \$21.4 billion and \$ 19.2 billion as of January 31, 2014 and 2013 , respectively, as the Company intends to permanently reinvest these amounts outside of the United States. However, if any portion were to be distributed, the related U.S. tax liability may be reduced by foreign income taxes paid on those earnings. Determination of the unrecognized deferred tax liability related to these undistributed earnings is not practicable because of the complexities with its hypothetical calculation. The Company provides deferred or current income taxes on earnings of international subsidiaries in the period that the Company determines it will remit those earnings.

### Net Operating Losses, Tax Credit Carryforwards and Valuation Allowances

At January 31, 2014 , the Company had net operating loss and capital loss carryforwards totaling approximately \$ 6.1 billion . Of these carryforwards, approximately \$ 3.6 billion will expire, if not utilized, in various years through 2024. The remaining carryforwards have no expiration. At January 31, 2014 , the Company had foreign tax credit carryforwards of \$ 1.8 billion , which will expire in various years through 2024 , if not utilized.

The recoverability of these future tax deductions and credits is evaluated by assessing the adequacy of future expected taxable income from all sources, including taxable income in prior carryback years, reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. To the extent management does not consider it more likely than not that a deferred tax asset will be realized, a valuation allowance is established. If a valuation allowance has been established and management subsequently determines that it is more likely than not that the deferred tax assets will be realized, the valuation allowance is released.

As of January 31, 2014 and 2013 , the Company had valuation allowances recorded of approximately \$1.8 billion and \$2.2 billion , respectively, on deferred tax assets associated primarily with net operating loss carryforwards for which management has determined it is more likely than not that the deferred tax asset will not be realized. The \$ 0.4 billion net decrease in the valuation allowance during fiscal 2014 related to releases arising from the use of deferred tax assets, changes in judgment regarding the future realization of deferred tax assets, increases from certain net operating losses and deductible temporary differences arising in fiscal 2014 , decreases due to operating and capital loss expirations and fluctuations in currency exchange rates. Management believes that it is more likely than not that the remaining net deferred tax assets will be fully realized.

#### *Uncertain Tax Positions*

The benefits of uncertain tax positions are recorded in the Company's Consolidated Financial Statements only after determining a more likely than not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities.

As of January 31, 2014 and 2013 , the amount of unrecognized tax benefits related to continuing operations was \$763 million and \$818 million , respectively. The amount of unrecognized tax benefits that would affect the Company's effective income tax rate was \$698 million and \$ 741 million for January 31, 2014 and 2013 , respectively.

A reconciliation of unrecognized tax benefits from continuing operations was as follows:

	Fiscal Years Ended January 31,		
	2014	2013	2012
<i>(Amounts in millions)</i>			
<b>Unrecognized tax benefits, beginning of year</b>	\$ 818	\$ 611	\$ 795
Increases related to prior year tax positions	41	88	87
Decreases related to prior year tax positions	(112)	(232)	(162)
Increases related to current year tax positions	133	431	56
Settlements during the period	(117)	(80)	(161)
Lapse in statutes of limitations	—	—	(4)
<b>Unrecognized tax benefits, end of year</b>	<u>\$ 763</u>	<u>\$ 818</u>	<u>\$ 611</u>

The Company classifies interest and penalties related to uncertain tax benefits as interest expense and as operating, selling, general and administrative expenses, respectively. During fiscal 2014 , 2013 and 2012 , the Company recognized interest and penalty expense (benefit) related to uncertain tax positions of \$(7) million , \$2 million and \$(19) million , respectively. As of January 31, 2014 and 2013 , accrued interest related to uncertain tax positions of \$40 million and \$139 million , respectively, was recorded in the Company's Consolidated Balance Sheets. The Company did not have any accrued penalties recorded for income taxes as of January 31, 2014 or 2013 .

During the next twelve months, it is reasonably possible that tax audit resolutions could reduce unrecognized tax benefits by between \$ 50 million and \$ 250 million , either because the tax positions are sustained on audit or because the Company agrees to their disallowance. The Company is focused on resolving tax audits as expeditiously as possible. As a result of these efforts, unrecognized tax benefits could potentially be reduced beyond the provided range during the next twelve months. The Company does not expect any change to have a significant impact to its Consolidated Financial Statements.

The Company remains subject to income tax examinations for its U.S. federal income taxes generally for fiscal 2012 through 2014 . The Company also remains subject to income tax examinations for international income taxes for fiscal 2006 through 2014 , and for U.S. state and local income taxes generally for the fiscal years ended 2009 through 2014 .

#### *Other Taxes*

The Company is subject to tax examinations for payroll, value added, sales-based and other non-income taxes. A number of these examinations are ongoing in various jurisdictions, including Brazil. In certain cases, the Company has received assessments from the taxing authorities in connection with these examinations. Where a probable loss has occurred, the Company has made accruals, which are reflected in the Company's Consolidated Financial Statements. While the possible losses or range of possible losses associated with these matters are individually immaterial, a group of related matters, if decided adversely to the Company, could result in a liability material to the Company's Consolidated Financial Statements.

**Note 10. Contingencies*****Legal Proceedings***

The Company is involved in a number of legal proceedings. The Company has made accruals with respect to these matters, where appropriate, which are reflected in the Company's Consolidated Financial Statements. For some matters, a liability is not probable or the amount cannot be reasonably estimated, and therefore an accrual has not been made. However, where a liability is reasonably possible and material, such matters have been disclosed. The Company may enter into discussions regarding settlement of these matters and may enter into settlement agreements if it believes settlement is in the best interest of the Company's shareholders. Unless stated otherwise, the matters, or groups of related matters, discussed below, if decided adversely to or settled by the Company, individually or in the aggregate, may result in a liability material to the Company's financial condition or results of operations.

***Wage-and-Hour Class Action:*** The Company is a defendant in *Braun/Hummel v. Wal-Mart Stores, Inc.*, a class-action lawsuit commenced in March 2002 in the Court of Common Pleas in Philadelphia, Pennsylvania. The plaintiffs allege that the Company failed to pay class members for all hours worked and prevented class members from taking their full meal and rest breaks. On October 13, 2006, a jury awarded back-pay damages to the plaintiffs of approximately \$78 million on their claims for off-the-clock work and missed rest breaks. The jury found in favor of the Company on the plaintiffs' meal-period claims. On November 14, 2007, the trial judge entered a final judgment in the approximate amount of \$188 million, which included the jury's back-pay award plus statutory penalties, prejudgment interest and attorneys' fees. By operation of law, post-judgment interest accrues on the judgment amount at the rate of six percent per annum from the date of entry of the judgment, which was November 14, 2007, until the judgment is paid, unless the judgment is set aside on appeal. On December 7, 2007, the Company filed its Notice of Appeal. The Company filed its opening appellate brief on February 17, 2009, plaintiffs filed their response brief on April 20, 2009, and the Company filed its reply brief on June 5, 2009. Oral argument was held before the Pennsylvania Superior Court of Appeals on August 19, 2009. On June 10, 2011, the court issued an opinion upholding the trial court's certification of the class, the jury's back pay award, and the awards of statutory penalties and prejudgment interest, but reversing the award of attorneys' fees. On September 9, 2011, the Company filed a Petition for Allowance of Appeal with the Pennsylvania Supreme Court. On July 2, 2012, the Pennsylvania Supreme Court granted the Company's Petition. The Company served its opening brief in the Pennsylvania Supreme Court on October 22, 2012, plaintiffs served their response brief on January 22, 2013, and the Company served its reply on February 28, 2013. Oral argument was held in the Pennsylvania Supreme Court on May 8, 2013. No decision has been issued. The Company believes it has substantial factual and legal defenses to the claims at issue, and plans to continue pursuing appellate review.

***Gender Discrimination Class Actions:*** The Company is a defendant in *Dukes v. Wal-Mart Stores, Inc.*, which was commenced as a class-action lawsuit in June 2001 in the United States District Court for the Northern District of California, asserting that the Company had engaged in a pattern and practice of discriminating against women in promotions, pay, training and job assignments, and seeking, among other things, injunctive relief, front pay, back pay, punitive damages and attorneys' fees. On June 21, 2004, the district court issued an order granting in part and denying in part the plaintiffs' motion for class certification. As defined by the district court, the class included "[a]ll women employed at any Wal-Mart domestic retail store at any time since December 26, 1998, who have been or may be subjected to Wal-Mart's challenged pay and management track promotions policies and practices." The Company appealed the order to the Ninth Circuit Court of Appeals and subsequently to the United States Supreme Court. On June 20, 2011, the Supreme Court issued an opinion decertifying the class and remanding the case to the district court. On October 27, 2011, the plaintiffs' attorneys filed an amended complaint proposing a class of current and former female associates at the Company's California retail facilities, and the Company filed a motion to dismiss on January 13, 2012. On September 21, 2012, the court denied the motion. The plaintiffs filed a motion for class certification on April 15, 2013. On August 2, 2013, the court denied the motion. On August 16, 2013, the plaintiffs filed a petition for permission to appeal that ruling to the U.S. Court of Appeals for the Ninth Circuit. On November 18, 2013, the Ninth Circuit denied that petition.

On October 28, 2011, the attorneys for the plaintiffs in the *Dukes* case filed a similar complaint in the United States District Court for the Northern District of Texas entitled *Odle v. Wal-Mart Stores, Inc.*, proposing a class of current and former female associates employed in any Walmart region that includes stores located in the state of Texas. On October 15, 2012, the court in the *Odle* case granted the Company's motion to dismiss, dismissing with prejudice the plaintiffs' class-action allegations and the individual claims of the lead plaintiff, Stephanie Odle. On March 19, 2013, the U.S. Court of Appeals for the Fifth Circuit denied the plaintiffs' petition for permission to appeal. On October 2, 2012, the plaintiffs' attorneys filed another similar complaint in the United States District Court for the Middle District of Tennessee entitled *Phipps v. Wal-Mart Stores, Inc.*, proposing a class of current and former female associates employed in "Region 43, centered in Middle and Western Tennessee." On February 20, 2013, the court in the *Phipps* case granted the Company's motion to dismiss, dismissing with prejudice the plaintiffs' class-action allegations. On September 11, 2013, the U.S. Court of Appeals for the Sixth Circuit granted the plaintiffs' petition for permission to appeal that ruling. On October 4, 2012, the plaintiffs' attorneys filed another similar complaint in the United States District Court for the Southern District of Florida entitled *Love v. Wal-Mart Stores, Inc.*, proposing a class of current and former female associates employed in certain designated stores and clubs in regions centered in the state of Florida. On September 23, 2013, the court in the *Love* case granted the Company's motion to dismiss, dismissing

with prejudice the plaintiffs' class-action allegations. Finally, on February 20, 2013, the plaintiffs' attorneys filed another similar complaint in the United States District Court for the Western District of Wisconsin entitled *Ladik v. Wal-Mart Stores, Inc.*, proposing a class of current and former female associates employed in "Region 14, which includes Wal-Mart retail stores located in parts of Wisconsin, Illinois, Indiana and Michigan." On May 24, 2013, the court in the *Ladik* case granted the Company's motion to dismiss, dismissing with prejudice the plaintiffs' class-action allegations. On June 13, 2013, the U.S. Court of Appeals for the Seventh Circuit denied the plaintiffs' petition for permission to appeal. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with these matters will be material to the Company's financial condition or results of operations.

### ***FCPA Investigation and Related Matters***

The Audit Committee (the "Audit Committee") of the Board of Directors of the Company, which is composed solely of independent directors, is conducting an internal investigation into, among other things, alleged violations of the U.S. Foreign Corrupt Practices Act ("FCPA") and other alleged crimes or misconduct in connection with foreign subsidiaries, including Wal-Mart de México, S.A.B. de C.V. ("Walmex"), and whether prior allegations of such violations and/or misconduct were appropriately handled by the Company. The Audit Committee and the Company have engaged outside counsel from a number of law firms and other advisors who are assisting in the on-going investigation of these matters.

The Company is also conducting a voluntary global review of its policies, practices and internal controls for FCPA compliance. The Company is engaged in strengthening its global anti-corruption compliance program through appropriate remedial anti-corruption measures. In November 2011, the Company voluntarily disclosed that investigative activity to the U.S. Department of Justice (the "DOJ") and the Securities and Exchange Commission (the "SEC"). Since the implementation of the global review and the enhanced anti-corruption compliance program, the Audit Committee and the Company have identified or been made aware of additional allegations regarding potential violations of the FCPA. When such allegations are reported or identified, the Audit Committee and the Company, together with their third party advisors, conduct inquiries and when warranted based on those inquiries, open investigations. Inquiries or investigations regarding allegations of potential FCPA violations have been commenced in a number of foreign markets where the Company operates, including, but not limited to, Brazil, China and India.

The Company has been informed by the DOJ and the SEC that it is also the subject of their respective investigations into possible violations of the FCPA. The Company is cooperating with the investigations by the DOJ and the SEC. A number of federal and local government agencies in Mexico have also initiated investigations of these matters. Walmex is cooperating with the Mexican governmental agencies conducting these investigations. Furthermore, lawsuits relating to the matters under investigation have been filed by several of the Company's shareholders against it, certain of its current directors, certain of its former directors, certain of its current and former officers and certain of Walmex's current and former officers.

The Company 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 on-going government investigations, and such actions, if brought, may result in judgments, settlements, fines, penalties, injunctions, cease and desist orders, debarment or other relief, criminal convictions and/or penalties. The shareholder lawsuits may result in judgments against the Company and its current and former directors and officers named in those proceedings. The Company cannot predict at this time the outcome or impact of the government investigations, the shareholder lawsuits, or its own internal investigations and review. In addition, the Company expects to incur costs in responding to requests for information or subpoenas seeking documents, testimony and other information in connection with the government investigations, in defending the shareholder lawsuits, and in conducting the review and investigations. These costs will be expensed as incurred. For fiscal 2014 and 2013, the Company incurred expenses of approximately \$282 million and \$157 million, respectively, related to these matters. Of these expenses, approximately \$173 million and \$100 million, respectively, represent costs incurred for the ongoing inquiries and investigations and \$109 million and \$57 million, respectively, relate to the Company's global compliance program and organizational enhancements. These matters may require the involvement of certain members of the Company's senior management that could impinge on the time they have available to devote to other matters relating to the business. The Company expects that there will be on-going media and governmental interest, including additional news articles from media publications on these matters, which could impact the perception among certain audiences of the Company's role as a corporate citizen.

The Company's process of assessing and responding to the governmental investigations and the shareholder lawsuits continues. While the Company believes that it is probable that it will incur a loss from these matters, given the on-going nature and complexity of the review, inquiries and investigations, the Company cannot reasonably estimate any loss or range of loss that may arise from these matters. Although the Company does not presently believe that these matters will have a material adverse effect on its business, given the inherent uncertainties in such situations, the Company can provide no assurance that these matters will not be material to its business in the future.

## Note 11. Commitments

The Company has long-term leases for stores and equipment. Rentals (including amounts applicable to taxes, insurance, maintenance, other operating expenses and contingent rentals) under operating leases and other short-term rental arrangements were \$ 2.8 billion , \$ 2.6 billion and \$ 2.4 billion in fiscal 2014 , 2013 and 2012 , respectively.

Aggregate minimum annual rentals at January 31, 2014 , under non-cancelable leases are as follows:

*(Amounts in millions)*

<b>Fiscal Year</b>	<b>Operating Leases</b>	<b>Capital Leases</b>
2015	\$ 1,734	\$ 586
2016	1,632	558
2017	1,462	519
2018	1,314	479
2019	1,192	438
Thereafter	9,836	3,711
<b>Total minimum rentals</b>	<b>\$ 17,170</b>	<b>\$ 6,291</b>
Less estimated executory costs		60
Net minimum lease payments		6,231
Less imputed interest		3,134
<b>Present value of minimum lease payments</b>		<b>\$ 3,097</b>

Certain of the Company's leases provide for the payment of contingent rentals based on a percentage of sales. Such contingent rentals were immaterial for fiscal 2014 , 2013 and 2012 . Substantially all of the Company's store leases have renewal options, some of which may trigger an escalation in rentals.

The Company has future lease commitments for land and buildings for approximately 317 future locations. These lease commitments have lease terms ranging from 4 to 40 years and provide for certain minimum rentals. If executed, payments under operating leases would increase by \$ 49 million for fiscal 2015 , based on current cost estimates.

In connection with certain long-term debt issuances, the Company could be liable for early termination payments if certain unlikely events were to occur. At January 31, 2014 , the aggregate termination payment would have been \$ 74 million . The arrangement pursuant to which this payment could be made will expire in fiscal 2019 .

## Note 12. Retirement-Related Benefits

The Company offers 401(k) plans for associates in the United States and Puerto Rico, under which associates generally become participants following one year of employment. Under these plans, the Company matches 100% of participant contributions up to 6% of annual eligible earnings. The matching contributions immediately vest at 100% for each associate. Participants can contribute up to 50% of their pretax earnings, but not more than the statutory limits. Participants age 50 or older may defer additional earnings in catch-up contributions up to the maximum statutory limits.

Associates in international countries who are not U.S. citizens are covered by various defined contribution post-employment benefit arrangements. These plans are administered based upon the legislative and tax requirements in the countries in which they are established.

Additionally, the Company's subsidiaries in the United Kingdom ("ASDA") and Japan have sponsored defined benefit pension plans. The plan in the United Kingdom was underfunded by \$69 million and \$346 million at January 31, 2014 and 2013 , respectively. The plan in Japan was underfunded by \$281 million and \$338 million at January 31, 2014 and 2013 , respectively. These underfunded amounts are recorded as liabilities in the Company's Consolidated Balance Sheets in deferred income taxes and other. Certain other international operations also have defined benefit arrangements that are not significant.



In fiscal 2012, ASDA and the trustees of ASDA's defined benefit plan agreed to remove future benefit accruals from the plan and, with the consent of a majority of the plan participants, also removed the link between past accrual and future pay increases. In return, ASDA paid approximately \$ 70 million in fiscal 2012 to the plan participants. The related curtailment gain of approximately \$ 90 million was recorded in fiscal 2012 as a decrease to deferred actuarial losses in other comprehensive income.

The following table summarizes the contribution expense related to the Company's retirement-related benefits for fiscal 2014, 2013 and 2012 :

(Amounts in millions)	Fiscal Years Ended January 31,		
	2014	2013	2012
<b>Defined contribution plans:</b>			
U.S.	\$ 877	\$ 818	\$ 752
International	165	166	230
<b>Defined benefit plans:</b>			
International	20	26	54
<b>Total contribution expense for retirement-related benefits</b>	<b>\$ 1,062</b>	<b>\$ 1,010</b>	<b>\$ 1,036</b>

### Note 13. Acquisitions, Disposals and Related Items

The Company has completed, or is in process of completing, the following transactions that impact the operations of Walmart International:

#### *India Operations*

During fiscal 2014, the Company acquired, for \$100 million, the remaining ownership interest in Bharti Walmart Private Limited, previously a joint venture between Bharti Ventures Limited ("Bharti") and the Company established in 2007, which operated the Company's wholesale cash & carry business in India. Upon completion of the transaction, the Company became the sole owner of the cash & carry business in India. In addition, the Company also terminated its joint venture, franchise and supply agreements with Bharti Retail Limited ("Bharti Retail"), which operates Bharti's retail business in India, and transferred its investment in that business to Bharti. In connection with the agreements related to the Bharti retail business, the Company paid and forgave indebtedness of approximately \$234 million and recorded a net loss of approximately \$151 million in the Company's Consolidated Statements of Income.

#### *Walmart Chile*

In September 2013, certain redeemable noncontrolling interest shareholders exercised put options that required the Company to purchase a portion of their shares in Walmart Chile at the mutually agreed upon redemption value to be determined after exercise of the put options. In fiscal 2014, the Company recorded an increase to redeemable noncontrolling interest of \$ 1.0 billion, with a corresponding decrease to capital in excess of par value, to reflect the estimated redemption value of the redeemable noncontrolling interest at \$ 1.5 billion. Subsequent to the initial exercise, the Company negotiated with the redeemable noncontrolling interest shareholders to acquire all of their redeemable noncontrolling interest shares. The Company completed this transaction in February 2014, after period end, using its existing cash and bringing its ownership interest in Walmart Chile to approximately 99.7 percent. The Company has since initiated a tender offer for the remaining 0.3 percent noncontrolling interest held by the public in Chile at the same value per share as was paid to the redeemable noncontrolling interest shareholders. The tender offer will expire in the first quarter of fiscal 2015.

#### *Vips Restaurant Business in Mexico*

In September 2013, Walmex, a majority-owned subsidiary of the Company, entered into a definitive agreement with Alsea S.A.B. de C.V. to dispose of Walmex's Vips restaurant business ("Vips") in Mexico for approximately \$625 million. Accordingly, the Vips operating results are presented as discontinued operations in the Company's Consolidated Statements of Income for fiscal 2014, 2013 and 2012. Additionally, the Vips assets and liabilities to be disposed of are reported separately in the Company's Consolidated Balance Sheets as of January 31, 2014. The Vips sale is subject to approval by Mexican regulatory authorities and is currently expected to close during the first half of fiscal 2015. Upon completion of this transaction, the Company expects to record a net gain, which will be recorded in discontinued operations in the Company's Consolidated Statements of Income.



## Note 14. Segments

The Company is engaged in the operation of retail, wholesale and other units located in the U.S., Africa, Argentina, Brazil, Canada, Central America, Chile, China, India, Japan, Mexico and the United Kingdom. The Company's operations are conducted in three reportable business segments: Walmart U.S., Walmart International and Sam's Club. The Company defines its segments as those operations whose results its chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources. The Company sells similar individual products and services in each of its segments. It is impractical to segregate and identify revenues for each of these individual products and services.

The Walmart U.S. segment includes the Company's mass merchant concept in the U.S. operating under the "Walmart" or "Wal-Mart" brands, as well as walmart.com. The Walmart International segment consists of the Company's operations outside of the U.S., including various retail websites. The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as samsclub.com. Corporate and support consists of corporate overhead and other items not allocated to any of the Company's segments.

The Company measures the results of its segments using, among other measures, each segment's net sales and operating income, which includes certain corporate overhead allocations. From time to time, the Company revises the measurement of each segment's operating income, including any corporate overhead allocations, as determined by the information regularly reviewed by its CODM. When the measurement of a segment changes, previous period amounts and balances are reclassified to be comparable to the current period's presentation.

Information for the Company's segments, as well as the reconciliation to income from continuing operations before income taxes, is provided in the following table:

<i>(Amounts in millions)</i>	<b>Walmart U.S.</b>	<b>Walmart International</b>	<b>Sam's Club</b>	<b>Corporate and Support</b>	<b>Consolidated</b>
<b>Fiscal Year Ended January 31, 2014</b>					
Net sales	\$ 279,406	\$ 136,513	\$ 57,157	\$ —	\$ 473,076
Operating income (loss)	22,351	5,454	1,975	(2,908)	26,872
Interest expense, net					(2,216)
Income from continuing operations before income taxes					\$ 24,656
Total assets	\$ 98,745	\$ 85,370	\$ 14,053	\$ 6,583	\$ 204,751
Depreciation and amortization	4,660	2,658	645	907	8,870
Capital Expenditures	6,378	4,463	1,071	1,203	13,115
<b>Fiscal Year Ended January 31, 2013</b>					
Net sales	\$ 274,433	\$ 134,748	\$ 56,423	\$ —	\$ 465,604
Operating income (loss)	21,491	6,617	1,960	(2,343)	27,725
Interest Expense, net					(2,063)
Income from continuing operations before income taxes					\$ 25,662
Total assets	\$ 96,234	\$ 85,695	\$ 13,479	\$ 7,697	\$ 203,105
Depreciation and amortization	4,586	2,605	617	670	8,478
Capital Expenditures	5,994	4,640	868	1,396	12,898
<b>Fiscal Year Ended January 31, 2012</b>					
Net sales	\$ 264,186	\$ 125,435	\$ 53,795	\$ —	\$ 443,416
Operating income (loss)	20,381	6,113	1,844	(1,847)	26,491
Interest Expense, net					(2,159)
Income from continuing operations before income taxes					\$ 24,332
Total assets	\$ 93,143	\$ 81,289	\$ 12,824	\$ 6,150	\$ 193,406
Depreciation and amortization	4,557	2,438	595	540	8,130
Capital Expenditures	6,226	5,274	823	1,187	13,510

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Total revenues, consisting of net sales and membership and other income, and long-lived assets, consisting primarily of property and equipment, net, aggregated by the Company's U.S. and non-U.S. operations for fiscal 2014 , 2013 and 2012 , are as follows:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2014	2013	2012
<b>Total revenues</b>			
U.S. operations	\$ 338,681	\$ 332,788	\$ 319,800
Non-U.S. operations	137,613	135,863	126,709
<b>Total revenues</b>	<u>\$ 476,294</u>	<u>\$ 468,651</u>	<u>\$ 446,509</u>
<b>Long-lived assets</b>			
U.S. operations	\$ 79,644	\$ 77,692	\$ 75,881
Non-U.S. operations	38,263	38,989	36,443
<b>Total long-lived assets</b>	<u>\$ 117,907</u>	<u>\$ 116,681</u>	<u>\$ 112,324</u>

No individual country outside of the U.S. had total revenues or long-lived assets that were material to the consolidated totals. Additionally, the Company did not generate material total revenues from any single customer.

## Note 15. Subsequent Event

### Dividends Declared

On February 20, 2014 , the Board of Directors approved the fiscal 2015 annual dividend at \$ 1.92 per share, an increase compared to the fiscal 2014 dividend of \$1.88 per share. For fiscal 2015 , the annual dividend will be paid in four quarterly installments of \$0.48 per share, according to the following record and payable dates:

Record Date	Payable Date
March 11, 2014	April 1, 2014
May 9, 2014	June 2, 2014
August 8, 2014	September 3, 2014
December 5, 2014	January 5, 2015

**Note 16. Quarterly Financial Data (Unaudited)**

	Fiscal Year Ended January 31, 2014				
	Q1	Q2	Q3	Q4	Total
<i>(Amounts in millions, except per share data)</i>					
Total revenues	\$ 114,071	\$ 116,829	\$ 115,688	\$ 129,706	\$ 476,294
Net sales	113,313	116,101	114,876	128,786	473,076
Cost of sales	85,991	87,420	86,687	97,971	358,069
Income from continuing operations	3,932	4,205	3,870	4,544	16,551
Consolidated net income	3,944	4,216	3,885	4,650	16,695
Consolidated net income attributable to Walmart	3,784	4,069	3,738	4,431	16,022
<b>Basic net income per common share <sup>(1)</sup>:</b>					
Basic income per common share from continuing operations attributable to Walmart	1.14	1.24	1.14	1.35	4.87
Basic income (loss) per common share from discontinued operations attributable to Walmart	0.01	—	0.01	0.02	0.03
<b>Basic net income per common share attributable to Walmart</b>	<b>1.15</b>	<b>1.24</b>	<b>1.15</b>	<b>1.37</b>	<b>4.90</b>
<b>Diluted net income per common share <sup>(1)</sup>:</b>					
Diluted income per common share from continuing operations attributable to Walmart	1.14	1.23	1.14	1.34	4.85
Diluted income (loss) per common share from discontinued operations attributable to Walmart	—	0.01	—	0.02	0.03
<b>Diluted net income per common share attributable to Walmart</b>	<b>1.14</b>	<b>1.24</b>	<b>1.14</b>	<b>1.36</b>	<b>4.88</b>
	Fiscal Year Ended January 31, 2013				
	Q1	Q2	Q3	Q4	Total
Total revenues	\$ 112,901	\$ 114,174	\$ 113,800	\$ 127,776	\$ 468,651
Net sales	112,155	113,412	113,077	126,960	465,604
Cost of sales	85,145	85,611	85,470	96,071	352,297
Income from continuing operations	3,882	4,150	3,809	5,863	17,704
Consolidated net income	3,893	4,162	3,825	5,876	17,756
Consolidated net income attributable to Walmart	3,741	4,017	3,635	5,606	16,999
<b>Basic net income per common share <sup>(1)</sup>:</b>					
Basic income per common share from continuing operations attributable to Walmart	1.10	1.18	1.08	1.68	5.03
Basic income (loss) per common share from discontinued operations attributable to Walmart	—	0.01	—	—	0.01
<b>Basic net income per common share attributable to Walmart</b>	<b>1.10</b>	<b>1.19</b>	<b>1.08</b>	<b>1.68</b>	<b>5.04</b>
<b>Diluted net income per common share <sup>(1)</sup>:</b>					
Diluted income per common share from continuing operations attributable to Walmart	1.09	1.18	1.07	1.67	5.01
Diluted income (loss) per common share from discontinued operations attributable to Walmart	—	—	0.01	—	0.01
<b>Diluted net income per common share attributable to Walmart</b>	<b>1.09</b>	<b>1.18</b>	<b>1.08</b>	<b>1.67</b>	<b>5.02</b>

(1) The sum of quarterly income per common share attributable to Walmart data may not agree to annual amounts due to rounding.

**Report of Independent Registered Public Accounting Firm**

**The Board of Directors and Shareholders of Wal-Mart Stores, Inc.**

We have audited the accompanying consolidated balance sheets of Wal-Mart Stores, Inc. as of January 31, 2014 and 2013 , and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended January 31, 2014 . These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wal-Mart Stores, Inc. at January 31, 2014 and 2013 , and the consolidated results of its operations and its cash flows for each of the three years in the period ended January 31, 2014 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Wal-Mart Stores, Inc.'s internal control over financial reporting as of January 31, 2014 , based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) and our report dated March 21, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP  
Rogers, Arkansas  
March 21, 2014

## **Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting**

### **The Board of Directors and Shareholders of Wal-Mart Stores, Inc.**

We have audited Wal-Mart Stores, Inc.'s internal control over financial reporting as of January 31, 2014 , based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the COSO criteria). Wal-Mart Stores, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report to Our Shareholders." Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Wal-Mart Stores, Inc. maintained, in all material respects, effective internal control over financial reporting as of January 31, 2014 , based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Wal-Mart Stores, Inc. as of January 31, 2014 and 2013 , and related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2014 and our report dated March 21, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP  
Rogers, Arkansas  
March 21, 2014

## **Management's Report to Our Shareholders**

Wal-Mart Stores, Inc.

Management of Wal-Mart Stores, Inc. ("Walmart," the "company" or "we") is responsible for the preparation, integrity and objectivity of Walmart's Consolidated Financial Statements and other financial information contained in this Annual Report to Shareholders. Those Consolidated Financial Statements were prepared in conformity with accounting principles generally accepted in the United States. In preparing those Consolidated Financial Statements, management is required to make certain estimates and judgments, which are based upon currently available information and management's view of current conditions and circumstances.

The Audit Committee of the Board of Directors, which consists solely of independent directors, oversees our process of reporting financial information and the audit of our Consolidated Financial Statements. The Audit Committee stays informed of the financial condition of Walmart and regularly reviews management's financial policies and procedures, the independence of our independent auditors, our internal control over financial reporting and the objectivity of our financial reporting. Both the independent auditors and the internal auditors have free access to the Audit Committee and meet with the Audit Committee periodically, both with and without management present.

Acting through our Audit Committee, we have retained Ernst & Young LLP, an independent registered public accounting firm, to audit our Consolidated Financial Statements found in this Annual Report to Shareholders. We have made available to Ernst & Young LLP all of our financial records and related data in connection with their audit of our Consolidated Financial Statements. We have filed with the Securities and Exchange Commission ("SEC") the required certifications related to our Consolidated Financial Statements as of and for the year ended January 31, 2014 . These certifications are attached as exhibits to our Annual Report on Form 10-K for the year ended January 31, 2014 . Additionally, we have also provided to the New York Stock Exchange the required annual certification of our Chief Executive Officer regarding our compliance with the New York Stock Exchange's corporate governance listing standards.

## **Report on Internal Control Over Financial Reporting**

Management has responsibility for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of the Company's internal control over financial reporting as of January 31, 2014 . In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission in *Internal Control — Integrated Framework (1992)* . Management concluded that based on its assessment, Walmart's internal control over financial reporting was effective as of January 31, 2014 . The Company's internal control over financial reporting as of January 31, 2014 , has been audited by Ernst & Young LLP as stated in their report which appears in this Annual Report to Shareholders.

## **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be timely disclosed is accumulated and communicated to management in a timely fashion. Management has assessed the effectiveness of these disclosure controls and procedures as of January 31, 2014 , and determined they were effective as of that date to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended, was accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosure and were effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

**Report on Ethical Standards**

Our Company was founded on the belief that open communications and the highest standards of ethics are necessary to be successful. Our long-standing "Open Door" communication policy helps management be aware of and address issues in a timely and effective manner. Through the open door policy all associates are encouraged to inform management at the appropriate level when they are concerned about any matter pertaining to Walmart.

Walmart has adopted a Statement of Ethics to guide our associates in the continued observance of high ethical standards such as honesty, integrity and compliance with the law in the conduct of Walmart's business. Familiarity and compliance with the Statement of Ethics is required of all associates who are part of management. The Company also maintains a separate Code of Ethics for our senior financial officers. Walmart also has in place a Related-Party Transaction Policy. This policy applies to Walmart's senior officers and directors and requires material related-party transactions to be reviewed by the Audit Committee. The senior officers and directors are required to report material related-party transactions to Walmart. We maintain a global ethics office which oversees and administers an ethics helpline. The ethics helpline provides a channel for associates to make confidential and anonymous complaints regarding potential violations of our statements of ethics, including violations related to financial or accounting matters.

/s/ C. Douglas McMillon

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C. Douglas McMillon  
President and Chief Executive Officer

/s/ Charles M. Holley, Jr.

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Charles M. Holley, Jr.  
Executive Vice President and Chief Financial Officer

## Unit Counts as of January 31, 2014

Wal-Mart Stores, Inc.

### United States

The Walmart U.S. and Sam's Club segments comprise the Company's operations in the United States. As of January 31, 2014 , unit counts for Walmart U.S. and Sam's Club are summarized by format for each state or territory as follows:

State or Territory	Walmart U.S.			Sam's Club	Grand Total
	Supercenters	Discount Stores	Neighborhood Markets and other small formats	Clubs	
Alabama	95	3	12	13	123
Alaska	8	2	—	3	13
Arizona	78	3	25	15	121
Arkansas	73	9	19	7	108
California	106	96	49	33	284
Colorado	66	5	14	15	100
Connecticut	10	24	2	3	39
Delaware	6	3	—	1	10
Florida	207	16	51	45	319
Georgia	143	3	13	23	182
Hawaii	—	9	—	2	11
Idaho	21	1	1	1	24
Illinois	128	26	6	31	191
Indiana	92	9	6	16	123
Iowa	56	3	—	8	67
Kansas	56	4	12	8	80
Kentucky	76	8	8	9	101
Louisiana	83	2	7	14	106
Maine	19	3	—	3	25
Maryland	25	22	—	12	59
Massachusetts	23	24	—	3	50
Michigan	83	8	—	26	117
Minnesota	61	7	—	13	81
Mississippi	62	4	1	7	74
Missouri	107	12	6	17	142
Montana	13	—	—	2	15
Nebraska	34	—	6	4	44
Nevada	30	2	11	7	50
New Hampshire	15	12	—	4	31
New Jersey	21	36	—	10	67
New Mexico	35	2	4	7	48
New York	74	25	2	16	117
North Carolina	137	6	21	23	187
North Dakota	12	1	—	3	16
Ohio	138	7	—	29	174
Oklahoma	77	9	19	11	116
Oregon	26	7	9	—	42
Pennsylvania	110	24	—	23	157
Rhode Island	5	4	—	1	10
South Carolina	80	—	2	12	94
South Dakota	13	—	—	2	15
Tennessee	111	2	6	16	135
Texas	345	27	50	77	499
Utah	40	—	5	8	53



Vermont	—	5	—	—	5
Virginia	102	6	4	16	128
Washington	46	12	3	3	64
Washington D.C.	2	—	—	—	2
West Virginia	38	—	1	5	44
Wisconsin	78	9	5	12	104
Wyoming	10	—	—	2	12
Puerto Rico	12	6	27	11	56
United States total	3,288	508	407	632	4,835

## International

The Walmart International segment comprises the Company's operations outside of the United States and is represented in three major brand categories. Unit counts <sup>(1)</sup> as of January 31, 2014 for Walmart International are summarized by brand category for each geographic market as follows:

Geographic Market	Retail	Wholesale	Other <sup>(2)</sup>	Total
Africa <sup>(3)</sup>	285	94	—	379
Argentina	104	—	—	104
Brazil	468	76	12	556
Canada	389	—	—	389
Central America <sup>(4)</sup>	660	1	—	661
Chile	351	2	27	380
China	395	10	—	405
India	—	20	—	20
Japan	374	—	64	438
Mexico <sup>(5)</sup>	2,033	156	10	2,199
United Kingdom	574	—	2	576
<b>International total</b>	<b>5,633</b>	<b>359</b>	<b>115</b>	<b>6,107</b>

- (1) Walmart International unit counts, with the exception of Canada, are stated as of December 31, 2013 , to correspond with the balance sheet date of the related geographic market. Canada unit counts are stated as of January 31, 2014 .
- (2) "Other" includes restaurants, drugstores and convenience stores operating under varying banners in Brazil, Chile, Japan, Mexico and the United Kingdom.
- (3) Africa unit counts by country are Botswana ( 11 ), Ghana ( 1 ), Lesotho ( 3 ), Malawi ( 2 ), Mozambique ( 7 ), Namibia ( 3 ), Nigeria ( 2 ), South Africa ( 346 ), Swaziland ( 1 ), Tanzania ( 1 ), Uganda ( 1 ) and Zambia ( 1 ).
- (4) Central America unit counts by country are Costa Rica ( 214 ), El Salvador ( 83 ), Guatemala ( 209 ), Honduras ( 75 ) and Nicaragua ( 80 ).
- (5) Mexico unit counts exclude 360 units of the Vips restaurant business classified as discontinued operations as of January 31, 2014. The Company has entered into an agreement to sell the operations of the Vips restaurant business, subject to regulatory approval.

## **Board of Directors**

### **Aida M. Alvarez**

Ms. Alvarez is the former Administrator of the U.S. Small Business Administration and was a member of President Clinton's Cabinet from 1997 to 2001.

### **James I. Cash, Jr., Ph.D.**

Dr. Cash is the James E. Robison Emeritus Professor of Business Administration at Harvard Business School, where he served from July 1976 to October 2003.

### **Roger C. Corbett**

Mr. Corbett is the retired Chief Executive Officer and Group Managing Director of Woolworths Limited, the largest retail company in Australia.

### **Pamela J. Craig**

Ms. Craig is the retired Chief Financial Officer of Accenture plc, a global management consulting, technology services, and outsourcing company.

### **Douglas N. Daft**

Mr. Daft is the retired Chairman of the Board of Directors and Chief Executive Officer of The Coca-Cola Company, a beverage manufacturer, where he served in that capacity from February 2000 until May 2004, and in various other capacities since 1969.

### **Michael T. Duke**

Mr. Duke is the Chairman of the Executive Committee of the Board of Directors of Wal-Mart Stores, Inc. He is the former President and Chief Executive Officer of Wal-Mart Stores, Inc., serving in that position from February 2009 to January 2014.

### **Timothy P. Flynn**

Mr. Flynn is the retired Chairman of KPMG International, a professional services firm.

### **Marissa A. Mayer**

Ms. Mayer is the Chief Executive Officer and President and Director of Yahoo!, Inc., a digital media company.

### **C. Douglas McMillon**

Mr. McMillon is the President and Chief Executive Officer of Wal-Mart Stores, Inc.

### **Gregory B. Penner**

Mr. Penner is a General Partner at Madrone Capital Partners, an investment management firm.

### **Steven S Reinemund**

Mr. Reinemund is the Dean of Business and Professor of Leadership and Strategy at Wake Forest University. He previously served as the Chairman of the Board and Chairman and Chief Executive Officer of PepsiCo, Inc.

### **H. Lee Scott, Jr.**

Mr. Scott is the former Chairman of the Executive Committee of the Board of Directors of Wal-Mart Stores, Inc. He is the former President and Chief Executive Officer of Wal-Mart Stores, Inc., serving in that position from January 2000 to January 2009.

### **Jim C. Walton**

Mr. Walton is the Chairman of the Board of Directors and Chief Executive Officer of Arvest Bank Group, Inc., a group of banks operating in the states of Arkansas, Kansas, Missouri and Oklahoma.

### **S. Robson Walton**

Mr. Walton is Chairman of the Board of Directors of Wal-Mart Stores, Inc.

### **Christopher J. Williams**

Mr. Williams is the Chairman of the Board of Directors and Chief Executive Officer of The Williams Capital Group, L.P., an investment bank.

### **Linda S. Wolf**

Ms. Wolf is the retired Chairman of the Board of Directors and Chief Executive Officer of Leo Burnett Worldwide, Inc., an advertising agency and division of Publicis Groupe S.A.

## Corporate and Stock Information

Wal-Mart Stores, Inc.

### Corporate information

Stock Registrar and Transfer Agent:

Computershare Trust Company, N.A.

P.O. Box 43069

Providence, Rhode Island 02940-3069

1-800-438-6278

TDD for hearing-impaired inside the U.S. 1-800-952-9245

Internet: <http://www.computershare.com>

### Listing

New York Stock Exchange

Stock Symbol: WMT

### Annual meeting

Our Annual Meeting of Shareholders will be held on Friday, June 6, 2014 , at 7:00 a.m. (Central Time) in the Bud Walton Arena on the University of Arkansas campus, Fayetteville, Arkansas.

### Communication with shareholders

Wal-Mart Stores, Inc. periodically communicates with its shareholders and other members of the investment community about our operations. For further information regarding our policy on shareholder and investor communications refer to our website, [www.stock.walmart.com](http://www.stock.walmart.com).

The following reports are available without charge upon request by writing the Company c/o Investor Relations or by calling (479) 273-8446. These reports are also available via the corporate website.

Annual Report on Form 10-K

Quarterly Reports on Form 10-Q

Earnings Releases

Current Reports on Form 8-K

Annual Shareholders' Meeting Proxy Statement

Global Responsibility Report

Diversity and Inclusion Report

Workforce Diversity Report

### Independent registered public accounting firm

Ernst & Young LLP

5417 Pinnacle Point Dr., Suite 501

Rogers, AR 72758

### Market price of common stock

The high and low market price per share for the Company's common stock in fiscal 2014 and 2013 were as follows:

	2014		2013	
	High	Low	High	Low
1st Quarter	\$ 79.50	\$ 68.13	\$ 62.63	\$ 57.18
2nd Quarter	79.96	72.90	75.24	58.27
3rd Quarter	79.00	71.51	77.60	71.35
4th Quarter	81.37	73.64	75.16	67.37

## Table of Contents

The high and low market price per share for the Company's common stock for the first quarter of fiscal 2015 , were as follows:

	2015	
	High	Low
1st Quarter <sup>(1)</sup>	\$ 77.02	\$ 72.27

(1) Through March 21, 2014 .

### Dividends payable per share

For fiscal 2015 , dividends will be paid based on the following schedule:

April 1, 2014	\$ 0.48
June 2, 2014	\$ 0.48
September 3, 2014	\$ 0.48
January 5, 2015	\$ 0.48

### Dividends paid per share

For fiscal 2014 , dividends were paid based on the following schedule:

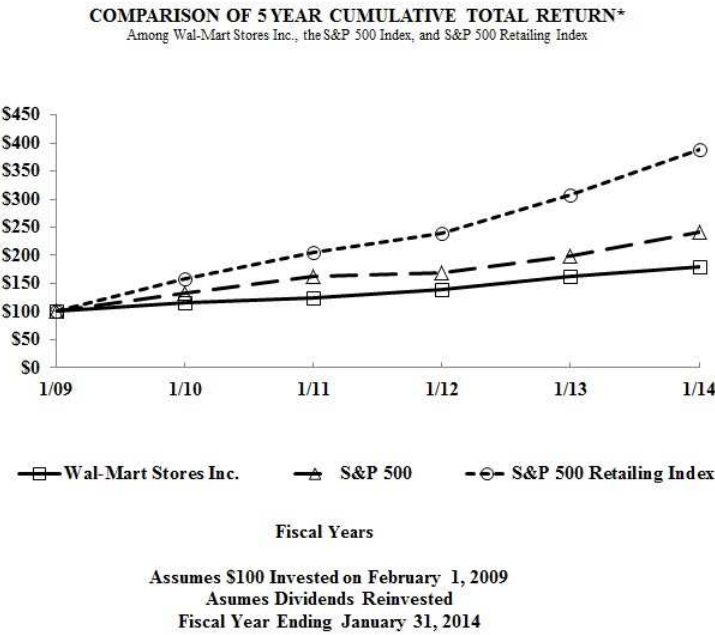
April 1, 2013	\$ 0.47
June 3, 2013	\$ 0.47
September 3, 2013	\$ 0.47
January 2, 2014	\$ 0.47

For fiscal 2013 , dividends were paid based on the following schedule:

April 4, 2012	\$ 0.40
June 4, 2012	\$ 0.40
September 4, 2012	\$ 0.40
December 27, 2012	\$ 0.40

**Stock Performance Chart**

This graph compares the cumulative total shareholder return on Walmart's common stock during the five fiscal years ending with fiscal 2014 to the cumulative total returns on the S&P 500 Retailing Index and the S&P 500 Index. The comparison assumes \$100 was invested on February 1, 2009, in shares of our common stock and in each of the indices shown and assumes that all of the dividends were reinvested.



**Shareholders**

As of March 18, 2014 , there were 255,758 holders of record of Walmart's common stock.

### Significant Subsidiaries of Wal-Mart Stores, Inc.

The following list details certain of the subsidiaries of Wal-Mart Stores, Inc. Subsidiaries not included in the list are omitted because, in the aggregate, they are insignificant as defined by Item 601(b)(21) of Regulation S-K.

Subsidiary	Organized or Incorporated	Percent of Equity Securities Owned	Name Under Which Doing Business Other Than Subsidiary's
Wal-Mart Stores East, LP	Delaware, U.S.	100%	Walmart
Wal-Mart Stores Texas, LLC	Delaware, U.S.	100%	Walmart
Wal-Mart Property Company	Delaware, U.S.	100%	NA
Wal-Mart Real Estate Business Trust	Delaware, U.S.	100%	NA
Sam's West, Inc.	Delaware, U.S.	100%	Sam's Club
Sam's East, Inc.	Delaware, U.S.	100%	Sam's Club
Sam's Property Company	Delaware, U.S.	100%	NA
Sam's Real Estate Business Trust	Delaware, U.S.	100%	NA
ASDA Group Limited	England	100%	ASDA
Wal-Mart de Mexico, S.A.B. de C.V.	Mexico	70%	Walmex
Wal-Mart Canada Corp.	Canada	100%	Walmart
Wal-Mart Japan Holdings G.K.	Japan	100%	Seiyu
Walmart Chile S.A.	Chile	75%	Walmart Chile
Massmart Holdings Ltd	South Africa	52%	Massmart



### Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Wal-Mart Stores, Inc. for the year ended January 31, 2014 of our reports dated March 21, 2014 , with respect to the consolidated financial statements of Wal-Mart Stores, Inc. and the effectiveness of internal control over financial reporting of Wal-Mart Stores, Inc., included in the 2014 Annual Report to Shareholders of Wal-Mart Stores, Inc.

We also consent to the incorporation by reference in the following Registration Statements:

- |   |                                       |
|---|---------------------------------------|
| (1) Stock Option Plan of 1984 of Wal-Mart Stores, Inc., as amended  | Form S-8 File Nos. 2-94358 and 1-6991 |
| (2) Stock Option Plan of 1994 of Wal-Mart Stores, Inc., as amended  | Form S-8 File No. 33-55325            |
| (3) Dividend Reinvestment and Stock Purchase Plan of Wal-Mart Stores, Inc.                                  | Form S-3 File No. 333-02089           |
| (4) Director Compensation Plan of Wal-Mart Stores, Inc.   | Form S-8 File No. 333-24259           |
| (5) 401 (k) Retirement Savings Plan of Wal-Mart Stores, Inc.  | Form S-8 File No. 333-29847           |
| (6) 401 (k) Retirement Savings Plan of Wal-Mart Puerto Rico, Inc.   | Form S-8 File No. 333-44659           |
| (7) Wal-Mart Stores, Inc. Associate Stock Purchase Plan of 1996   | Form S-8 File No. 333-62965           |
| (8) Wal-Mart Stores, Inc. Stock Incentive Plan of 2010, which amended and restated the 2005 and 1998 plans  | Form S-8 File No. 333-60329           |
| (9) The ASDA Colleague Share Ownership Plan   | Form S-8 File No. 333-84027           |
| The ASDA Group Long Term Incentive Plan   |                                       |
| The ASDA Group PLC Sharesave Scheme   |                                       |
| The ASDA 1984 Executive Share Option Scheme   |                                       |
| The ASDA 1994 Executive Share Option Scheme   |                                       |
| (10) The ASDA Colleague Share Ownership Plan 1999   | Form S-8 File No. 333-88501           |
| (11) Wal-Mart Profit Sharing and 401(k) Plan  | Form S-8 File No. 333-109421          |
| (12) Associate Stock Purchase Plan of 1996  | Form S-8 File No. 333-109417          |
| (13) Wal-Mart Puerto Rico Profit Sharing and 401(k) Plan  | Form S-8 File No. 333-109414          |
| (14) ASDA Colleague Share Ownership Plan 1999; ASDA Sharesave Plan 2000                                     | Form S-8 File No. 333-107439          |
| (15) Wal-Mart Stores, Inc. Stock Incentive Plan of 2010, which amended and restated the 2005 and 2008 plans | Form S-8 File No. 333-128204          |
| (16) The ASDA Sharesave Plan 2000   | Form S-8 File No. 333-168348          |
| (17) Walmart Deferred Compensation Matching Plan  | Form S-8 File No. 333-178717          |
| (18) Wal-Mart Stores, Inc. Common Stock   | Form S-3 ASR File No. 333-178385      |
| (19) Debt Securities of Wal-Mart Stores, Inc.   | Form S-3 ASR File No. 333-178706      |
| (20) Walmart 401(k) Plan  | Form S-8 File No. 333-187577          |

of our reports dated March 21, 2014 , with respect to the consolidated financial statements of Wal-Mart Stores, Inc. and the effectiveness of internal control over financial reporting of Wal-Mart Stores, Inc., incorporated by reference in this Annual Report (Form 10-K) of Wal-Mart Stores, Inc. for the year ended January 31, 2014 .

/s/ Ernst & Young LLP  
 Rogers, Arkansas  
 March 21, 2014

I, C. Douglas McMillon , certify that:

1. I have reviewed this Annual Report on Form 10-K of Wal-Mart Stores, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 21, 2014

/s/ C. Douglas McMillon

C. Douglas McMillon

President and Chief Executive Officer

I, Charles M. Holley, Jr. , certify that:

1. I have reviewed this Annual Report on Form 10-K of Wal-Mart Stores, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 21, 2014

/s/ Charles M. Holley, Jr.

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Charles M. Holley, Jr.

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350 (AS ADOPTED  
PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report of Wal-Mart Stores, Inc. (the "Company") on Form 10-K for the period ending January 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Douglas McMillon, President and Chief Executive Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of March 21, 2014 .

/s/ C. Douglas McMillon

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C. Douglas McMillon

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350 (AS ADOPTED  
PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report of Wal-Mart Stores, Inc. (the "Company") on Form 10-K for the period ending January 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles M. Holley, Jr. , Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of March 21, 2014 .

/s/ Charles M. Holley, Jr.

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Charles M. Holley, Jr.

Executive Vice President and Chief Financial Officer