

Earnings Terminology

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

Adjusted EPS – Adjusted EPS excludes certain amounts not excluded in the diluted earnings per share from continuing operations attributable to Walmart calculated in accordance with GAAP. Management believes that Adjusted EPS is a meaningful metric to share with investors because the metric, which adjusts EPS for certain items recorded in the period, is the metric that best allows comparison of the performance for the comparable period. In addition, the metric affords investors a view of what management considers Walmart's core earnings performance and also affords investors the ability to make a more informed assessment of core earnings performance for the comparable period.

Gross Profit – When we refer to gross profit, we are referring to actual gross profit dollars.

Gross Profit Rate – Gross profit as a percentage of net sales, or gross profit rate, refers to the percentage obtained by dividing gross profit dollars by net sales dollars.