Hi, this is Carol Schumacher, vice president of global investor relations for Wal-Mart Stores, Inc. Thanks for joining us today for our earnings call to review the first quarter of fiscal 2015. The date of this call is May 15, 2014. 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.

Our press release and transcript are available on our corporate website – stock.walmart.com. Additionally, starting this quarter, we've added a supplemental slide deck that summarizes our key financial results, which is a part of and should be viewed and used in conjunction with this call. That presentation appears at the end of the transcript of this call.

We believe this deck provides a more streamlined approach to reviewing our financial performance and prior year comparisons. Unit count data, which is updated monthly, is posted separately on the investors' portion of the website, under the section called financial reporting. One additional item I would like to highlight is that beginning this quarter we will provide results and commentary primarily on our 5 largest international markets, all of which had revenue in excess of $10 billion in fiscal 2014.

As a reminder, for fiscal 2015, we utilize a 52-week comp reporting calendar. For this year, quarter-to-date and year-to-date comps will be based on 13- and 52-week periods, respectively, compared with the 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 investor portion of our website. Our Q1 reporting period ran from Feb. 1 through May 2, 2014, so our reported comp results this year are one week later than last year.

Beginning this fiscal year for Walmart U.S., we will report comp sales performance based on how we currently manage the merchandise areas, rather than the six categories we have previously described. The five merchandise categories now are: Grocery, which includes food and consumables, so there's no change to this category. Health & wellness, which includes prescriptions, OTC and optical. General merchandise, which includes entertainment, hardlines and seasonal. For additional detail on these areas, please see the descriptions noted in our 10K. Apparel – no change, and last, Home – no change.

For information regarding terms used in today's release including EPS, constant currency, gross profit and gross profit rate, please refer to our website. The sale of our Vips restaurant business in Mexico closed on May 9, and the Vips operating results continue to be presented as discontinued operations for first quarter. The net gain will be recorded in discontinued operations in Q2. Note that 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.

Please mark your calendar. Our Annual Meeting of Shareholders will be held on Friday, June 6 on the University of Arkansas campus in Fayetteville. The meeting starts promptly at 7:00 a.m. CDT and is also available via webcast through our website, stock.walmart.com, or via Walmart's free investor relations app. We look forward to seeing many of you at the meeting. And, on October 14 and 15, we will hold our annual meeting for the investment community in Northwest Arkansas.

So, now let's get on to the agenda for today's call. Doug McMillon, president and CEO of Wal-Mart Stores, Inc. will cover key results and provide an overall assessment of our business. Claire Babineaux-Fontenot, EVP of finance and treasurer, will cover the financial details for the quarter. Then, we'll cover the operating segments: Bill Simon, president and CEO of Walmart U.S., followed by Dave Cheesewright, president and CEO of Walmart International. Rosalind Brewer, president and CEO of Sam's Club, will follow Dave. And then, Charles Holley, Walmart's CFO, will wrap up with his perspective on our financial performance, and as always, he'll cover guidance.

Now, I'm pleased to introduce our CEO, Doug McMillon, to kick off our call. Doug?

Doug McMillon

Thanks, Carol, and good morning everyone.

Walmart's first quarter consolidated net sales increased to more than $850 million or 0.8% over last year. Like other retailers in the United States, the unseasonably cold and disruptive winter weather negatively impacted our U.S. sales and drove operating expenses higher than expected for the company. This, coupled with the higher than anticipated tax rate, resulted in earnings per share of $1.10.

Our underlying business is solid, and I'm confident in the company's long-term strategies. We're making progress on building a more customer-centric organization, with a foundation of everyday low prices. We're investing in technology and our multi-format portfolio to bring Walmart's value proposition to many more customers around the world. We have a tremendous opportunity to win with the integration of digital and physical retail, as customers have the resources from us to shop on their terms.

Walmart U.S. added approximately $1.3 billion in net sales compared to last year. We delivered on our comp guidance despite the impact from severe weather several times during the quarter. Our sales increased during the back half of the quarter. Neighborhood Markets delivered approximately a 5% comp. This strong and consistent performance is exciting, as we accelerate their rollout this year to complement our core supercenter fleet. Of course, we always have room for improvement. We continue to focus on our execution, both in-store and online, to provide customers with the merchandise and the shopping experience they desire.

Sam's Club had a tough quarter, with lower sales than anticipated. Membership income increased, driven primarily by last year's fee increase. I'm encouraged by the work underway to elevate the merchandise assortment to highlight newness and drive sales. We're also launching new services next month to make a Sam's Club membership more rewarding.

A bright spot this quarter was the performance of Walmart International. Net sales increased 3.4% on a constant currency basis. I'm optimistic because of the improved sales trends, and the progress we continue to make on operational efficiencies. I was really pleased with our International segment's more than 5% growth in constant currency operating income this quarter.

As we focus on customer relevance, I'm excited about the progress that we're making on our e-commerce initiatives. We will create transformative growth through these capabilities. Our investments are focused on improving customer experience and fulfillment capacity to provide the options that customers expect.

While I was in the U.K. last month, I saw how we're innovating to win the integration of digital and physical retail. Our team in the U.K. continues to expand convenient access to the merchandise customers want – from multiple pick-up points to grocery home delivery.

Shortly after I returned from the U.K., I flew to Denver to see our "Walmart to Go" grocery delivery and pick-up operations. It's really impressive how our e-commerce and store teams are collaborating to deliver for our customers in ways they want to be served. We're sharing global best practices across our markets to serve customers

more effectively.

There are a lot of good things happening in e-commerce across the globe. In the first quarter, we grew sales approximately 27%. We're seeing double-digit sales growth from nearly all of our e-commerce and mobile commerce businesses around the world. Brazil e-commerce and Yihaodian in China continue to experience strong demand.

I just returned from China on Friday and was excited to see our Yihaodian team and see some of the new ideas they're working on. We're also making great progress on our global technology platform, Pangaea, and we're confident that customers will appreciate the streamlined functionality it will provide when we begin its rollout later this year. The lines between digital and physical retail have blurred and this is all ultimately about meeting and then exceeding customer expectations.

At Walmart, we welcome the opportunity to lead on sustainability, but we believe that all retailers, regardless of platform or presence, have a responsibility to invest in this area. Last month, we hosted our first Sustainable Product Expo, bringing together many of the key thought leaders on this topic. And, it was an honor to join the CEOs from a number of our key supplier partners in committing to promote initiatives that advance sustainable agriculture and ramp up recycling programs in U.S. cities.

On June 6, we'll hold our Annual Shareholders' Meeting, and it's great to hear from our shareholders. I also look forward to seeing so many of our associates who come from our markets around the world. I appreciate their dedication to our purpose, and I'm inspired by their commitment to save our customers money and time. That's why we're investing to enable and empower our associates with the skills necessary to compete and providing them with the opportunity of a career with upward mobility.

Looking ahead, we continue to concentrate on driving growth across the enterprise. We're laser-focused on delivering improved comp sales by sharpening our merchandising efforts, price leadership and service.

Capital efficiency continues to be a priority, as we invest in our store fleet and our global supply chain. Also, as you've seen with our 12 e-commerce acquisitions over the last 3 years, we intend to be aggressive in adding e-commerce and mobile commerce capabilities, such as the purchase of Adchemy earlier this month. As we view our business through the eyes of our customers, we're working to deliver a relevant, personalized and seamless customer experience across all channels to further grow sales.

Now, I'll turn it over to Claire for more financial details. Claire?

Claire Babineaux-Fontenot

Thank you, Doug.

Today, I'd like to highlight items affecting the company's consolidated financial results for the first quarter and provide a bit of color around certain other items. Additional details from a consolidated perspective are available for reference in the accompanying presentation on slides 2, 3 and 4.

Severe weather in our U.S. businesses negatively impacted EPS by approximately $0.03. Additionally, the company's effective tax rate for the quarter was higher than anticipated in the full-year guidance we provided on February 20. We continue to believe our full-year tax rate will range between 32% and 34%. We may experience quarterly fluctuations in our effective tax rate, as it may be impacted by a number of factors.

The impact of currency fluctuations continued to weigh on our results, negatively impacting net sales by $1.6 billion. As you can see on slide 2, consolidated net sales increased more than $850 million, or 0.8%. Excluding the currency impact, net sales would have increased 2.1%.

Let's move on to operating expenses. Corporate and support expenses, which include core corporate, global e-commerce support and global leverage services, increased 12.4%. As we take a closer look at the components, core corporate expenses increased 5.4%. FCPA and compliance-related expenses for the quarter were approximately $53 million.

Approximately $34 million of these expenses represented costs incurred for the ongoing inquiries and investigations, and approximately $19 million was related to our global compliance program and organizational enhancements. The growth in e-commerce support was driven by our investments to help expand our global technology platform to deliver an unparalleled customer experience.

Our leverage services area includes investments we are making in technology, such as back office capabilities and risk and compliance management. In addition, we continue to invest in SAP to support our core operating segments, including productivity initiatives.

Net interest expense increased 7.2%. The strength of our balance sheet continues to be a competitive advantage. We took the opportunity to participate in the historically low interest rate environment, issuing $4.6 billion in new debt during the quarter. We anticipate that our net interest expense will be higher for the full year than last fiscal year.

Consolidated inventory increased 5%. The timing of Easter from the first quarter of last year to the second quarter of this year impacted inventory balances in many of our non-U.S. markets. You will hear more about inventory from each of our operating segments.

Payables as a percentage of inventory were 80.2%, which compares to 85.2% last year, due to the timing of payments and higher inventory balances, including the timing of Easter. Improving inventory leverage is important, and each of our operating segments is focused on this priority.

Return on investment for the trailing 12 months ended April 30, 2014 was 16.7%, compared to 17.8% last year. ROI was impacted by a decrease in operating income, as well as investments in fixed assets. The increase in free cash flow is primarily due to timing of income tax payments and lower capital expenditure for the quarter.

The last item I'll leave you with today is related to share repurchases. In the first quarter, the company repurchased approximately 8 million shares for $626 million. Market conditions, general business trends and a focus on maintaining our AA credit rating, among other factors, influence our share repurchase activity.

As we examine the level of share repurchases for the first quarter, it's important to remember that in addition to our normal activity, the company also spent approximately $1.5 billion to purchase substantially all of the remaining outstanding shares of Walmart Chile.

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

Bill Simon

Thank you, Claire.

For the first quarter, we added approximately $1.3 billion in net sales, with relatively flat comp sales. As we indicated in February, we realized negative comp sales during the first two weeks of the fiscal year from severe winter storms. A solid start to the spring season and a strong Easter holiday drove positive comps over the remaining 11 weeks of the quarter; that's despite additional severe weather and about 50 basis points of continued SNAP-related headwind. Weather impacted Q1 comp sales by approximately 20 basis points. Overall, our comp sales were down 8 basis points, in line with our guidance.

I’m encouraged by the sales momentum in the back half of the quarter and with approximately 30 basis points of improvement in our comp versus Q4. I’m also pleased we gained 23 basis points in market share across the key categories of “food, consumables & OTC” for the 13 weeks ended April 26, 2014, according to The Nielsen Company. The entire team was focused on driving sales, launching multiple innovative initiatives that position us well in the second quarter and for the remainder of the year.

Profit was challenging, down 4.3% versus last year. Severe weather-related profit impacts accounted for approximately $120 million in headwind versus last year. Additionally, health care expenses increased at double-digit growth rates, or more than $110 million, primarily from increased enrollment and medical cost inflation.

We realized unanticipated double-digit percent growth in our maintenance and utilities expenses, associated with snow removal and higher utility rates and usage. Severe weather also created disruptions across our supply chain, causing freight backlog across much of the country. To keep our stores well stocked, we incurred incremental expenses for third-party transportation services and overtime wages. And, of course, we also continued to invest in price, resulting in a net 17 basis point decline in gross profit rate.

Q1 inventory grew at 5.3%, primarily from new store growth and slower sales in weather-related categories such as outdoor living. We continue to monitor our inventory levels and to position ourselves well for the summer and the rest of the year.

Now, let me cover the performance of our Neighborhood Markets and supercenters. Neighborhood Markets continue to perform well, delivering approximately a 5% comp sales increase for the quarter, driven by a nearly 4% increase in comp store traffic. We’re seeing strength across the box, particularly in produce, meat, adult beverages, and pharmacy.

Our Neighborhood Market fleet performed consistently well through the entire quarter, including throughout the periods of inclement weather. In fact, April marks the 46th consecutive month of positive comps for the format, further validating our strategy to accelerate the unit growth. Neighborhood Markets delivered solid comp sales performance regardless of the age of the store.

In October, we communicated that 90% of our supercenter fleet was performing well. In Q1, these stores delivered a positive comp and improved over Q4 last year. For the remaining stores that require special attention, we’ve developed unique, store-specific action plans and we’re investing in leadership and additional staffing.

Early indications show improvement in key metrics, with comp sales for this group up more than 200 basis points from Q3 of last year, and customer experience scores also showing consistent improvement. While we're encouraged with the early results, we anticipate this will be an ongoing work in progress.

As we enter the third phase of our Walmart Express store test, we're exploring tethering this format to our larger supercenters. In this test, customers will be able to order supercenter merchandise at a rural Express store and receive it on the same day. On May 2, we opened the first fully tethered Walmart Express store in North Carolina. Customers are buying products, such as bicycles and swimming pools, which they can't traditionally get inside a 10,000-square foot box.

During the quarter, we opened 13 Neighborhood Markets and 25 supercenters, including 16 new and 9 conversions. We're on track to deliver about 115 supercenters, between 180 and 200 Neighborhood Markets and 90 to 100 Walmart Express stores this fiscal year.

We believe we're headed in the right direction. The team is diligently focused on improving sales by introducing increased innovation across the box. Just in the first quarter alone, we brought everyday low prices to the money transfer industry through our unique Walmart-2-Walmart service.

We also rolled out Wild Oats, a new line of organic food products in nearly half of our stores. We launched a video game trade-in program. We expanded our Savings Catcher pilot to seven markets, and we introduced an online Walmart auto insurance comparison service. And finally, beginning Sunday, May 18, we will re-launch our Great Gas Rollback program.

Now, I'd like to review the performance of the various merchandising areas. In grocery, we've seen a trend improvement despite approximately 90 basis points of headwind from the reduction in SNAP benefits. Overall grocery inflation is tracking at approximately 120 basis points. While our consumables business had a low single-digit negative comp, partly due to modest price deflation and overall industry softness, our food business delivered a positive comp.

We're seeing the strongest results in areas such as meat, produce and dairy, where we're investing to keep our prices low for customers despite pressure from cost inflation. Additionally, food delivered strong Easter results, with double-digit sales growth in Easter candy and strength across other categories such as meat and eggs.

Health & wellness improved more than 150 basis points versus Q4, led by our pharmacy business. Prescriptions delivered a mid-single-digit positive comp, driven by branded drug inflation and a strong increase in script counts. Script counts benefitted from new contracts in our Medicare business. Over-the-counter also improved, as a soft cough, cold, and flu season transitioned to robust allergy season.

Overall, general merchandise remained soft, primarily from weather impacts and declining industry dynamics, particularly in entertainment. Our Easter seasonal business delivered high single-digit positive sales growth. However, it was not enough to offset softness within hardlines and entertainment, which had negative comp sales.

In hardlines, inclement weather affected sporting goods and seasonal hardware, while entertainment continued to face challenges related to deflation. Despite industry deflation, we're encouraged by the early results of our new video game trade-in program, and we continue to focus on revitalizing our entertainment area. In the second quarter, we will re-lay our entertainment department, allocating more space and prominence to growth categories, while improving category adjacencies.

Apparel continues to perform well, driven by a strong Easter and national brands. We're really pleased with active wear, and how it performed throughout the quarter with a double-digit comp, driven by our Danskin Now and Russell Athletic offering. Our shoe and children's apparel business also had positive comps, benefitting from a solid performance from national brands such as Avia, Child of Mine by Carter's, and Garanimals.

Similar to apparel, home benefited from strong performance in national brands, such as Rachel Ray, Farberware, Magic Bullet, Keurig, and a broad assortment of basics. However, inclement weather drove softness in outdoor living, which includes patio furniture and live plants. Our stores are set and we're well prepared to meet customer demand as the weather improves.

Overall, I'm excited about the progress we've made in both home and apparel. The team continues to enhance our assortment and expand strong, national brands to deliver value across categories.

Our e-commerce business delivered double-digit sales growth and contributed approximately 30 basis points to total Walmart U.S. comp sales. Approximately two-thirds came from the walmart.com fulfilled sales and the remainder from store fulfilled orders. We saw particular strength in home, hardlines, toys & seasonal, and apparel, which was somewhat offset by softer results in electronics.

Overall, we're continuing to increase our capabilities in this area. To further integrate our digital platform with our store fleet, we've recently rolled out an e-receipts program. The initiative makes it easier for our customers to keep track of their purchases and, when combined with the Savings Catcher program, will provide an opportunity for our customers to save even more. We also recently updated our mobile pharmacy app, and we're seeing strong customer response with usage across the country.

We're encouraged by the early results of our Denver grocery delivery and pick-up test, which has multiple pick-up points across 34 stores. Early sales are beating expectations and have already exceeded those of our San Francisco-San Jose pilot, which rolled out in calendar year 2011.

We continued to gain momentum during Q1 in our U.S. Manufacturing initiative. To date, over 65 leading research institutions have applied for funding from our $10 million U.S. Manufacturing Innovation Fund. We expect the first awards to be issued by the end of calendar year 2014.

Additionally, we announced that we will hold an "Open Call" event in Bentonville on July 8. Current and potential suppliers can present items made in the USA to Walmart, walmart.com, and Sam's Club merchants. Registration is now open, and we're already seeing a tremendous response.

We expect to find great new items we can offer our customers this holiday season and beyond. We have solid business fundamentals and anticipate our recently launched initiatives and continued price investment will resonate with the customer. However, given the challenging retail environment, we expect comp sales to remain relatively flat for the 13-week period from May 3 through August 1, 2014.

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

David Cheesewright

Thank you, Bill.

Overall, I'm satisfied with our performance in the first quarter. In a challenging global economy, our teams delivered solid sales and profit growth by focusing on expanding price leadership and providing great customer service. We remain focused on being in good businesses and running them well. I'm encouraged by the progress we're making against our strategic priorities, but there's still much to do. As I've traveled around our markets, I've been particularly impressed with the caliber of our associates. The passion and commitment in delivering our purpose of "saving people money so they can live better" is clear to see wherever we operate.

We continue to invest in expanding price leadership in key markets. For example, in Mexico, Superama lowered prices on more than 5,000 items and put in place a quality guarantee. In Brazil, our new advertising campaign that kicked off in February explains and reinforces to our customers in Brazil our mission of "saving people money so they can live better." The value-themed ads include real life experiences from customers, as well as innovative appearances in TV shows and feature Brazil's national soccer coach.

To continue this pricing momentum across the globe, we're working with third party analysts, such as The Nielsen Company, to develop consistent market share reporting. The ability to have more timely access to data helps us react even more quickly to maintain price leadership and hold customer trust.

Driving the productivity loop to be the low cost operator in each market is core to our business model. The "We Operate for Less" programs in China and Brazil are allowing us to offset wage inflation in those countries. In the U.K., we further rolled out the hybrid checkout system which speeds up the checkout process. Now more than half of all U.K. transactions are processed through a self-checkout.

Also, we delivered on our commitment to improve operational returns. On a constant currency basis, operating income grew 5.3%, which outpaced our sales growth of 3.4%. On a reported basis, operating income growth also outpaced sales.

We continue to innovate and grow our e-commerce business globally, and we are delivering on our strategy of winning the integration of digital and physical. I'll discuss this more later. I'm also excited about recently announced key leader moves. We have tremendous bench strength, and our ability to attract talented leaders and develop them globally, positions us to lead in our markets.

Scott Price will move from being CEO of Asia to our corporate support team, leading strategy, real estate, mergers and acquisition, as well as International leverage. Our International depth gives us the ability to promote a great leader like Greg Foran to head our Asia business, a key part of our growth. Sean Clarke will succeed Greg, leading our China business. Sean is one of our most experienced executives, having served in finance and operating roles in the U.K., Canada, Japan, Germany and now China.

At Massmart, Kuseni Dlamini was appointed as our new non-executive Chairman of the Board for our Sub-Saharan African business. Kuseni is an outstanding business leader, with deep experience in emerging markets and a global perspective on management and growth.

Additionally, Guy Hayward was promoted to President and Chief Executive Officer for our business in Africa. Guy has a wealth of retail and financial experience and has been an integral part of Massmart's success.

Now, let's get to our first quarter results. As mentioned earlier, I'm pleased that we grew operating income at a faster rate than sales on a reported and constant currency basis. However, we did not leverage expenses this quarter, primarily as a result of sales challenges in a few of our markets and the timing of Chinese New Year and Easter.

We've summarized our results as we always do – on a reported and constant currency basis. In all countries except Brazil and China, our discussion of results is inclusive of e-commerce. For Brazil and China, we discuss stores and e-commerce separately. Slide 8 of the accompanying presentation has all the details, but let me take a minute to provide some additional insights.

Of our five largest countries, Brazil delivered positive comp sales for the quarter. With the one month lag in reporting for all countries except Canada, the timing of Easter from the first to second quarter affected comp sales in countries like the U.K. and Mexico. Although we're not including detail for other markets on the slides, we will briefly mention Japan this quarter, which had a very solid performance.

On a relative basis, we were somewhat encouraged with our market share performance during the quarter for our largest markets. Based on the most recent data available for the quarter, we grew our share in Canada and Mexico. We lost market share in Brazil and China, where we closed stores. Share in the U.K. declined slightly, although we gained share relative to our largest competitors. We'll provide more details as we discuss the countries individually.

On a reported basis, inventory grew faster than sales at 3.4%, or 10% on a constant currency basis. With the later Easter, inventory levels increased in quarter 1 ahead of the selling period in quarter 2. Having said that, we have work to do in inventory in a few markets and we're focused on managing this more efficiently.

Key financial details are summarized on slides 7 and 8. I'll discuss performance insights on our five largest markets. All of these discussions are on a constant currency basis and, unless otherwise stated, total sales and comp sales are presented on an unadjusted nominal, calendar basis.

Our net sales and comp sales declined for the quarter in the U.K. However, against a tough market backdrop, first quarter growth relative to the market improved over last year, and Asda grew ahead of its three major competitors in the 12 weeks ending March 30, according to Kantar. Even with a sales decline, operating income grew 6%, benefiting from strength in gross margin from the merchandising mix changes related to Easter.

Our strategy of "Redefining Value Retailing in the U.K." is built around price investment to support our core mission. Sales of "price-locked" products -- essential food items where prices have been permanently reduced, were more than 15 million units every week in the quarter. We launched a new George homewares range, and early sales were ahead of expectations.

With the expansion of Click & Collect, online grocery home shopping market share reached a new high of 19.2% for the period ended March 30, according to Kantar, and e-commerce sales were up more than 19.0% for the quarter compared to last year. Overall, our U.K. business continues to operate well and innovate. We're optimistic about winning in a competitive market.

Also in a competitive environment, Walmart Canada increased net sales, but comp sales declined. The excessively cold weather impacted retail sales throughout the market, particularly in seasonal categories such as apparel and outdoor. Health and wellness sales were negatively impacted by lower generic prescription reimbursement rates due to ongoing drug reform initiatives implemented by various provinces, as well as higher utilization of generics.

Sales were strongest in food and consumables, and according to Nielsen, we increased market share 42 basis points for the 12 weeks ended April 19. Our continued price investment resulted in an increased price gap to competitors. We're pleased with online sales as well, which delivered 134% growth. Operating income grew ahead of sales.

Now let's discuss performance in our Latin American markets. The following summary includes the consolidated results of Mexico and Central America on a U.S. GAAP basis. Walmex separately reported first quarter results on April 22 under IFRS, so some numbers will differ from the Walmex reported numbers. Our Walmex results exclude the impact of the sale of Vips, which results are recorded in discontinued operations. We received regulatory approval to proceed with the transaction and closed the deal on May 9.

Walmex consolidated net sales grew 1.5% during the first quarter, impacted by the Easter calendar flip. Operating income grew 0.8%, mainly as a result of expense deleverage in Mexico, impacted primarily by the Easter flip and softer sales. Operating income was also aided by certain items.

Mexico's self-service business, including Sam's Club, outperformed the market by 60 basis points in the first quarter, according to Antad. Aggressive price investments made in the Bodega Aurrera, Superama and

Walmart Supercenter formats resulted in sales growth outpacing the market by 400 basis points. Our small formats, such as Bodega Aurrera Express and our stand alone pharmacies, delivered strong double-digit comps and outperformed their market peers on food and consumables.

Sam's Club, which represents approximately 26% of our Mexico revenue, continues to perform below our expectations. The team is focused on reinvigorating our value proposition by providing an exciting assortment through treasure hunt and differentiated merchandise for our Advantage members, and by adding additional value for business members. In addition, we're leveraging best practices from our U.S. Sam's Club business. While we're confident about our long-term strategy, we expect Sam's Club to be challenged in the near term.

Additionally, we continue to invest in and expand the Walmex e-commerce business, with additional general merchandise categories now online. Also, Superama's online grocery delivery is still growing, providing our customers with the opportunity to access via computers, smartphones and tablets. The Walmex team continues to drive the business, and in particular, we remain focused on improving our Sam's performance.

Let's next talk about Brazil. I was recently in Brazil where I saw first-hand the team's alignment and commitment to stabilizing the business. We're implementing a number of initiatives to build a stronger foundation, including investments in price leadership and in improving our productivity.

These investments are focused on both our retail and wholesale formats, and we're pleased with improved trends in food and consumables. We expect that as we continue to make progress, we will see similar trends in general merchandise, and will be able to drive sales growth going forward.

The retail market in Brazil continues to decelerate, in line with the economy. Despite this and the Easter calendar flip, first quarter net sales and comp sales grew, and we leveraged expenses. As planned, operating income declined due to investments in key initiatives and pricing.

While we still have a ways to go in Brazil, we further strengthened our talent base in key areas such as operations, finance, compliance, human resources and merchandising over the past year. Therefore, I'm cautiously optimistic about the improvement we are seeing.

Moving now to Asia, Walmart China's comp sales were negative 2.5%. This year, Chinese New Year was slightly earlier than last year, so a greater proportion of pre-holiday spending was in the fourth quarter last year. Excluding this calendar impact, comp sales would have been about flat to last year. Sales in China also faced significant headwinds from government austerity programs, which continue to curb gift card sales. Additionally, price deflation in key categories such as edible oil, liquor and infant formula negatively impacted sales.

Our business transformation program, now in its third year, continued to deliver improvements to margins and reductions in expenses. We've been able to invest in further price reductions for customers, and we increased operating income by 26.2% for the quarter.

Turning to Japan, we had a strong first quarter, with both net sales and comp growth. Sales growth was aided by pre-buying ahead of the consumption tax increase, which went into effect on April 1. Walmart Japan gained market share in the first quarter and the business has continued to perform nicely, even since the tax increase. Higher sales and expense control led to 111 basis points of leverage, resulting in healthy operating income growth. So, as you can see, there are some encouraging signs in our key markets, and we're committed to continuing this progress.

Last, let me give you a brief recap of our e-commerce results. We believe that our e-commerce business is one of the most dynamic in the world, and this was another strong quarter. As an example of our innovation, we further expanded the Asda Click & Collect program at over 300 Asda stores and other locations. This quarter saw further innovation with a first-to-market initiative allowing same day pick-up in 89 locations, with plans to expand to all stores this year.

We're pleased with our first quarter results in China and Brazil. We continue to see strong comp growth in our China e-commerce business. Site traffic at Yihaodian grew in the triple digits, and ticket was up as well. Yihaodian sells both food and general merchandise and SKU counts are double last year, with over 3 million items now available.

Yihaodian sold over 1 million liters of imported milk and set the Guinness record for "the most milk sold on a single online platform in 24 hours." This is a testament to our ability to leverage Walmart's supply chain for the benefit of our online businesses. Our growth in mobile is also impressive, as we almost reached the same number of mobile sales in the quarter as we had in the entire business last year.

In Brazil, we again saw sales growth of more than twice the overall e-commerce market, and we saw record traffic growth, driven in part by new affiliate agreements. Our "Consumer Day" in March drove sales nearly three times that of a normal day, with strength in computers and smartphones. We continue to see record sales by mobile users, with three times the mobile sales we had last year.

As a global company, we have a responsibility to lead on compliance, social and environmental issues. Over the past year, we've made major investments in compliance. We built better processes, increased training for our associates and strengthened our organizational leadership.

I'm also proud to see the impact our teams make by giving back to the communities in which we operate. For example, Walmart Chile rushed to help the victims of earthquakes and wild fires that recently impacted northern and central Chile. The company sent bottled water, blankets, diapers and personal hygiene products to meet the primary needs of the victims.

In conclusion, we continue to execute on our strategy of being in good businesses and running them well. Throughout the world, we remain focused on several key areas, which we shared with you in February: drive strong comp sales by expanding price leadership, create a platform for sustainable growth in China, turn around Brazil, rejuvenate Mexico, accelerate growth in e-commerce, be the lowest cost operator, and build trust wherever we operate.

We see momentum in our markets, and I continue to be optimistic about the future. We have the talent, strategy and commitment to achieve success, and I look forward to updating you on our progress in the coming quarters.

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

Rosalind Brewer

Thanks, Dave.

The fiscal year started with several challenges for our core member, resulting in one of our more difficult quarters. The combination of severe weather and the reduction of public assistance represented an approximate 90 basis point impact to comp sales. In addition, Q1 was marked by a rapid acceleration in inflation, as cost inflation was approximately 160 basis points, compared to 30 basis points in Q4.

Despite our efforts to combat these challenges, sales did not materialize as expected. Net sales grew 0.5%, without fuel, to $12.2 billion. Operating income declined 1.4% to $477 million. Our comp for the 13-week period ending May 2, excluding fuel, declined 0.5%, comprised of both decreases in traffic and ticket.

In recent quarters, our Savings member traffic has helped to offset the softness in our Business member segment. This quarter we saw positive, yet lower Savings member traffic, coupled with slower ticket acceleration –

primarily in our lower to middle income members. Business member traffic and ticket remained soft.

Over the past year, our merchants have been elevating the value and uniqueness of our merchandise assortment. We're seeing positive results in areas where we've introduced newness. These areas of growth mirror current member trends around "fresh, fast and fit". Let me give you some examples.

Within "fit", our new assortment of snacking options, which includes exclusive "better for you" choices, is helping to drive double-digit unit growth. Also, our on-trend "athleisure" active wear helped deliver a double-digit positive comp in ladies apparel.

We've also enhanced our private label offering by introducing new, high quality items and consolidating the existing assortment into three main labels: Member's Mark, Daily Chef and Simply Right. The recent investments are being recognized. For example, Member's Mark Ultimate Clean laundry detergent received top rankings from a leading external rating agency.

While our category level merchandising results this quarter were mixed, we remain confident in our strategy to deliver more newness, more often. We are monitoring our inventory levels, which grew 7.6%, driven in part by softer sales and build-ups for new items in categories such as home and health and wellness.

Within fresh, freezer and cooler, cost inflation in meat and dairy outpaced retail inflation, pressuring units and leading to a low single-digit positive comp. The late arrival of spring, along with the increased cost of beef and pork, influenced the early grilling season – an area where we have historically been strong. Within produce, hard freezes caused citrus availability issues, which were partially offset by strong strawberry and watermelon crops.

Dry grocery and beverage struggled this quarter, as the decreases in total box traffic contributed to the low single-digit negative comp. While our new sweet and salty snack offering performed well, it was not enough to offset unit declines in larger categories like beverages. Ancillary categories had a negative impact on the quarter, due to sales declines in tobacco and tires. There were fewer promotional events in a leading tire brand compared to last year.

Health and wellness delivered a low single-digit positive comp. Member awareness and usage of our pharmacy continues to grow, contributing to a high single-digit positive comp. Over-the-counter however, pressured the entire category, as we lapped strong prior year performance in diet and nutrition items.

During the transition to newness, we’ve experienced slight declines in consumables, recording a low single-digit negative comp. Our merchants are actively looking for ways to differentiate, particularly in pet supplies and home care, moving to products with even greater value.

Within technology and entertainment, supplier inventory issues caused disruption within TVs and tablets, contributing to a high single-digit negative comp. In addition, wireless was pressured by shifting industry dynamics, as carriers change the structure of their contract terms. With

Walmart’s acquisition of the assets comprising Simplexity LLC’s wireless activation platform earlier this month, we will be able to more efficiently support wireless activations for our members. We expect the benefits of this acquisition to materialize for both the Sam’s Club and Walmart U.S. businesses in the coming quarters.

Home, apparel and hardlines reported a low single-digit positive comp. While this is a slight deceleration from prior quarters, we remain pleased with our elevated assortment in this space. In seasonal hardware and gardening, new, high quality items resonated extremely well with members. Our growth was tempered by mattresses, which underperformed in geographic areas most impacted by weather, resulting in unit declines year-over-year.

Samsclub.com delivered another quarter of strong sales growth, contributing approximately 20 basis points to the total Sam’s Club comp. One of the contributors to this growth was Click‘n’Pull, a free service that lets members place their orders online or by fax, and pick them up the next morning. We’re revamping Click‘n’Pull to further increase convenience for our members, particularly those with micro-businesses.

We’ve also begun testing “My Subscriptions”, a pilot service that allows members to order items like diapers online, with discounted shipping rates. Investments such as these demonstrate our commitment to the integration of “bricks and clicks” and represent an opportunity to appeal to more tech-savvy members.

Now back to the reported financials, excluding fuel. For our financial results including fuel, please reference the supplemental presentation. Gross profit rate declined 29 basis points due to shifts in merchandise mix and rising commodity costs.

The combination of increased labor costs and weather-related utility costs contributed to a modest deleverage of 3 basis points. You may recall that last quarter, our expenses were negatively impacted by a field organization restructure. We were able to place a larger number of affected associates in open roles within Sam's Club or the larger Walmart organization than we had originally anticipated. Because of this, our severance related costs were less than our Q4 accrual, benefitting operating expenses by 7 basis points.

Our operational performance continues to exceed members' expectations. According to the 2014 Temkin Experience Ratings, Sam's Club received the top ranking for best customer experience in retail. This is the third consecutive year Sam's Club has been recognized.

Membership and other income remains a bright spot, growing 10.5%. Membership income by itself grew 10.9%, due primarily to the fee increase taken a year ago. In addition, Plus member upgrades and Plus member renewals performed well. In regards to Plus member growth, the South Central region has outperformed the rest of the country over the past year, due to the Plus member cash rewards pilot launched in fiscal 13.

Weather related traffic trends affected sign-ups and renewals, which were soft this quarter. You may recall that we had a very successful social media event during this time last year. The members acquired through this campaign are now beginning to renew their memberships, and recent renewal rates are exceeding internal expectations.

As I close, I want to emphasize our confidence in the merchandising and membership enhancements we've made over the past year – including the transformation of our merchandise assortment and the launch of our Instant Savings book, which was ranked the #1 member benefit in fiscal year 14.

With the intention of growing our member base, both through acquisition and retention, I'm excited to announce the national rollout of Sam's Club Plus Member Cash Rewards, which goes into effect on June 12, 2014. This new benefit provides $10 for every $500 spent on qualifying purchases. All members will continue to receive Instant Savings offers; however, the benefit of Cash Rewards will be exclusively for Plus members. Coupled with the right merchandise and an exceptional experience, we believe Cash Rewards will further differentiate us from mass retailers and help bring us to parity within the club channel.

Furthermore, we will launch a new cash-back credit card with MasterCard on June 23, 2014, offering cardholders the opportunity to earn 5% cash back on gas, 3% back on travel and dining, and 1% on everything else. This simple, industry leading program rewards members for everyday spend, making it even more valuable to be a Sam's Club member.

We expect that investments like these will create a clear path for sustainable sales and member growth for the long term, but these investments, along with continued gross profit rate pressure, will be an operating profit headwind for the near term. We expect flat comp sales growth for the 13-week period ending August 1. This compares to a comp increase of 1.7% last year.

Now, let me pass the mic over to Charles for our close. Charles?

Charles Holley

Thanks, Roz.

Let me wrap up today's discussion by providing some perspective on the quarter. First, we feel good about several aspects of our business.

We added over $850 million in consolidated net sales. This included a $1.6 billion negative impact from foreign currency. We delivered earnings per share within our guidance, albeit the low end. Our earnings per share were impacted by the quarter's severe weather, along with a higher effective tax rate than we anticipated. Walmart U.S. comp sales results were within guidance. We experienced solid net sales growth in 4 out of our 5 major international markets. And, e-commerce sales grew approximately 27% on a global basis.

Looking at the rest of the year, our teams have a clear focus on driving comp sales and delivering on our other growth initiatives. We're also committed to growing our store base. Net square footage increased to 1.1 billion square feet at the end of the first quarter, which is up 4 million square feet from the end of fiscal 2014. Because of our large base, the increase is 0.4%; however, the additional 4 million square feet is still significant.

We continue to be excited about our e-commerce businesses and the rapid growth we're experiencing in this area. We continue to make progress through site enhancements, search capabilities and fulfillment, and we expect these improvements to continue. In fact, during the quarter, we opened 2 dedicated e-commerce fulfillment centers -- one in Pennsylvania and the other in Brazil.

We'll also continue to make strategic acquisitions to build out our technology, talent and capabilities. To put things into perspective, over the last three years, we've acquired 12 companies, which today serve as the driving force behind the innovative work our e-commerce teams are doing. Our acquisition earlier this month of Adchemy is a great example of how we're adding talent to @WalmartLabs, as well as enhancing our capabilities in areas like semantic search, data analytics and web marketing.

To be clear, our investments are not only intended to attract e-commerce customers, but also to help them navigate and shop our physical stores. With nearly 11,000 stores, over 2.2 million associates worldwide and a growing presence of highly skilled engineers in Silicon Valley, we feel we are uniquely positioned to offer a best in class e-commerce experience.

Although we were not able to leverage our expenses this quarter, we remain committed to maintaining a rigid focus on everyday low cost within our operations. This will enable us to continue our price investment.

The change in our working capital, specifically inventory and accounts payable, was negative. This was partly caused by a shift in Easter versus last year within our International segment. However, we do have work to do within all segments to improve our working capital performance in the future. This will be an important focus over the next few quarters.

Now, you're familiar with how we prioritize our capital, and the first is organic growth. Recall in the fourth quarter of last year, we increased our capital allocation plan for Walmart U.S. by $600 million to support our accelerated rollout of additional Neighborhood Markets and Walmart Express. Small stores continue to represent a great growth opportunity for us in many of our markets, including the U.S., Mexico and the U.K. Given our plan, expect capital expenditures to be heavier in the back half of the fiscal year.

Our second priority is for strategic acquisitions. We always evaluate available acquisition opportunities that will add to our retail platform, support our operations or strengthen our e-commerce capabilities. Last, our remaining cash flows provide shareholder returns in the form of dividends and share repurchases.

As Claire covered earlier, we used $1.5 billion to acquire most of the remaining outstanding shares of our Chilean operations. This affected the share repurchase amount for the quarter. It's important to remind you that we remain committed to returning value to our shareholders, and we will continue to be opportunistic with share repurchases throughout the year.

Next, let's move on to guidance. Based on our views of the macro-economic and sales environment in the U.S. and around the world, we expect second quarter fiscal 2015 diluted earnings per share from continuing operations to range between $1.15 and $1.25. These estimates assume currency exchange rates remain at the current levels. As a reminder, our fiscal 2015 earnings per share guidance assumes $0.02 to $0.04 per share of incremental investment in e-commerce. We began to anniversary the expenses related to FCPA matters this quarter, and we continue to anticipate these expenses will range between $200 million and $240 million for the fiscal year.

In addition, it's important to remember the following with regards to our second quarter guidance. First, as you heard from Bill, in the first quarter, we incurred more than $100 million of costs from higher benefit enrollment and utilization by our U.S. associates, as well as cost inflation. While associate enrollment does fluctuate, we continue to expect these costs to be a headwind of more than $300 million for the full year.

Second, we will not cycle through SNAP reductions until the end of the third quarter for our U.S. businesses, and we will continue to invest in price for our customers and members.

Third, we expect headwinds for the remainder of the year from our increased investment in the Sam's Club cash rewards program and the cash-back credit card that will both launch in June.

Fourth, we continue to expect our fiscal 2015 effective tax rate to range between 32% and 34%. For the second quarter, we expect our effective tax rate to be at the high end of this guidance. It's also important to remember that our rate tends to moderate toward the end of the fiscal year. Despite these headwinds, we remain cautiously optimistic about the second quarter and the balance of the year.

Thank you for your interest in Walmart. Have a great day!

Unidentified Speaker

This call included certain forward-looking statements. Those forward-looking statements are intended to enjoy the safe harbor protections of the Private Securities Litigation Reform Act of 1995, as amended, and generally are identified by the use of the words or phrases "anticipate," "estimates," "expect," "fluctuations," "focused in several key areas," "guidance," "may experience," "on track to deliver," "plans," "priorities," "re-launch," "rollout," "we'll also continue," "will allow," "will be," "will be able," "will continue," "will create," "will…focus," "will further differentiate," "will help drive," "will launch," "will likely fluctuate," "will…make," "will range," "will see" or a variation of one of those words or phrases in those statements or by the use of words and phrases of similar import. Similarly, descriptions of Walmart's objectives, plans, goals, targets or expectations are forward-looking statements.

The forward-looking statements in this call included statements relating to management's forecasts, expectations and objectives for and regarding: Walmart's diluted earnings per share from continuing operations attributable to Walmart for the second quarter of fiscal year 2015, including expected per share incremental expenses related to investments in e-commerce, and the comparable store sales of the Walmart U.S. operating segment and the comparable club sales, excluding fuel, of the Sam's Club operating segment for the 13-week period ending August 1, 2014 (and statements of certain assumptions underlying such forecasts); the range of the company's effective tax rate in fiscal year 2015, the expected effective tax rate for the second quarter of fiscal year 2015 and the likelihood of the effective tax rate fluctuating from quarter to quarter; the company's net interest expense being higher in fiscal year 2015 than it was in fiscal year 2014; the range of expenses expected to be incurred in connection with FCPA-related matters in fiscal year 2015; the expected expense headwind caused by higher health care benefit enrollment and utilization by the company's U.S. associates; and continued opportunistic share repurchases by the company.

Those statements also include statements relating to management's expectations: for the creation of transformative growth through the company's e-commerce capabilities; for the company continuing to make strategic acquisitions to build out its technology, talent and capabilities in the company's e-commerce operations; that the company's continued focus on being best-in-class operators will allow it to invest in price and deliver stronger top-line results; that improved operating results and management of working capital, including inventory, will help drive strong cash flow; that the company will have organic growth, strategic acquisitions and using remaining cash flows for shareholder returns as priorities for its capital; and for expense headwinds for the remainder of fiscal year 2015 from the increased investment in the Sam's Club operating segment's cash rewards program and the cash-back credit card.

The forward-looking statements also include statements of management's forecasts, expectations or plans for the Walmart U.S. operating segment, including for: the re-launch of the Great Gas Rollback Program; store-specific action plans for certain supercenter stores to be an ongoing work in progress; the addition of certain numbers of new supercenters, Neighborhood Markets and Walmart Express stores in fiscal year 2015; and certain initiatives of the segment providing customers the opportunity to save even more.

Such forward-looking statements include management's expectations, plans or objectives for the Walmart International operating segment including: that the segment's operations in Mexico that are conducted under the Sam's Club banner will continue to be challenged in the near future; that as the segment's Brazilian operations continue to make progress in certain areas as a result of investment in price and improved productivity, improved trends in general merchandise will occur and the segment will be able to drive sales growth in Brazil; plans to expand the Asda Click & Collect program to all Asda stores during fiscal year 2015; and the segment's objectives for driving strong comp sales by expanding price leadership, creating a platform for sustainable growth in China, turning around Brazil, rejuvenating Mexico, accelerating growth in e-commerce and being the lowest cost operators.

Such forward-looking statements include management's expectations or plans for the Sam's Club operating segment, including: the ability of the Sam's Club operating segment to support more efficiently wireless activations for its members and the materialization of the benefits of the acquisition of the assets comprising Simplexity LLC's wireless activation platform earlier in May 2014 for both the Sam's Club operating segment and the Walmart U.S. operating segment in the coming quarters; that the Sam's Club Plus Member Cash Rewards program, along with the right merchandise and shopping experience, will further differentiate the Sam's Club operating segment from mass retailers and help bring it to parity within the club channel; for the national rollout of the Plus Member Cash Rewards program and to launch a new cash-back credit card with

MasterCard on June 23, 2014; for members continuing to receive Instant Savings offers and for Plus Members receiving the benefit of the Cash Rewards program; and for the investments in the Sam's Club Plus Member Cash Rewards program and the new cash-back credit card with MasterCard creating a path for sustainable sales and member growth for the long term and expense headwinds for the remainder of fiscal year 2015.

The forward-looking statements also discuss other goals and objectives of Walmart and the anticipation and expectations of Walmart and its management as to other future occurrences, trends, and results.

All of these forward-looking statements are subject to risks, uncertainties and other factors, domestically and internationally, including: general economic conditions; business trends in our markets; economic conditions affecting specific markets in which we operate; competitive initiatives of other retailers and other competitive pressures; the amount of inflation or deflation that occurs, both generally and in certain product categories; consumer confidence, disposable income, credit availability, spending levels, spending patterns and debt levels; changes in the level of public assistance payments; customer acceptance of new initiatives and programs of the company and its operating segments; customer traffic in Walmart's stores and clubs and average ticket size; consumer acceptance of Walmart's product offerings; consumer acceptance of the company's stores and merchandise in the markets in which new units are opened; consumer shopping patterns in the markets in which the small store expansion of the Walmart U.S. operating segment occurs; disruption in the seasonal buying patterns in the United States and other markets; consumer demand for certain merchandise; geo-political conditions and events; the availability of attractive acquisition candidates among e-commerce and other retail-related companies; weather conditions and events and their effects; catastrophic events and natural disasters and their effects; public health emergencies; civil unrest and disturbances and terrorist attacks; commodity prices; the cost of goods Walmart sells; transportation costs; the cost of diesel fuel, gasoline, natural gas and electricity; the selling prices of gasoline; disruption of Walmart's supply chain, including transport of goods from foreign suppliers; Walmart's ability to identify and implement additional productivity gains and expense reductions; information security and information security costs; trade restrictions; changes in tariff and freight rates; labor costs; the availability of qualified labor pools in Walmart's markets; changes in employment laws and regulations; the cost of health care and other benefits; the number of associates enrolling in Walmart's healthcare plans; casualty and other insurance costs; accident-related 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 the company's ability to build, relocate or expand stores in certain locations; delays in construction of new, expanded or relocated units planned to be opened by certain dates; 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; availability of necessary utilities for new units; availability of skilled labor in areas in which new units are proposed to be constructed or in which existing units are to be relocated, expanded or remodeled; adoption of or changes in tax and other laws and regulations that affect Walmart's business, including changes in individual or corporate tax rates; developments in and the outcome of legal and regulatory proceedings to which Walmart is a party or is subject and the costs associated therewith; requirements for expenditures in connection with FCPA-related matters and compliance programs; currency exchange rate fluctuations; changes in market interest rates; conditions and events affecting domestic and global financial and capital markets; the unanticipated need to change Walmart's objectives and plans; factors that may affect Walmart's effective tax rate, including changes in Walmart's assessment of certain tax contingencies, valuation allowances, changes in law, outcomes of administrative audits, the impact of discrete items, and the mix of earnings among Walmart's U.S. and International operations; changes in generally accepted accounting principles; unanticipated changes in accounting estimates or judgments; and other risks. Walmart discusses certain of these matters more fully in its filings with the SEC, including its most recent Annual Report on Form 10-K (in which Walmart also discusses certain risk factors that may affect its operations, its results of operations and comparable store and club sales), and the information on this call should be considered in conjunction with that Annual Report on Form 10-K, and together with all of Walmart's other filings made with the SEC through the date of this call, including its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We urge you to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statements made in this call. Because of these factors, changes in facts, assumptions not being realized or other circumstances, Walmart's actual results may differ materially from anticipated results expressed or implied in these forward-looking statements. The forward-looking statements made in this call are made on and as of the date of this call, and 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. Information regarding certain of these non-GAAP financial measures and reconciliations of certain of these non-GAAP financial measures to their most directly comparable GAAP measures are available for review on the Investor's section of our corporate website at stock.walmart.com and in the information included in our earnings release, which is an exhibit to our Current Report on Form 8-K that we furnished to the SEC on May 15, 2014.