Hello, this is Carol Schumacher, Vice President of Global Investor Relations for Wal-Mart Stores, Inc. Thanks for joining us today. The date of this call is February 19, 2015.

This call is the property of Wal-Mart Stores, Inc. and is intended for the use of Walmart shareholders and the investment community. It should not be reproduced in any way. [Operator Instructions] This call will contain statements that Walmart believes are 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.

Please note that a cautionary statement regarding the forward-looking statements will be made following Charles Holley's remarks in this call. Before we get under way, we apologize for the delay in this morning's release. We normally release our earnings at 6:00 AM Central Time, or 7:00 AM Eastern. However, because we wanted to share some exciting news about our U.S. associates with them first, we delayed the release until now. So, this morning, we have several pieces of news to share with you.

First, we have details on the fourth quarter and the full year results for fiscal year 2015. Second, as we normally do, we provide guidance for the full year and the first quarter of fiscal 2016. Third as I mentioned, we're announcing a new wage structure for hourly associates in Walmart U.S. stores and Sam's Clubs. This new initiative, including training and educational programs, will affect current and future hourly associates in the United States. And last, we're announcing our annual dividend for fiscal year 2016.

You'll hear more from Doug and our leaders about each of these items. All materials related to these announcements are available on our corporate website, stock.walmart.com. For earnings, please review together the earnings press release, the transcript of this call and the accompanying slide presentation. Unit count data, which is updated monthly, are posted separately on the investors' portion of the website, under financial reporting.

As indicated last quarter, it's important to note the definition of a Neighborhood Market. Traditional Neighborhood Markets are grocery stores that average 42,000 square feet. The smaller Neighborhood Markets, range in size from 12,000 to 16,000 square feet, and are still part of a test concept and not included in comp sales.

As a reminder, for fiscal 2015 which ended January 31, 2015, we utilized a 52-week comp reporting calendar. In Q4 we reported a 13-week comp versus a 14-week comp period reported last year. Our Q4 reporting period began on November 1, 2014 and ran through January 30, 2015. Consistent with industry practice, we did not adjust the reported fiscal 2015 comps. Comps were based upon 13-week and 52-week periods, respectively, compared with 14-week and 53-week periods that we reported in fiscal 2014.

We posted a week-by-week comp reporting calendar under the comp sales link on the investors' portion of our website. Now recall that last fiscal year's earnings per share were impacted by $0.26 of discrete items. This year, as you'll note in our earnings release and on this call, earnings per share were also impacted also by $0.08 of discrete item. Additional information regarding underlying EPS and other terms used in today's release including constant currency, gross profit and gross profit rate, are available on our website.

Let's get on with today's call. Doug McMillon, President and CEO of Wal-Mart Stores, Inc., will cover key results, an analysis of our successes and challenges, and the news about our wage structure changes and training programs. Claire Babineaux-Fontenot, EVP and Treasurer, will provide context for the financial details not included in the accompanying slide presentation. Then we'll cover the three operating segments, Greg Foran, President and CEO of Walmart U.S.; followed by Dave Cheesewright, President and CEO of Walmart International; and Rosalind Brewer, President and CEO of Sam's Club; Neil Ashe, president and CEO of Global eCommerce, is joining the call this quarter to provide an analysis of how we did for the year, along with insights on our strategic investments for fiscal year 2016; and, Charles Holley, Walmart CFO, will wrap up with an analysis of fiscal year 2015 and guidance for fiscal year 2016.

Now, I'm pleased to introduce our CEO, Doug McMillon, to share some exciting news with you today. Doug?

Doug McMillon

Thanks Carol, and good morning, everyone. Overall, we had a good fourth quarter to close out our fiscal year, with underlying earnings per share of $1.61. Walmart U.S. delivered better than expected comp sales. Sam's Club had its best performance of the year, and Walmart International had solid sales and profitability. The dedication of our associates around the world to serve customers was evident again in this busy fourth quarter.

Now clearly, our sales benefitted from customers having more spending power due to lower gas prices in most of our large markets. In addition, product inflation and more favorable weather were a tailwind to U.S. comp sales. But, like many other global companies, we faced significant headwinds from currency exchange fluctuations. So, I'm pleased that we delivered fiscal year revenue of nearly $486 billion, but we're not satisfied.

We have work to do to grow the business. We know what customers want from a shopping experience and we're investing strategically to exceed their expectations. Our priority is to run great stores, clubs and e-commerce everywhere we operate. And we'll continue integrating our stores with our e-commerce and mobile commerce business.

One of our most important priorities this year is improving the customer experience. Today, we announced a bold new initiative on pay and training to invest in our U.S. store and club hourly associates. For several months, our leadership teams have been developing and testing new ideas to reward associates for their service to our customers and give them clearer pathways for opportunity. We're pursuing a comprehensive approach to our hiring, training, compensation, scheduling programs and store management structure that is sustainable over the long term.

Approximately 500,000 full-time and part-time associates at Walmart U.S. stores and Sam's Clubs will receive pay raises in the first half of the current fiscal year. Current and future associates will benefit from this initiative, which ensures that Walmart hourly associates earn at least $1.75 above today's federal minimum wage, or $9 per hour, in April.

The following year, by February 1, 2016, current associates will earn at least $10 per hour. We're also realigning our store operational structure to give associates a closer relationship with their supervisors. Associates will have more ownership over their schedules. In addition, we'll provide them with more resources and training to enable merit-based career advancement and higher levels of pay.

Of course, for a number of years, associates have had the opportunity for competitive health-care and 401(k) benefits, as well as access to bonus incentive opportunities, discounts, and educational programs. These programs will continue to be available to current and future associates.

We're also launching an innovative program for future associates that will allow them to join Walmart at $9 per hour or more, receive skills-based training for six months, and then be guaranteed at least $10 per hour upon successful completion of that program. Sam Walton used to say that, our people make the difference. I share the same philosophy. Overall, these are strategic investments in our people to reignite the sense of ownership they have in our stores.

As a result, we firmly believe that our customers will benefit from a better store experience, which can drive higher sales and returns for our shareholders over time. Walmart has represented a ladder of opportunity since we started the business and we want to make sure that's the case going forward everywhere we operate, including here in the United States. Globally, we have ongoing efforts in place to review our associates' compensation on a yearly basis in each of our markets.

For example, in China, we recently launched the compensation structure for stores and clubs; and in this year, we are launching a new compensation structure for our distribution center associates to improve the overall competitiveness of our practices. Later this year, Walmart Mexico will launch training programs to give the associates more ownership and accountability, so they can react faster to customers' needs.

Included in today's announcement, Walmart and the Walmart Foundation also committed to $100 million over five years to help increase the economic mobility for entry level workers by focusing on initiatives to better train and advance workers in the retail and other service industries throughout the United States.

As we look at our business through the lens of the customer, our enterprise strategy is helping us define where our additional investments are focused. While we're concentrating on running a good business today, we're also clear on how we should position it for the future. Value matters to everyone, regardless of household income level, and digital access creates even more price transparency. Being the low price leader has been a part of our customer proposition and it will continue to be a priority in the future.

We're also evaluating our assortment and our approach to service, both in stores and online, to be relevant for today's customer. And, we're testing various access points to provide convenience and allow customers to shop on their terms. This past quarter, we initiated a number of work streams that will deliver on these key initiatives. I'm excited about what we'll accomplish over this next year as we drive our enterprise strategy.

Now, let's review Walmart's financial results in more detail. Walmart U.S. improved its sales and operating income trends each consecutive quarter during fiscal 2015. Fourth quarter comp sales were the strongest in more than two years, with positive traffic for the first time in nine quarters. Our Neighborhood Markets have continued to deliver strong comps. Our emphasis remains on the quality of the stores that we open, not the quantity.

I'm pleased with the strategy that Greg and his team are executing to raise the standard of customer experience in the U.S. business. They're taking steps to enhance store operations on various fronts, including inventory management, check-out, and in-stock. For the holidays, Walmart U.S. implemented a Checkout Promise to keep more registers open during peak periods, and customer response has been positive enough that this has continued into the first quarter.

I'm encouraged by the focus of the leadership team, and I look forward to seeing more progress in our stores this year toward a better experience for our customers.

Walmart International produced solid constant currency sales and operating income growth this year. Dave and his team have done a good job weathering a tough macro environment. Canada's sales gained momentum in the back half. In China, we made progress in store operations and in e-commerce. We continue to earn customers' trust with our commitments to food safety. There's so much potential for this market and we're taking the right steps to solidify a foundation for long-term growth.

The UK market remains very competitive, and Asda is committed to its £5 billion five-year investment to lower prices for customers. We're making progress in Mexico. There's still work to do in Brazil.

Sam's Club had a solid year, with membership income up over 10%. Comp sales, without fuel, continued to improve throughout the year. And, operating income, with fuel, grew at a greater rate than sales. Roz and the team made good progress on the ongoing merchandise transformation, embedding new, on-trend and exciting merchandise into the clubs and online. Members are responding by driving sales in these categories.

Members are also pleased with the new, innovative services that were launched this year to increase the value of a Sam's Club membership. You'll hear more from Neil shortly about the strides that we're making in our e-commerce customer experience, assortment, and supply chain. We're leveraging technology to strengthen our e-commerce and mobile capabilities, and integrating these digital assets with our more than 11,000 stores globally.

Overall e-commerce sales grew approximately 22% in fiscal year 2015; solid, but not quite as strong as we wanted. We're striving to balance sales growth and profitability. We're being thoughtful with our investments, ensuring we have the infrastructure in place to build this business for the long term. I'm excited about the possibilities that are in front of us.

One of the headlines in e-commerce is the tremendous growth from mobile devices. In fact, nearly 70% of walmart.com traffic in the U.S. came via mobile during the recent holiday period. Customers who previously shopped using their laptops are now using their phones and tablets. And this isn't just a U.S. trend, for example, traffic from the mobile app in Brazil nearly tripled on the Black Friday holiday. Around the world, we're well-positioned to create a strong mobile experience for customers this year and beyond.

As I reflect back on my first year as CEO, I'm proud of the accomplishments of our associates and leadership team. It's been a period of change for the 2.2 million associates that make up the Walmart team, but it's been inspiring to see our associates rally around our company's purpose. Last week, more than 5,000 members of our U.S. store leadership gathered for our annual year beginning meeting. I heard directly from our store managers how we could help them run better stores. And, similar meetings are occurring around the world.

Regardless of our responsibility, we're in this together. Each of us has a role to play in making our customers' shopping experience a great one. Our secret to success continues to be that we're all working together. We made a lot of progress on bringing strategic clarity and in reinvigorating our commitment to run better businesses today. Retail is changing so quickly that we must move with greater urgency to stay out in front. I like the passion that I'm seeing from our leadership team as they work together to shape and deliver our enterprise strategy.

We're thinking differently about retail, and about the world. This drives our approach to global responsibility in areas like environmental sustainability, women's economic empowerment and offering healthy food choices. It's important work and it matters to our customers and shareholders. We remain steadfast in our commitment to compliance, ethics and doing the right thing.

I'm pleased with the technology enhancements we've made to strengthen these organizations. As I close my remarks, let me reiterate that I'm proud of what we accomplished this past year, but I'm more excited about what lies ahead. The deliberate strategic choices that we're making around investments in our associates and e-commerce capabilities will improve the customer experience. And, we believe that shareholders will also benefit from these investments in the future. Now, I'll turn it over to Claire. Claire?

Claire Babineaux-Fontenot

Thanks, Doug. Today, I'll highlight some items in the company's consolidated financial statements. Further details are available in the accompanying presentation posted today with this transcript. Before I begin, let me remind you that last year, the company's fourth quarter and fiscal 2014 diluted earnings per share from continuing operations attributable to

Walmart EPS were negatively impacted by certain discrete items totaling $0.26.

The company's fourth quarter and fiscal 2015 EPS were negatively impacted by discrete items totaling $0.08. A wage and hour litigation matter previously disclosed resulted in a charge of $0.05 per share, and store closures in Japan resulted in a charge of $0.03 per share. A reconciliation of company's underlying EPS is included in our earnings press release issued prior to the call. In the fourth quarter of fiscal 2015, underlying EPS was $1.61, compared to last year's underlying EPS of $1.60. Reported EPS was $1.53, compared to last year's EPS of $1.34.

As you can see on Slide 2, total revenue for the fourth quarter was $131.6 billion. Consolidated net sales increased $1.9 billion or 1.4%, and membership and other income declined 0.5%. Recall that during the fourth quarter of last year, membership and other income was positively impacted by a $24 million gain from the sale of certain U.S. real estate assets.

Total revenue for the year grew to $485.7 billion, as consolidated net sales increased $9.2 billion, or 1.9%, and membership and other income grew 6.3%. Consolidated operating expenses increased 0.5% for the quarter, and 2.3% for the full year. It is important to remember that operating expenses were negatively impacted in the fourth quarter and for the full year by the discrete items I mentioned earlier. Additionally, FCPA and compliance related costs were $36 million in the fourth quarter, comprised of $26 million for the ongoing inquiries and investigations, and $10 million for our global compliance program and organizational enhancements.

For the full year, FCPA and compliance related costs were $173 million, comprised of $121 million for the ongoing inquiries and investigations, and $52 million for our global compliance program and organizational enhancements. Last year, total FCPA and compliance related costs were $282 million.

The company's consolidated operating income increased 8.2% during the fourth quarter. Last year's fourth quarter operating income was negatively impacted by the discrete items I mentioned earlier. Fiscal year 2015 operating income increased 1%. Net interest expense increased 5.8% for the quarter and 6% for the year. The increase for each period was primarily driven by a higher weighted average interest rate on net borrowings.

From a balance sheet perspective, consolidated inventory increased 0.6%. Later in today's call, you'll hear more about inventory from our segment leaders. Payables as a percentage of inventory were 85.1%, which compares to 83.4% last year, due primarily to the timing of payments. Improving inventory leverage is important and we are seeing progress as the company continues to focus on this priority.

We ended the year with capital expenditures of $12.2 billion, slightly below our range of $12.5 billion to $13 billion. For the year, the company added approximately 33 million retail square feet through 511 net new expanded and relocated units. This was in line with the updated guidance we shared in October.

Finally, let's address returns. ROI for the trailing 12 months ended January 31, 2015 was 16.9%, relatively flat compared to 17% for the prior comparable period. The slight change in ROI was primarily due to continued investments in store growth and e-commerce initiatives, offset by currency exchange rate fluctuations. For the full year, the company returned $7.2 billion to shareholders through dividends and share repurchases. And, we ended the year with free cash flow of $16.4 billion, compared to $10.1 billion last year.

Now, I'll now turn the call over to Greg. Greg?

Greg Foran

Thank you, Claire. When I joined the Walmart U.S. team six months ago, we laid out specific objectives for the second half of fiscal 2015. We knew we needed to become better store managers, to fix some of the basics in our stores.

We spent the last several months focusing on core fundamentals such as inventory, merchandise returns, shrink, markdowns and wage management. By focusing on these urgent agenda items and using the tailwinds we've seen from an improving economy, we drove positive momentum in our business. We achieved what we set out to do in the short-term, but we're not satisfied and recognize that we have more work to do to accomplish our longer term goals.

Before discussing our results, I want to provide more detail on the exciting announcement we made this morning regarding associate pay and store structure.

As Doug mentioned, we believe our people make the difference and we're committed to this philosophy. At Walmart, we already provide an opportunity for jobs to become careers in retail. We want to continue to improve that opportunity and to provide it to more associates. The changes we are making are based on our core principles and will make Walmart a better place to work and shop.

First, we believe associates equally value their hourly rate and hours worked. We're happy to announce improvements to both aspects of associates' earnings opportunity. Current and future associates will benefit from this initiative, which ensures that Walmart hourly associates earn at least $1.75 above today's federal minimum wage or $9 per hour in April. And current associates will earn $10 per hour or higher by next February.

Additionally, we are piloting a scheduling system that will create stability for associates who want predictable hours and the flexibility for those who prefer to select additional shifts to meet customers' needs each week. Starting in 2016, we will be one of the first retailers to offer some associates fixed hours each week.

Next, we are realigning our store operational structure, adding back department managers to give associates a closer relationship with their supervisors to help improve communication, direction and recognition. And finally, we are making new commitments to train associates. They will engage in interactive learning programs to build skills, demonstrate proficiency and be rewarded for their efforts through pay raises and promotions into areas of greater responsibility. We will also offer opportunities to pursue further education, including a high school diploma or GED program, access to language training, and free or low cost college credits to reduce the time and cost of a college education.

I want to say thank you to all our 1.2 million Walmart U.S. associates. Together, we're a part of something bigger than ourselves and bigger than our company. What we do at Walmart extends beyond our stores to our own communities and across this country. I'm thankful to be a part of this organization.

Now, let's move to this quarter's performance. Net sales grew $3.1 billion or 4.1% versus last year. For the 13-week period ended January 30, comparable store sales were up 1.5%, which exceeded our guidance. This represents an approximate 100 basis point improvement over Q3 and was largely driven by a 1.4% improvement in traffic. This quarter marks the first positive traffic comp since Q3 of fiscal year 2013, as customers saw increased purchasing power from lower gas prices.

We also lapped the SNAP reductions and unfavorable weather seen last year. E-commerce contributed approximately 30 basis points to our comp performance. During the six week holiday season, we experienced overall comp sales growth. We saw increased traffic to the store, aided by our broadcast and digital Holiday Hub marketing campaign. Strong sales of seasonal merchandise and toys, along with key brands and gifts in apparel and home, offset industry declines in entertainment.

Customers also continued to refine how they prepared for the holidays, shopping earlier in November for holiday deals, and looking for last-minute gift ideas all the way through Christmas Eve. We were ready when and where our customers needed us, completing almost 1 billion total transactions over the holiday season, including our largest online day ever on Cyber Monday.

Looking across the entire fourth quarter, our growth in comp sales was attributable to several key areas of the business. First, we remained pleased by our apparel and home businesses, which brought value to the customers through strong national brands, consistent quality across price points, and relevant products at the right time of the season.

Second, our health and wellness business, including optical, remained strong, with growth in script counts from higher penetration in Medicare and Medicaid plans, branded drug inflation, and a strengthening over-the-counter business. Third, while our grocery performance was assisted primarily by inflation and lapping last year's SNAP reductions, we also saw progress from urgent agenda items, including a focus on adding days of freshness in produce.

We still have a long way to go to improve our fresh business and remain focused on this goal. And finally, we saw strong performance from our Neighborhood Market format. While all formats experienced positive sales comps, our traditional Neighborhood Markets continue to outperform Walmart supercenters and discount stores, providing customers with the products and services they desire at locations that are convenient to them. Our traditional Neighborhood Markets delivered approximately 7.7% comp for the quarter.

Yet, while we saw positive momentum in these categories, we remained challenged in others. Specifically, declines in our entertainment business persisted, as we faced industry contraction and deflation across many categories. Lapping last year's gaming console releases, along with fewer video game titles available for new consoles, and shifts from physical to digital media in movies and books, drove high single-digit negative comps in this area.

Additionally, although we launched wireless installment plans in November, we're still ramping up this service as we reacquaint customers with our ability to serve them in this category. Finally, softness in electronics also impacted our online business particularly in the Ship to Home channel.

In e-commerce, we remained thoughtful about growth, striving to produce sustainable results through digital and physical access. Our focus on serving customers led to strong performance in Pick Up Today and Ship from Store capabilities, particularly during the holiday season. However, we recognize the significant opportunity we have to grow this area of our business, as customers continue to reshape their shopping behaviors.

Now, for the remainder of our financial results. In the fourth quarter, gross profit rate was relatively flat. Operating expenses increased 5.6%, driven primarily by changes in estimates associated with our incentive accrual versus last year. Additionally, we intensified our focus on improving customer experience in our stores. While these actions increased costs, we believe it was the right decision for the customer. In fact, our Checkout Promise program drove customer experience satisfaction scores to their highest level during the holiday season. Due to the success of this program, we are implementing it more broadly in fiscal 2016. Overall, operating income declined approximately 60 basis points for the quarter.

Inventory growth moderated from prior quarters, growing 3.9% and less than the rate of sales in Q4. This growth was primarily related to the significant number of new store openings in the quarter. In fact, we opened 178 stores in this quarter alone, including 10 Supercenters and 168 traditional and small-format Neighborhood Markets.

Comp store inventory improved in this quarter, driven by strong a holiday sell-through, and better aligned seasonal markdowns in apparel. Inventory management is a key element to customer experience, and whilst we have room for improvement, we are also making progress to better manage working capital.

Now, let me cover our full-year financial performance. For the year, net sales increased 3.1%, or $8.6 billion to $288 billion. Comp sales improved 0.5% for the 52-week period ended January 30, while operating income declined 2.1% to $21.3 billion. Gross profit improved 2.6% for the year, with a 12 basis point decline in gross profit rate. This was primarily driven by price investments in meat and preferred Medicare prescription plans.

Expenses were up 4.3%, deleveraging 24 basis points for the year, and driven primarily by increased healthcare costs from higher enrollment rates and medical cost inflation. Expenses were further deleveraged by the initial ramp up of 17 new medical Care Clinics, increased utility expenses from cold weather early in the year, and higher rates throughout the year, and declining rates in recyclable materials, such as cardboard. Recall that we get a financial benefit from recycledmaterials.

Moving to real estate, we opened 353 net new stores, including relocations and expansions, and added almost 21 million retail square feet. A year ago we started to accelerate our Neighborhood Market format. This fiscal year, we opened 165 traditional format Neighborhood Markets and 68 smaller Neighborhood Markets. By continuing to drive this format, we are able to offer customers easy and convenient access to fresh foods, pharmacy, and services at Walmart's everyday low price guarantee.

Supercenters remain the driver of our sales and growth in retail square footage. Customers continue to rely heavily on this format for their broader shopping needs. This year, we opened an additional 119 supercenters, including conversions and relocations. In FY16, we expect to open approximately 60 to 70 supercenters, including relocations and expansions. Additionally, we'll open an estimated 180 to 200 Neighborhood Markets, including 10 to 15 smaller-format locations, as we complete our openings of this test program.

We'll continue to monitor the progress of these test locations before making any further commitments to this format. We expect to add approximately 15 to 16 million retail square feet this year. Digital access is important to our customers now more than ever. They expect a seamless interaction, whether it's in the store or online. We see many opportunities at Walmart to evolve with the customer in their digital and physical experiences.

For example, this year we developed a collaborative approach to the holiday season in toys with our store and walmart.com teams working closely together to ensure our customers had the same experience with Walmart no matter where or when they shopped. We've been investing in expanding capabilities to allow customers to shop on their own terms and are moving sensibly towards this integration of digital and physical. This includes offering customers a variety of ways to interact with our brand, including picking up their walmart.com orders at their local store, providing reminders and refill capabilities through our pharmacy app, and our latest test concept, Walmart Grocery.

This year, we expanded grocery delivery and pickup tests to include the entire Denver market and launched Walmart Grocery Pickup here in Northwest Arkansas this past October. And just last week, we announced the expansion of Walmart Grocery online to select locations in the Phoenix, Arizona, and Huntsville, Alabama markets. We have an advantage at Walmart, by combining our store and distribution network with our e-commerce capabilities to allow customers to interact with our brand in the ways that are most convenient for them, whether it's in a store, online, or on our mobile app, we are focused on providing the best solutions for customers.

The upcoming fiscal year will be a time of change and further improvement to the business. Our focus on inventory management, instock levels, and customer service is just the beginning. Recently, we made changes within our management team. These changes have allowed me to get closer to our merchandising teams, and the new leadership brings with them fresh ideas and an invigorating spirit. We've also just wrapped up our year-beginning meeting, which is a time to gather our store managers, to thank them for their hard work in the prior year and to discuss the focus areas for the upcoming year.

The meeting was energizing, and our store managers left excited for a fresh start to become better store managers, focusing on item merchandising, and providing great service to the customer. We'll continue on the path towards hiring 100,000 veterans by 2018. We set this goal just under two years ago and we are proud to say that we've already hired almost 80,000 veterans through this program.

Furthermore, over 6,000 have been promoted to roles of greater responsibility since joining the Walmart team. But fiscal 2016 will not be without its challenges. Our bottom line will continue to be pressured primarily from the significant investments in associates that I covered earlier. In addition, we will see impact from the changing mix within merchandise categories, store formats, and retail channels, and the investments in digital and physical integration. While we expect to offset some of these headwinds by executing and delivering on our urgent agenda items and other initiatives, we know these investments are necessary to position ourselves to meet the rapidly changing needs of the customer.

We may see risk to import merchandise flows related to the upcoming spring and Easter seasons due to ongoing port congestion. We'll continue to take the appropriate steps using our diversified supply chain network to reduce the impact for our customers. In the first quarter, we expect a continuation of lower gas prices to provide a tailwind to our business. This could be somewhat offset by a shorter selling season, with Easter coming earlier than last year, as well as potential impact from port congestion. For the 13-week period ending May 1, we anticipate a comp sales increase of 1% to 2%. Last year's 13-week comp ended May 2, 2014 was down 8 basis points.

Now, I'll turn it over to Dave for an update on Walmart International. Dave?

David Cheesewright

Thank you, Greg. I'm pleased with our performance in International, as we've remained committed to the strategic priorities I outlined a year ago. We've been able to produce solid results and operating income growth, despite operating in a very challenging, competitive retail environment. As one of our key priorities, we continue to accelerate our eCommerce business by offering multiple ways for our customers to shop, whether in stores, online, pickup or mobile, we aim to give our customers the ability to shop in whichever way they want.

We've also made progress in building a platform for sustainable growth in China, and have experienced success in improving our overall price perception, as well as the quality of our fresh offering. We also continue to make progress on our commitment of actively managing our existing portfolio. You've seen us make strategic decisions such as closing underperforming stores and divesting non-core parts of our business in order to strengthen our foundation. Our markets remain focused on key strategic priorities, and I'm optimistic about our position going into the New Year.

Now for our financial results. In the fourth quarter, net sales grew 3% on a constant currency basis. However, with the U.S. dollar at historic highs, we faced significant currency headwinds of $2.6 billion, resulting in a 3.9% sales decline on a reported basis. Of our five largest countries, Mexico, Canada, and Brazil delivered positive comp sales for the quarter. Comps declined in both the UK and China due primarily to food deflation and intense competition in the UK, and government austerity measures and deflation in key categories in China. Comp sales growth was strong in all other markets as well.

As Claire mentioned, there were certain discrete items disclosed in the previous year, which have a significant impact on our year-over-year operating income comparison. For financial year ending 2015, our fourth quarter results were negatively impacted by Japan store closure costs of $148 million. Overall, operating income increased 79.6% on a constant currency basis and 66.4% on a reported basis. Excluding the previous and current years discrete items, we grew operating income on a constant currency basis by 14.2%.

For the full year, sales grew 3.6% on a constant currency basis, while the strong U.S. dollar resulted in a full-year sales decline of 0.3% on a reported basis, reflecting over a $5 billion currency impact. Full-year operating income grew 24.1% on a constant currency basis and 19.8% on a reported basis. Excluding the items mentioned above, operating income grew 9.3% on a constant currency basis, outpacing full-year sales growth. We made progress in reducing inventory levels during the quarter and dropped the growth rate over 250 basis points versus the previous quarter to a 4.6% growth on a constant currency basis. We had positive momentum on inventory management heading into the New Year.

Now, let’s discuss individual results for our largest markets. Comp sales and growth rates are presented on a constant currency basis only. In all countries except Brazil and China, results are inclusive of ecommerce. Slides 8 and 9 of the presentation summarize financial details. The UK market remained very competitive during the quarter with grocery inflation falling to a record low of negative 0.9% over the 12 weeks ended January 4, according to Kantar.

Total market growth of 0.6% was a slight improvement over the previous quarter, boosted by Christmas sales and increased discretionary spending from lower fuel prices. However, overall market trends remain relatively weak. According to Kantar, Asda, along with the other big grocers, lost share to hard discounters for the quarter. UK sales declined 1.7% and comp sales declined 2.5%, excluding fuel.

Several competitors held a Black Friday event for the first time and others continued intense vouchering, which led to increased competition versus a year ago. Asda online sales remained strong, while George Home continued to register double-digit growth. Despite the top line pressures, Asda was able to grow income ahead of sales.

Now turning to Canada, which had a very solid fourth quarter performance. Sales grew 4.1%, with comp sales increasing 1.8%, marking this the third consecutive quarter of positive comps. Price investments and increased consumer spending contributed to improved trends in sales. We reported strong comp sales in food, health and wellness and consumables. While general merchandise and apparel sales improved versus prior quarter results, they were still below the rate of growth in the market.

Our fresh business also continues to accelerate, resulting in the highest comp sales for the year in quarter four. Canada had a strong holiday season overall with the online business up 38.5%. Walmart Canada grew 43 basis points of market share in food, consumables, and health and wellness combined, as reported by Nielsen for the 12-week period ending January 24. Canada completed a restructuring in the quarter to simplify home office operations. This, along with continued investments in ecommerce and pricing resulted in a decline in operating income. Overall, we are pleased with the positive sales trend we’ve seen in our Canadian operations, and we expect the momentum to continue.

Next we’ll discuss Walmex, which released their quarterly results on February 17. Please note the Walmex release is under IFRS and the results here are under U.S. GAAP; thus some numbers will differ. Consolidated Walmex sales grew 3.4%, with positive comp sales in both Mexico and

Central America. Walmex leveraged expenses for the quarter and grew operating income faster than sales.

Mexico sales increased 3%, and the comp sales were up 0.1% for the quarter. According to ANTAD, the entire market experienced slower comp growth in the fourth quarter of 0.7% in self-service. Walmart Mexico comps, excluding Sam's Club exceeded the market by 80 basis points. Performance was especially strong in our small format, Bodega Aurrera Express, which outperformed the market by 750 basis points. Sam's Club growth lagged the market by approximately 330 basis points. However, we are encouraged by the improving top line trends at Sam's, as December comp sales were the strongest of the year. Sam's Club remains a focus area and we will continue to accelerate initiatives to improve the business.

Next, let's talk about Brazil. Brazil continued sales momentum in Q4, growing net sales and comp sales by 3.1%. Holiday sales were driven by strong performances in both food and consumables. Strategic and targeted pricing resulted in margin favorability for the quarter. Management also continued to drive labor productivity and control expenses. While we are seeing some positive results, there is still work to be done in our turnaround plan.

Moving to China. Ongoing headwinds from government austerity measures, reduction in gift card sales, and continued deflation in key categories continue to pose challenges in the market. Walmart China's Q4 net sales declined 0.7% and comp sales declined 2.3%, partially due to Chinese New Year falling nearly three weeks later than last year.

We increased market share in the hypermarket category for the eighth consecutive quarter according to Nielsen for the period ended December 31. We expect market headwinds to continue in the New Year, but we are confident that we will continue to accelerate growth in this important Over the year, China has made great progress in strengthening the core business. Our portfolio is now more focused and stronger with the opening of 24 new hypermarket stores and one additional Sam's Club, in addition to completing the store closure program announced last year.

The distribution center expansion project and the centralization of deliveries to DCs were finalized within the quarter, resulting in a distribution network for fresh that provides coverage for all of our stores in China for the first time. These initiatives drive efficiency, reduce costs, and shorten the lead time to get products on the shelf. Having control over our own distribution network allows us to better monitor the quality and the safety of our products. Additionally, the We Operate for Less and the We Buy for Less programs in China have saved over $150 million over the course of the year.

Finally, let's discuss ecommerce performance across the globe. We remain focused on innovating and providing solutions for our customers seeking convenience. This quarter we've made even more progress, and I'm very excited about the impact we've made in online retail.

In Japan, we automated the order picking process to fulfill Seiyu.com grocery orders more efficiently and sustainably. We're testing new offerings, such as Grab 'N Go lockers in Canada. In India, we are continuing the rollout of an online offering to business-to-business members and expect to reach all members by the end of next year.

Yihaodian, our ecommerce business in China benefited from investments in the supply chain and promotional events. Traffic increased more than 40% and average ticket improved as well. The fourth quarter was highlighted by a successful Singles Day promotion in November, generating strong sales and traffic growth aided by an increase in orders from mobile devices.

In Brazil, ecommerce sales growth was strong again this quarter, driven by strong sales in large appliances and wireless, where low cost smartphones helped drive sales growth of more than double the same period last year. Promotions fueled sales growth with the Black Friday and 72-hour events delivering strong comp sales. Traffic via our mobile app nearly tripled on Black Friday. Looking ahead, we will continue to innovate and execute our strategic plan.

I'm amazed by how similar our customers' needs are around the world, value, assortment, and convenience are paramount. We will remain focused on saving our customers money by expanding our private label offering, improving product sourcing, and driving cost out of our operations, so that we can invest it back into price. We know convenience means different things to customers at different times. It could mean shopping online, home grocery delivery, a one-stop shop experience or a drive-through pickup, and we are innovating to provide customers more shopping options than ever.

No matter the shopper preference, Walmart will continue to strive to be the destination of choice. Our objectives for this year will continue to build upon a foundation that's been established. In financial year ending 2016, we are committed to; actively managing the existing portfolio, driving comp sales, accelerating ecommerce, delivering market priorities, including establishing a platform for sustainable growth in China, moving forward with the turnaround efforts in Brazil and reenergizing the business in Mexico, and lastly strengthening enablers, which means being the lowest cost operator, building world-class talent, and building trust.

Let me close by thanking our nearly 800,000 international associates around the world for delivering a strong performance in financial year ending 2015. As I reflect on the past year, I'm humbled by what our team has accomplished and their relentless focus on saving customers money. I look forward to updating you on our results in the coming months.

Now, I'll turn it over to Roz for the update on Sam's. Roz?

Rosalind Brewer

Thanks, Dave. I would like to start by echoing our excitement at Sam's Club, regarding the company's announcement today, to boost the starting wage for our full-time and part-time hourly associates. We believe we provide our associates with an excellent opportunity to pursue careers in retail, because our business model at Sam's Club differs from Walmart stores, beginning in the first-half of the fiscal year, we will offer a starting hourly wage of $9.50, which is above the federal minimum wage, unless there is a higher state-mandated minimum wage.

This will ensure all Sam's Club hourly associates are paid above the federal minimum wage. We believe this investment in our associates will help us attract, retain, and develop top-notch talent, and will allow us to continue to deliver outstanding, award-winning service to our members.

Now on to Q4. I want to thank our Sam's Club associates for delivering the best performance of the year this quarter, providing momentum going into fiscal 2016. Over the last four quarters, we saw meaningful acceleration culminating in a comp sales increase without fuel of 2% for the 13-week period ended January 30.

Strong holiday execution combined with our strategic investments in member value, merchandise relevance, and the integration of digital and physical, boosted our performance. Our investments in membership value initiatives enabled us to grow membership income by over 8% this quarter. Our Plus penetration is at historic highs, as Plus members are seeing the benefits from our Cash Rewards program. Across the club, all members are seeing the benefits of Instant Savings and the 5/3/1 MasterCard.

We will anniversary the introduction of Plus Cash Rewards and the 5/3/1 MasterCard in June 2015, so we expect these programs to continue driving membership income moving forward. Sam's net sales, including fuel were $14.9 billion, up 1.3% over last year. This was impacted by the approximately 25% decline in fuel prices with gallons sold up approximately 8%.

Our gross profit rate increased 23 basis points due to higher margin on fuel. Operating expenses as a percentage of sales decreased by 50 basis points. Operating income increased 29.1% to $510 million, which includes $41 million increase in fuel profit. Our 500-plus fuel stations provided value to members through competitive pricing, and the 5/3/1 MasterCard holders benefit from an additional 5% off all gas purchases. Given the volatility in fuel prices, the remainder of this discussion will exclude fuel.

Additionally, for comparisons, please recall that last year we had certain items impacting our results, which included; a $39 million charge to gross profit due to an adjustment to our product warranty liabilities, a $59 million charge to operating expenses for a new in-club staffing restructuring and the closure of one club, a $24 million gain in other income for the sale of two real estate properties.

In Q4, net sales grew 3.7% and we delivered comp sales of 2%, driven by traffic growth of 1.5% and ticket of 0.5%. The Savings Member continues to drive traffic. We have lapped last year's SNAP reductions and benefitted from favorable weather this quarter. Retail inflation across the club has moderated slightly since the previous quarter. Our gross profit declined 32 basis points versus last year due to the planned impact of Plus Cash Rewards and pressure from merchandise mix, which were offset by last year's product warranty charge.

Without the comparative benefit of the product warranty charge last year, gross profit declined 61 basis points. As discussed previously, the rollout of Plus Cash Rewards will pressure gross profit in the first-half of fiscal year 2016. Operating expenses were well managed in the quarter and we leveraged 82 basis points. Even without the comparative benefit of last year's discrete items, we leveraged expenses. We had disciplined expense management in a number of areas, including the optimization of the club staffing model earlier this year.

Membership and other income grew by 1.4% compared to last year, which factors in the real estate gain. Without the $24 million real estate gain last year, membership and other income was up 8.7%. Operating income was up 19.4% to $456 million. Without the comparative benefit of last year's items, our operating income was flat to last year. We are still very happy with our overall performance for the quarter, given the significant investments in membership value initiatives, such as Plus Cash Rewards. And with good expense management and improvements in membership income, we believe we have great momentum for fiscal 2016.

I also want to highlight the team's efforts around working capital. We reduced total inventory by 3.5%, while simultaneously growing our fleet by

16 clubs during the year. Moreover, I'm confident in the quality of our inventory for this year. At Sam's Club, relevant merchandise is a critical component in member engagement, and we continue to improve performance across the box. Our merchants are pushing hard to introduce newness and capture consumer trends, while providing the price leadership and assortment that Sam's Club is known for.

Sales of our fresh food business grew positive low single-digits this quarter. Performance was led by meat due to inflation and a strong value proposition. A challenged area was produce, where weather created supply issues. Dry grocery and beverage delivered a positive low single-digit comp with highlights in newness and healthy-for-you items. We doubled the organic portfolio since the previous quarter and members are responding positively to new, healthy beverage options.

Let's continue with health and wellness, which posted a positive mid-single-digit comp. Sam's Club is a destination for our members' healthcare needs and we see that clearly in our pharmacy comps, which drove the category due to both script growth and branded prescription inflation. Our OTC business, especially our healthy assortment of nutrition bars and protein also did well.

We've seen an uptick in our consumables business, which posted a positive low single digit comp. This is an area where members consistently see value through our private brand offerings, improved pack sizes, and Instant Savings. For example, members love the quality of our private brand Member's Mark Paper products. The disposable tabletop category continues to perform well, and we have introduced newness to improve the laundry and home care business.

Home and apparel delivered a positive low single-digit comp. Our exciting assortment of toys was a highlight, drawing members into the club over the holidays. Apparel continues to show strength, driven by menswear and children's clothing. Our underperforming category continues to be technology and entertainment, which posted a negative mid-single-digit comp. This is an improvement versus last quarter, as a result of introducing the latest Ultra Hi-Def and 4K TV technologies, a strong value proposition on the iPhone 6 and 6 Plus, and an expanded wearables assortment. However, we need to make larger, faster strides. This year, our merchants are rebalancing the portfolio, which involves reallocating resources towards higher growth, higher excitement categories.

Ancillary improved to a positive low single-digit comp, driven by growth in tobacco. We saw improved convenience store traffic trends, as we executed strategic pricing initiatives and benefitted from shifts in the competitive landscape.

Moving to e-commerce, this quarter, SamsClub.com was integral in supporting our in-club holiday events, becoming a Cyber Week destination and offering online-only promotions that drew members from our physical clubs to our digital platforms. Dot-com delivered double-digit comps in both direct-to-home and Club Pickup, contributing approximately 40 basis points to the segment comp.

We've rebranded Click 'n' Pull to Club Pickup and enhanced the service to appeal to both Savings and Business members. Members have responded well to the re-launch of Club Pickup in all clubs, and we've seen accelerated performance compared to the previous quarter. The improvements we've made to our mobile and desktop platforms, along with enhancements in messaging, have boosted conversion rates across all platforms.

This concludes our discussion on fourth quarter results. Let's continue with the financial results for the full year, where we've seen meaningful, sustainable acceleration every quarter. With fuel, net sales were $58 billion, up 1.5% over last year. With fuel profit of $122 million, operating income for the year grew 7.2% to $2 billion.

Net sales, excluding fuel, were $51.6 billion, up 2.1%. For the 52-week period ending January 30, 2015, comp sales increased 50 basis points, driven by traffic. While our investments in Cash Rewards for Plus members led to a gross profit rate decline of 38 basis points, we managed expenses well and leveraged 24 basis points. Membership income increased 10.3%, driving operating income of $1.9 billion, a 2% increase over last year.

Fiscal 2016 is well under way and Sam's Club is innovating the member experience through merchandise relevance and digital/physical integration. These two priorities are the key to membership engagement. I am confident that our strategic investments will not only differentiate us from our competitors, but, more importantly, continue enhancing our members' trust and loyalty.

Merchandise relevance is a critical enabler. Our goal is to ensure that members are surprised and delighted by relevant merchandise every time they come into the club or visit our website in every category across the country. Combined with price leadership and newness, merchandise relevance will keep our members coming back for more.

Our Fiscal 2016 investment strategy reflects the importance of offering a seamless digital/physical club experience for members. I recently was at the grand opening of our new e-commerce facility in San Bruno, California where

Jamie Iannone, who leads SamsClub.com, has invested in expanding his team of engineers and scientists. I am optimistic about our growth opportunities in both the digital and the physical. And that's why we plan to open 9 to 12 new and relocated clubs, and remodel between 55 and 60 clubs this year, while simultaneously investing in innovation at SamsClub.com. Knowing that our most engaged members want to shop with us both in our clubs and online, we will ensure a seamless set of access points for members.

I am proud of how we finished out the year. For the 13- week period from January 31 through May 1, we expect comp sales to increase between 1% and 2%.

Now, I'll turn things over to Neil for the e-commerce update. Neil?

Neil Ashe

Thanks, Roz. Q4 was an important quarter for us, not just because it is the biggest quarter of the fiscal year, but because our key investments started to play a major role in the business. Most notably, our global technology platform Pangaea, and our U.S. fulfillment network stood up under the holiday volumes of U.S. customers. At the same time, we saw good sales in markets around the world.

For the full year and for Q4, we outgrew the e-commerce market globally. Overall, Walmart grew e-commerce sales by 22%, benefitted by a 25% increase in gross merchandise value, or GMV for the year. In Q4, we grew sales 18%, on GMV growth of 20%. An increase in third-party marketplace volumes in the U.S., Brazil and in China contributed to the growth in GMV.

Greg, Dave, and Roz talked about the e-commerce successes in the quarter, but it's worth recapping. In the U.S., we had record sales on Cyber Monday and Cyber Week and more than 1.5 billion page views over the five days between Thanksgiving and Cyber Monday. Samsclub.com had strong double-digit comps on Thanksgiving and on Black Friday. On Singles Day in China on November 11, Yihaodian's GMV growth was in the high double digits, and on December 21, we surpassed traffic from Singles Day.

In the UK, ASDA continued to make Click and Collect easier for customers in stores and with new pick up points at petrol stations, tube stations and other locations. We now have Click and Collect in all ASDA stores. In Brazil, we saw our strongest sales quarter, with high double-digit sales growth.

What excites me most is the progress we've made in building out our ability to serve customers across digital and physical. We're investing in four areas;

our global technology platform, our next generation fulfillment network, our talent, and on integrating digital and physical.

Starting with our global technology platform, I refer to this as the operating system for commerce, because it is the foundation for serving customers digitally, enables the integration of digital and physical commerce. Building and deploying a new platform is one of the most challenging projects for an e-commerce business, particularly at our scale. We launched most key elements of our site and mobile shopping experience on the new platform before holiday on walmart.com in the U.S.

Despite all of our testing, with the sheer complexity of a complete platform rebuild, there is nothing like the real thing on the busiest day of the year, Cyber Monday. Pangaea hummed along all day, serving our customers at record volume. While we were glued our screens watching performance, a mom in Dallas was glued to her screen on walmart.com crossing items off of her holiday shopping list. She was most likely shopping on a tablet, and she was browsing pages about 30% faster, thanks to Pangaea. She was seeing a personalized shopping experience with a lot more recommendations for items that her kids might like.

Hers was among a record number of orders. It was the first major test of our next generation fulfillment network, which combined our first large scale center in Texas with our existing fulfillment centers, distribution centers and stores, to ship a record number of walmart.com orders. Our team in Texas shipped twice as many orders as last year. She was able to get more things from us even faster.

Starting in the second quarter, we have four more of these large-scale fulfillment centers coming online. While there will be some ramp-up time, they will significantly expand our fulfillment capacity and efficiency in the coming years.

We've talked about the importance of investing in talent and the fact that we are building a technology company inside the world's largest retailer. In the past year, we have been able to build up our team to the critical mass needed to be that technology company. And we did it in a very selective way, bringing in some of the best talent in Silicon Valley through organic hiring and targeted acquisitions.

We also built a great team in Silicon Valley to serve Sam's Club across digital and physical. We'll be continuing to hire the best people, adding to the core team we've built to deliver on our priorities. When we were together at the analyst meeting in October, I talked through the story of a family in Denver who can rely on Walmart to make their lives easier by being everywhere they need us to be. Echoing Greg, I'm really proud of how we brought together the digital and physical customer experience during the holidays.

In the U.S., we created a series of moments that engaged customers with us both online and in stores, starting with online deals Thanksgiving morning, leading to the Black Friday store events and through the new evening edition on Cyber Monday for people who worked during the day.

Mobile continued to be a big investment and area of high growth, nearly 70% of our walmart.com traffic during the holidays was from mobile devices. Those people used the app in a lot of ways to do their shopping online, to find a store, or to use the new store search tool we added late last year. This search tool allows customers to find product details and the aisle location of a specific item. Sam's also offered a significantly enhanced shopping experience through its app and mobile web site.

In addition to Walmart, we've focused on Sam's digital and physical integration with its Club Pickup experience, and it paid off, as we saw nearly 30% growth in Club Pickup during holiday. We're also continuing to create a stronger relationship with new and existing customers with grocery pickup and delivery. We've continued to see great feedback from customers on our tests in San Jose and Denver, and last week we started serving customers in Phoenix, Arizona and Huntsville, Alabama.

To sum up, last year was a building year and that will continue this year. We ended up investing an incremental $0.08 per share during fiscal year 2015, which was over our forecast of $0.05 to $0.07, as we continued to invest in fulfillment and other areas to serve our customers. As I mentioned, we saw global sales grow by 22%, benefitted by a 25% increase in GMV for the fiscal year. Fiscal year 2016 will continue to be a building year, and we expect sales to grow worldwide in the mid-20s.

In fiscal year 2016, we expect to invest incrementally between $0.06 and $0.09 per share for e-commerce initiatives. Our investments will continue to significantly enhance the customer experience and drive greater efficiency. This will include the continued rollout of our U.S. site based on Pangaea, which will make checkout faster and easier for our customers. It is also serving as the backbone to an integrated experience across online, stores and mobile. It will empower new ways to serve customers through mobile. That platform will also allow us to further expand our online assortment. We'll do that though a thoughtful balance of our own merchandise and marketplace sellers. We expect to double our assortment this year to well over 10 million SKUs.

We'll also continue fulfilling our promise to deliver orders to customers when and where they want them. Our next generation fulfillment network combines new large-scale fulfillment centers that combined with our DCs and stores, all connected by Walmart's transportation network. Our data scientists have built algorithms that dictate the assortment that needs to be placed in our different nodes, and to dictate from which node we ship an order.

Four new fulfillment centers will come online starting in the second quarter. When fully operational, these centers along with our other nodes will position us to serve the vast majority of the U.S. population fast and at a low cost. We're working closely with Greg's team to deliver a seamless experience for customers who use our stores to pick up or return orders. And, we're working with Roz's team to continue enhancing Sam's Club Pickup and making reordering fast and simple.

Sam's will also make signing up easier and make membership even more valuable with services and by helping members discover new products. Sam's will have the ability to leverage Walmart's investment in e-commerce. At the same time, we'll continue to invest in the major markets for ecommerce, most notably Brazil, China and the UK. And, we'll continue to expand our relationship with customers through online grocery pickup and delivery.

All of these achievements from this quarter significantly improved our ability to serve customers however they want to shop with us. And many of our investments from last year will roll out this year. We have significant opportunities ahead, and I feel great about the progress we've made on our priorities, including our global technology platform, talent, next generation fulfillment network and the integration of digital and physical. We are delivering Walmart where you are, whether you shop online, through mobile or in stores. No matter how you shop, we're helping you save money and live better.

Now I'll hand it over to Charles. Charles?

Charles Holley

Thanks, Neil. I'll wrap up today's discussion by providing some thoughts on the company's performance. For the year, we delivered $486 billion in revenue. E-commerce sales grew approximately 22% to more than $12 billion. We delivered fourth quarter underlying earnings per share of $1.61 and reported earnings per share of $1.53. Recall that our underlying earnings per share reflects the performance of our business without the impact of discrete items.

Now, as a reminder, our fourth quarter guidance of $1.46 to $1.56 included the discrete item of the Japan restructure, which was approximately $0.03 per share. Walmart U.S. generated a very solid 1.5% comp in the fourth quarter. Although the strong U.S. dollar caused a negative impact of over $5 billion on revenue, Walmart International delivered very good sales growth of nearly 4% on a constant currency basis for the year. And, Sam's Club continued to drive membership income again this year, with growth of over 10%.

Now, on the other hand, as I just mentioned, currency negatively impacted revenue by more than $5 billion. Although not as high as we anticipated, healthcare expenses were a headwind for Walmart U.S. during the year. And our reported earnings per share were negatively impacted by $0.08, due to the discrete items that Claire mentioned earlier.

Before turning our attention to guidance for the first quarter and for fiscal year 2016, I would like to remind you that our outlook for the future is based on the enterprise strategy we discussed at our October investor conference. Our clear focus on driving sales through price, assortment, access and experience will continue to guide the investments we make to better serve our customers. Our guidance today assumes several important factors, including the economic conditions in several of our largest markets and currency exchange rates remaining at current levels.

In October, we forecasted a 2% to 4% net sales increase for this new fiscal year. However, as a result of where currency rates are today, we expect a currency headwind of approximately $10 billion on net sales. Our new forecast for fiscal year 2016 net sales growth is between 1% and 2%. Our capital expenditure guidance of $11.6 billion to $12.9 billion, and our total net retail square footage growth of 26 million to 30 million square feet remain unchanged. Also in October, we shared that our capital expenditure range reflects that we will grow through a smaller number of large supercenters in the U.S. And as previously announced we are dedicating capital related to our digital and e-commerce businesses of $1.2 billion to $1.5 billion.

In fiscal 2016, we expect our FCPA-related expenses to range between $160 million and $180 million. Recall that these are included in our corporate and support expenses. Our incremental investment in our Global eCommerce business in fiscal 2015 was approximately $0.08 per share, above the $0.05 to $0.07 per share we shared with you in November. We plan to step up our incremental investment again in fiscal 2016 for our e-commerce activities around the world. This investment is expected to range between $0.06 and $0.09 per share over fiscal 2015.

As I indicated at the October investor conference, the heaviest investment in e-commerce will come over the next 18 to 24 months, as we further integrate the shopping experience, appealing to our customer's desire for convenience, access, and assortment. We then expect to see operating losses start to moderate at the end of that period. We continue to seek the right balance between sales growth and profitability for ecommerce.

Doug shared the news about our people initiatives within our U.S. businesses, including a wage restructuring and training opportunities to help associates earn higher pay and advance their careers. These strategic investments, which will cost approximately $1 billion this year, are designed to ultimately benefit our customers and our businesses through a better store and club experience. However, they will impact our earnings per share this fiscal year. In the first quarter, we expect these investments to negatively impact earnings per share by approximately $0.02. The full year earnings per share impact is expected to be approximately $0.20. In addition to the impact from these two significant investments, operating income, like sales, will also be pressured by currency exchange rates.

Our earnings per share guidance is based on a fiscal 2016 estimated tax rate ranging between 32% and 34%. Our tax rate will fluctuate from quarter-to-quarter and may be impacted by a number of factors including changes in our assessment of certain tax contingencies, valuation allowances, changes in law, outcomes of administrative audits, the impacts of discrete items, and the mix of earnings among our U.S. and international operations. In any given quarter, our effective tax rate could be higher or lower than the full year range. As we have seen in the past, we expect our first quarter tax rate for fiscal 2016 to be the highest of the four quarters.

Taking all of this into account, we expect first quarter fiscal year 2016 earnings per share to range between $0.95 and $1.10. This compares to $1.10 last year. We expect full year earnings per share to range between $4.70 and $5.05. This compares to reported earnings per share of $4.99 in fiscal 2015, which included the discrete items we've discussed.

Now, before we wrap up today's call, I would like to address a few additional items. After growth organically or by acquisition, our remaining cash flows provide shareholder returns in the form of dividends and share repurchases. Today, we announced an increase in our dividend from $1.92 to $1.96 per share for fiscal 2016, to be paid out quarterly. We've now increased our dividend each year for 42 years.

We will continue to be opportunistic with share repurchase. Market conditions, general business trends, operating results, and a goal of maintaining our AA credit rating, among other factors, influence our share repurchase activity. Working capital management remains a very high priority for us, and although we have made some improvements in fiscal 2015, we acknowledge we have more work to do.

Our leadership teams are very committed to further improvement in fiscal year 2016. Throughout Walmart, we remain focused on being disciplined in delivering for our associates, our customers and our shareholders.

Thank you for listening today and for your continued interest in our company.

Unidentified Company Representative

This call included certain forward-looking statements that are intended to enjoy the safe harbor protections of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements generally are identified by the use in those statements of the words or phrases anticipate, expect, forecast, guidance, plan, project, will add, will affect, will be, will continue, will impact, will open, and will remain, variations of such words or phrases or words and phrases of similar import.

The forward-looking statements in this call included statements regarding management's forecasts and expectations for Walmart's diluted earnings per share from continuing operations attributable to Walmart for the first quarter of, and all of, fiscal year 2016; U.S. comparable store and club sales for the 13-weeks ending May 1, 2015; percentage growth in Walmart's consolidated net sales and worldwide e-commerce sales in fiscal year 2016; the expected impact of currency exchange rate fluctuations on Walmart's consolidated net sales for fiscal 2016; the range of Walmart's capital expenditures and square footage growth in fiscal year 2016; the range of per share investment in Walmart's new U.S. wage structure and associate initiatives for the first quarter of, and all of, fiscal year 2016; the range of expected FCPA-related expenses in fiscal year 2016; the range in which Walmart's effective tax rate will fall in fiscal year 2016; opportunistic share repurchases by Walmart continuing in fiscal year 2016; continued e-commerce investment in major e-commerce markets and the range of the per share incremental investment in e-commerce in fiscal 2016; heaviest investment in e-commerce occurring over, and operating losses in the e-commerce business moderating near the end of, a particular period and various results of Walmart's investment in e-commerce; Walmart U.S.'s operating income being pressured or affected by investments in people, changes in mix of merchandise sold, store formats and retail channels, and investment in digital and physical integration and offsets to the effects of such investments and occurrences; the number of units to be opened by Walmart U.S. and Sam's Club and additional square footage to be added by Walmart U.S. in fiscal year 2016; Walmart

International expanding private label offerings, improving product sourcing and driving costs from its operations so it can invest in price; the continued acceleration of growth of Walmart’s operations in China; Plus Cash Rewards and 5/3/1 MasterCard continuing to drive Sam’s Club’s membership income; continued integration of physical stores with e-commerce and mobile commerce businesses and creation of new and improved methods for customers to shop with Walmart and take delivery of purchases; increasing the items certain Walmart retail websites offer to over 10 million SKUs, and assumptions on which certain of the forecasts or expectations are based.

The forward-looking statements in this call also include statements that discuss other objectives and plans of Walmart and other expectations of Walmart’s management as to other future occurrences and results.

Walmart’s actual results may differ materially from the guidance provided and the expected and forecast results discussed in such forward-looking statements as a result of changes in facts, assumptions not being realized or other risks, uncertainties and factors, including economic, geo-political, capital markets and business conditions, trends and events around the world and in the markets in which Walmart operates, including unemployment and underemployment levels; competitive initiatives of other retailers and other competitive pressures; inflation or deflation, generally and in particular product categories; consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels and demand for certain merchandise; customer traffic and average ticket in Walmart’s stores and clubs and on its e-commerce websites; the mix of merchandise Walmart sells; availability of attractive opportunities for investment in e-commerce acquisitions and initiatives; consumer acceptance of Walmart’s stores and clubs, e-commerce websites, mobile apps, initiatives, programs and merchandise offerings; disruption of and changes in seasonal buying patterns in Walmart’s markets; changes in the level of public assistance payments; effects of weather conditions and events, catastrophes, natural disasters, public health emergencies, civil disturbances, and terrorist attacks; commodity prices and the cost of goods Walmart sells; transportation, energy and utility costs; selling prices of gasoline and diesel fuel; disruption of Walmart’s supply chain, including disruption of the transport of goods from foreign suppliers to Walmart’s facilities; information security events and information security-related costs; trade restrictions, changes in tariff and freight rates; the size of and turnover in Walmart’s hourly workforce in the U.S.; labor costs, including healthcare and other benefit costs; casualty and accident-related costs and insurance costs; the availability and cost of appropriate locations for new and relocated stores, clubs and other facilities; local real estate, zoning, land use and other laws, ordinances, legal restrictions and initiatives that impose limitations on

Walmart's ability to build, relocate or expand stores in certain locations; delays in construction or opening of new, expanded or relocated units; the availability of persons with the necessary skills and abilities necessary to meet the company's needs for managing and staffing new units and conducting their operations and to meet seasonal associate hiring needs; the availability of necessary utilities for new units; the availability of skilled labor in areas in which new units are to be constructed or existing units are to be relocated, expanded or remodeled; changes in tax and other laws, including changes in individual or corporate tax rates and labor laws; developments in, outcomes of, and costs incurred in legal proceedings to which Walmart is a party; Walmart's expenditures for FCPA-and compliance-related matters; currency exchange rate fluctuations and changes in market interest rates; the amount of Walmart's net sales denominated in particular currencies other than the U.S. dollar; Walmart's effective tax rate and factors affecting that rate; and changes in generally accepted accounting principles and unanticipated changes in accounting estimates or judgments.

Walmart discusses certain of the foregoing factors more fully and other risks relating to its operations and financial performance in its most recent annual report on Form 10-K filed with the SEC and certain of its other filings with the SEC. You should consider the forward-looking statements in this call in conjunction with that annual report on Form 10-K and Walmart's quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC through this call's date.

Walmart urges you to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statements in this call. Walmart cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the expected, forecast or projected consequences and effects for or on Walmart's operations or financial performance. The forward-looking statements made in this call are as of the date of this call. Walmart undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

The comparable store sales for our total U.S. operations and comparable club sales for our Sam's Club operating segment and certain other financial measures discussed on this call exclude the effect of the fuel sales of our Sam's Club operating segment. Those measures, as well as our return on investment, free cash flow, amounts stated on a constant currency basis and certain other financial measures discussed in this call may be considered non-GAAP financial measures.