

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported):
May 19, 2016

Wal-Mart Stores, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-06991
(Commission File Number)

71-0415188
(IRS Employer Identification No.)

702 S.W. 8th Street
Bentonville, Arkansas 72716-0215
(Address of Principal Executive Offices) (Zip code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

In accordance with Item 2.02 of Form 8-K of the Securities and Exchange Commission (the "SEC"), Wal-Mart Stores, Inc., a Delaware corporation (the "Company"), is furnishing to the SEC a press release that the Company will issue on May 19, 2016 (the "Press Release") and a financial presentation that will be first posted by the Company on the Company's website at <http://stock.walmart.com> on May 19, 2016 (the "Financial Presentation"). The Press Release and the Financial Presentation will disclose information regarding the Company's results of operations for the three months ended April 30, 2016, and the Company's financial condition as of April 30, 2016.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 hereto, which are furnished herewith pursuant to and relate to this Item 2.02, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of Section 18 of the Exchange Act. The information in this Item 2.02 of this Current Report on Form 8-K and Exhibits 99.1 and 99.2 hereto shall not be incorporated by reference into any filing or other document filed by the Company with the SEC pursuant to the Securities Act of 1933, as amended, the rules and regulations of the SEC thereunder, the Exchange Act, or the rules and regulations of the SEC thereunder except as shall be expressly set forth by specific reference in such filing or document.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1 - A copy of the Press Release being furnished pursuant to and that is related to the foregoing Item 2.02 is included herewith as Exhibit 99.1.

Exhibit 99.2 - A copy of the Financial Presentation being furnished pursuant to and that is related to the foregoing Item 2.02 is included herewith as Exhibit 99.2.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 19, 2016

WAL-MART STORES, INC.

By:	<u>/s/ M. Brett Biggs</u>
Name:	M. Brett Biggs
Title:	Executive Vice President and Chief Financial Officer



Walmart reports Q1 FY17 EPS of \$0.98, EPS and Walmart U.S. comp sales exceed guidance


- ✱ Total revenue was \$115.9 billion. On a constant currency basis¹, total revenue was \$119.4 billion, an increase of 4.0%.
- ✱ Walmart U.S. delivered positive comp sales for the seventh consecutive quarter, up 1.0%, driven by the sixth consecutive quarter of positive traffic, up 1.5%. Neighborhood Market comp sales increased approximately 7.1%. Customer experience scores continued to improve.
- ✱ Net sales at Walmart International reached \$28.1 billion. Excluding currency¹, net sales were \$31.6 billion, an increase of 4.3%, and operating income increased 22%.
- ✱ Globally, on a constant currency basis, e-commerce sales and GMV increased 7.0% and 7.5%, respectively.
- ✱ Operating cash flow was \$6.2 billion and free cash flow¹ was \$4.0 billion, both higher than last year due to solid operating performance and improved working capital management.
- ✱ Consolidated operating income declined 7.1%, as planned investments in people and technology, as well as currency exchange rate fluctuations impacted results. Excluding currency¹, operating income decreased by 4.6%.

(Amounts in millions, except as noted)

"We are pleased to see the U.S. comp result, strong performance outside the U.S., membership trends in Sam's Club and EPS results versus guidance. In addition, we are focused on building the e-commerce capabilities we need to drive growth to a higher level and deliver the seamless shopping experience for customers they desire. Another highlight is the improved inventory position that contributed to strong cash flow performance. We're off to a good start for the year."

Doug McMillon, President and CEO, Wal-Mart Stores, Inc.

Key results

Walmart 	Q1 FY17	Q1 FY16	Change	
Revenue	\$115,904	\$114,826	\$1,078	0.9%
Revenue (constant currency) ¹	\$119,426	\$114,826	\$4,600	4.0%
Operating income	\$5,275	\$5,680	-\$405	-7.1%
Operating income (constant currency) ¹	\$5,416	\$5,680	-\$264	-4.6%

Free Cash Flow

	Q1 FY17	\$ Change
Operating cash flow	\$6,193	\$1,747
Capital expenditures	\$2,209	\$6
Free cash flow¹	\$3,984	\$1,741

Shareholder Returns


	Q1 FY17	% Change
Dividends	\$1,573	-0.4%
Share repurchases ²	\$2,735	876.8%
Total	\$4,308	131.7%


Guidance


"We are proud of the overall results in the first quarter, and there is momentum in many parts of the business. Based on our views of the global operating environment, and assuming currency exchange rates remain at current levels, we expect second quarter fiscal 2017 earnings per share to range between \$0.95 and \$1.08," said Brett Biggs, Wal-Mart Stores, Inc. executive vice president and CFO. "Additionally, we expect comp sales for Walmart U.S. to be about +1.0 percent, and Sam's Club, without fuel, to be slightly positive for the 13-week period ending July 29, 2016," added Biggs.

¹ See additional information at the end of this release regarding non-GAAP financial measures.

² \$14.7 billion remaining of \$20 billion authorization approved in October 2015. The company repurchased approximately 41 million shares in Q1 FY17.

 Walmart U.S. Save money. Live better.	Q1 FY17	Q1 FY16	Change	
Net sales	\$73,295	\$70,245	\$3,050	4.3%
Comp sales ¹	1.0%	1.1%	-10 bps	N/A
✴ Traffic	1.5%	1.0%	50 bps	N/A
✴ Ticket	-0.5%	0.1%	-60 bps	N/A
✴ E-commerce	~20 bps	~20 bps	0 bps	N/A
Operating income	\$4,232	\$4,639	-\$407	-8.8%

 Walmart International	Q1 FY17	Q1 FY16	Change	
Net sales	\$28,083	\$30,278	-\$2,195	-7.2%
Net sales (constant currency) ²	\$31,581	\$30,278	\$1,303	4.3%
Operating income	\$1,164	\$1,070	\$94	8.8%
Operating income (constant currency) ²	\$1,305	\$1,070	\$235	22.0%

 Sam's Club Savings Made Simple	Q1 FY17	Q1 FY16	Change	
Net sales	\$13,608	\$13,479	\$129	1.0%
Comp sales (ex. fuel) ^{1,2}	0.1%	0.4%	-30 bps	N/A
✴ Traffic	-0.2%	-0.2%	0 bps	N/A
✴ Ticket	0.3%	0.6%	-30 bps	N/A
✴ E-commerce	~60 bps	~40 bps	20 bps	N/A
Operating income	\$413	\$427	-\$14	-3.3%

Wal-Mart Stores, Inc. (NYSE: WMT) helps people around the world save money and live better - anytime and anywhere - in retail stores, online, and through their mobile devices. Each week, nearly 260 million customers and members visit our 11,527 stores under 63 banners in 28 countries and e-commerce websites in 11 countries. With fiscal year 2016 revenue of \$482.1 billion, Walmart employs approximately 2.3 million associates worldwide. Walmart continues to be a leader in sustainability, corporate philanthropy and employment opportunity. Additional information about Walmart can be found by visiting <http://corporate.walmart.com> on Facebook at <http://facebook.com/walmart> and on Twitter at <http://twitter.com/walmart>.

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¹ 13-week period ended Apr. 29, 2016, compared to 13-week period ended May 1, 2015.

² See additional information at the end of this release regarding non-GAAP financial measures.

Along with this press release, Walmart makes available a recorded call with executive leaders and a financial presentation to review the business results, provide strategic updates, and comment on expectations for the future. We provide that call in both audio form and in a written transcript. Details on accessing the call are as follows:

- 877-523-5612 (U.S. and Canada)
- 201-689-8483 (other countries)
- Passcode: 9256278 (Walmart)
- MP3 @ stock.walmart.com

The call is archived at stock.walmart.com

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Forward Looking Statements

This release contains statements as to Walmart management's guidance regarding the diluted earnings per share from continuing operations attributable to Walmart for the three months ending July 31, 2016, and Walmart U.S.'s comparable store sales and Sam's Club's comparable club sales, excluding fuel, for the 13 weeks ending July 29, 2016. Walmart believes such statements are "forward-looking statements" as defined in, and they are intended to enjoy the protection of the safe harbor for forward-looking statements provided by, the Private Securities Litigation Reform Act of 1995, as amended. Walmart's actual results may differ materially from the guidance provided and the underlying assumptions and management's expectations noted above as a result of changes in circumstances, 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;
- currency exchange rate fluctuations, changes in market interest rates and commodity prices;
- unemployment levels;
- 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;
- consumer enrollment in health and drug insurance programs and such programs' reimbursement rates;
- the amount of Walmart's net sales denominated in the U.S. dollar and various foreign currencies;
- the financial performance of Walmart and each of its segments;
- factors affecting Walmart's effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations;
- customer traffic and average ticket in Walmart's stores and clubs and on its e-commerce websites;
- the mix of merchandise Walmart sells, the cost of goods it sells and the shrinkage it experiences;
- the amount of Walmart's total sales and operating expenses in the various markets in which Walmart operates;
- transportation, energy and utility costs and the selling prices of gasoline and diesel fuel;
- supply chain disruptions and disruptions in seasonal buying patterns;
- consumer acceptance of and response to Walmart's stores, clubs, e-commerce websites, mobile apps, initiatives, programs and merchandise offerings;
- cyber security events affecting Walmart and related costs;
- developments in, outcomes of, and costs incurred in legal proceedings to which Walmart is a party;
- casualty and accident-related costs and insurance costs;
- the turnover in Walmart's workforce and labor costs, including healthcare and other benefit costs;
- changes in accounting estimates or judgments;
- changes in existing tax, labor and other laws and changes in tax rates, trade restrictions and tariff rates;
- the level of public assistance payments;
- natural disasters, public health emergencies, civil disturbances, and terrorist attacks;
- Walmart's expenditures for FCPA and compliance related costs; and
- outcomes of and costs incurred in legal proceedings to which Walmart is a party.

Such risks, uncertainties and factors also include the risks relating to Walmart's operations and financial performance discussed in Walmart's most recent annual report on Form 10-K filed with the SEC. You should read this release 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 subsequently filed with the SEC. You should consider all of the risks, uncertainties and other factors identified above and in those SEC reports carefully when evaluating the forward-looking statements in this release. Walmart cannot assure you that the future results reflected in or implied by any such forward-looking statement will be realized or, even if substantially realized, will have the forecast or expected consequences and effects for or on Walmart's operations or financial performance. Such forward-looking statements are made as of the date of this release, and Walmart undertakes no obligation to update such statements to reflect subsequent events or circumstances.

Wal-Mart Stores, Inc.
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended		
	April 30,		Percent
	2016	2015	Change
<i>(Dollars in millions, except per share data)</i>			
Revenues:			
Net sales	\$ 114,986	\$ 114,002	0.9 %
Membership and other income	918	824	11.4 %
Total revenues	115,904	114,826	0.9 %
Costs and expenses:			
Cost of sales	86,544	86,483	0.1 %
Operating, selling, general and administrative expenses	24,085	22,663	6.3 %
Operating income	5,275	5,680	(7.1)%
Interest:			
Debt	499	523	(4.6)%
Capital lease and financing obligations	86	320	(73.1)%
Interest income	(24)	(19)	26.3 %
Interest, net	561	824	(31.9)%
Income before income taxes	4,714	4,856	(2.9)%
Provision for income taxes	1,498	1,573	(4.8)%
Consolidated net income	3,216	3,283	(2.0)%
Consolidated net income attributable to noncontrolling interest	(137)	58	(336.2)%
Consolidated net income attributable to Walmart	\$ 3,079	\$ 3,341	(7.8)%
Net income per common share:			
Basic net income per common share attributable to Walmart	\$ 0.98	\$ 1.03	(4.9)%
Diluted net income per common share attributable to Walmart	\$ 0.98	\$ 1.03	(4.9)%
Weighted-average common shares outstanding:			
Basic	3,144	3,231	
Diluted	3,154	3,243	
Dividends declared per common share	\$ 2.00	\$ 1.96	

Wal-Mart Stores, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(Dollars in millions)

	April 30, 2016	January 31, 2016	April 30, 2015
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,597	\$ 8,705	\$ 7,759
Receivables, net	5,187	5,624	5,813
Inventories	44,513	44,469	46,310
Prepaid expenses and other	1,800	1,441	2,251
Total current assets	59,097	60,239	62,133
Property and equipment:			
Property and equipment	178,296	176,958	176,403
Less accumulated depreciation	(68,509)	(66,787)	(64,252)
Property and equipment, net	109,787	110,171	112,151
Property under capital lease and financing obligations:			
Property under capital lease and financing obligations	11,667	11,096	7,090
Less accumulated amortization	(4,960)	(4,751)	(3,556)
Property under capital lease and financing obligations, net	6,707	6,345	3,534
Goodwill	16,751	16,695	17,531
Other assets and deferred charges	6,363	6,131	5,398
Total assets	\$ 198,705	\$ 199,581	\$ 200,747
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	\$ 3,813	\$ 2,708	\$ 799
Accounts payable	37,997	38,487	37,224
Dividends payable	4,723	—	4,741
Accrued liabilities	19,605	19,607	18,685
Accrued income taxes	1,328	521	1,707
Long-term debt due within one year	2,257	2,745	6,041
Capital lease and financing obligations due within one year	559	551	427
Total current liabilities	70,282	64,619	69,624
Long-term debt	37,151	38,214	38,867
Long-term capital lease and financing obligations	6,242	5,816	4,097
Deferred income taxes and other	7,272	7,321	8,169
Commitments and contingencies			
Equity:			
Common stock	313	317	323
Capital in excess of par value	1,720	1,805	2,354
Retained earnings	84,145	90,021	82,492
Accumulated other comprehensive income (loss)	(10,995)	(11,597)	(8,595)
Total Walmart shareholders' equity	75,183	80,546	76,574
Nonredeemable noncontrolling interest	2,575	3,065	3,416
Total equity	77,758	83,611	79,990
Total liabilities and equity	\$ 198,705	\$ 199,581	\$ 200,747

Wal-Mart Stores, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended	
	April 30,	
	2016	2015
<i>(Dollars in millions)</i>		
Cash flows from operating activities:		
Consolidated net income	\$ 3,216	\$ 3,283
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	2,388	2,319
Deferred income taxes	(122)	(159)
Other operating activities	(33)	239
Changes in certain assets and liabilities:		
Receivables, net	494	782
Inventories	264	(1,475)
Accounts payable	(234)	(319)
Accrued liabilities	(590)	(919)
Accrued income taxes	810	695
Net cash provided by operating activities	6,193	4,446
Cash flows from investing activities:		
Payments for property and equipment	(2,209)	(2,203)
Proceeds from the disposal of property and equipment	89	68
Proceeds from disposal of certain operations	—	—
Other investing activities	1	22
Net cash used in investing activities	(2,119)	(2,113)
Cash flows from financing activities:		
Net change in short-term borrowings	1,065	(741)
Proceeds from issuance of long-term debt	127	43
Payments of long-term debt	(2,013)	(915)
Dividends paid	(1,573)	(1,579)
Purchase of Company stock	(2,735)	(280)
Dividends paid to noncontrolling interest	(57)	(69)
Purchase of noncontrolling interest	(126)	(70)
Other financing activities	(120)	(84)
Net cash used in financing activities	(5,432)	(3,695)
Effect of exchange rates on cash and cash equivalents	250	(14)
Net increase (decrease) in cash and cash equivalents	(1,108)	(1,376)
Cash and cash equivalents at beginning of year	8,705	9,135
Cash and cash equivalents at end of period	\$ 7,597	\$ 7,759

Wal-Mart Stores, Inc.
Supplemental Financial Information
(Unaudited)

Net sales and operating income

	Net Sales			Operating Income		
	Three Months Ended			Three Months Ended		
	April 30,			April 30,		
(dollars in millions)	2016	2015	Percent Change	2016	2015	Percent Change
Walmart U.S.	\$ 73,295	\$ 70,245	4.3 %	\$ 4,232	\$ 4,639	-8.8 %
Walmart International	28,083	30,278	-7.2 %	1,164	1,070	8.8 %
Sam's Club	13,608	13,479	1.0 %	413	427	-3.3 %
Corporate and support	—	—	0.0 %	-534	-456	-17.1 %
Consolidated	\$ 114,986	\$ 114,002	0.9 %	\$ 5,275	\$ 5,680	-7.1 %

U.S. comparable store sales results

	Without Fuel		With Fuel		Fuel Impact	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	4/29/2016	5/1/2015	4/29/2016	5/1/2015	4/29/2016	5/1/2015
Walmart U.S.	1.0%	1.1%	1.0%	1.1%	0.0%	0.0%
Sam's Club ¹	0.1%	0.4%	-1.9%	-3.8%	-2.0%	-4.2%
Total U.S.	0.8%	1.0%	0.5%	0.2%	-0.3%	-0.8%

¹ See additional information at the end of this release regarding non-GAAP financial measures.

Wal-Mart Stores, Inc.**Reconciliations of and Other Information Regarding Non-GAAP Financial Measures
(Unaudited)**

The following information provides reconciliations of certain non-GAAP financial measures presented in the press release to which this reconciliation is attached to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles (GAAP). The company has provided the non-GAAP financial information presented in the press release, which is not calculated or presented in accordance with GAAP, as information supplemental and in addition to the financial measures presented in the press release that are calculated and presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for or alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the press release. The non-GAAP financial measures in the press release may differ from similar measures used by other companies.

Free Cash Flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. Free cash flow was \$4.0 billion and \$2.2 billion for the three months ended April 30, 2016 and 2015, respectively. The increase in free cash flow was primarily due to improved working capital management.

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

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

Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by Walmart's management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities.

	Three Months Ended April 30,	
	2016	2015
<i>(Dollars in millions)</i>		
Net cash provided by operating activities	\$ 6,193	\$ 4,446
Payments for property and equipment (capital expenditures)	(2,209)	(2,203)
Free cash flow	\$ 3,984	\$ 2,243
Net cash used in investing activities ¹	\$ (2,119)	\$ (2,113)
Net cash used in financing activities	\$ (5,432)	\$ (3,695)

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

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, if any, 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.

The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three months ended April 30, 2016.

(Dollars in millions)	Three Months Ended April 30,			
	Walmart International		Consolidated	
	2016	Percent Change	2016	Percent Change
Total revenues:				
As reported	\$ 28,356	(7.2)%	\$ 115,904	0.9 %
Currency exchange rate fluctuations ¹	3,522		3,522	
Constant currency total revenues	\$ 31,878	4.4 %	\$ 119,426	4.0 %
Net sales:				
As reported	\$ 28,083	(7.2)%	\$ 114,986	0.9 %
Currency exchange rate fluctuations ¹	3,498		3,498	
Constant currency net sales	\$ 31,581	4.3 %	\$ 118,484	3.9 %
Operating income:				
As reported	\$ 1,164	8.8 %	\$ 5,275	(7.1)%
Currency exchange rate fluctuations ¹	141		141	
Constant currency operating income	\$ 1,305	22.0 %	\$ 5,416	(4.6)%

¹ Excludes currency exchange rate fluctuations related to acquisitions until the acquisitions are included in both comparable periods.

Comparable Sam's Club Sales Measures

The comparable club sales of the company's Sam's Club operating segment ("Sam's Club") for the 13-week periods ended April 29, 2016 and May 1, 2015, in each case calculated by excluding Sam's Club's fuel sales for such periods (the "Sam's Club Comparable Sales Measures"), is a non-GAAP financial measure as defined by the SEC's rules. We believe the Sam's Club comparable club sales for the historical periods for which the corresponding Sam's Club Comparable Sales Measures are presented calculated by including fuel sales are the financial measures computed in accordance with GAAP most directly comparable to the respective Sam's Club Comparable Sales Measures.

We believe that the presentation of the Sam's Club Comparable Sales Measures provides useful information to investors regarding the company's financial condition and results of operations because that information permits investors to understand the effect of the fuel sales, which are affected by the volatility of fuel prices, on Sam's Club's comparable club sales for the periods presented.

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Wal-Mart Stores, Inc.



Financial presentation
to accompany
management transcript

Q1
FY17



Safe harbor and non-GAAP financial measures

This presentation contains statements as to Walmart management's guidance regarding the diluted earnings per share from continuing operations attributable to Walmart for the three months ending July 31, 2016, Walmart U.S.'s comparable store sales and Sam's Club's comparable club sales, excluding fuel, for the 13 weeks ending July 29, 2016 and the third party FCPA-related expenses expected to be incurred for year ending January 31, 2017. Walmart believes such statements are "forward-looking statements" as defined in, and they are intended to enjoy the protection of the safe harbor for forward-looking statements provided by, the Private Securities Litigation Reform Act of 1995, as amended. Walmart's actual results may differ materially from the guidance provided and the underlying assumptions and management's expectations noted above as a result of changes in circumstances, 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;
- currency exchange rate fluctuations, changes in market interest rates and commodity prices;
- unemployment levels;
- 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;
- consumer enrollment in health and drug insurance programs and such programs' reimbursement rates;
- the amount of Walmart's net sales denominated in the U.S. dollar and various foreign currencies;
- the financial performance of Walmart and each of its segments;
- Walmart's effective tax rate for the quarter ending July 31, 2016 and the factors affecting Walmart's effective tax rate, including assessments of certain tax contingencies, valuation allowances, changes in law, administrative audit outcomes, impact of discrete items and the mix of earnings between the U.S. and Walmart's international operations;
- customer traffic and average ticket in Walmart's stores and clubs and on its e-commerce websites;
- the mix of merchandise Walmart sells, the cost of goods it sells and the shrinkage it experiences;
- the amount of Walmart's total sales and operating expenses in the various markets in which Walmart operates;
- transportation, energy and utility costs and the selling prices of gasoline and diesel fuel;
- supply chain disruptions and disruptions in seasonal buying patterns;
- consumer acceptance of and response to Walmart's stores, clubs, e-commerce websites, mobile apps, initiatives, programs and merchandise offerings;
- cyber security events affecting Walmart and related costs;
- developments in, outcomes of, and costs incurred in legal proceedings to which Walmart is a party;
- casualty and accident-related costs and insurance costs;
- the turnover in Walmart's workforce and labor costs, including healthcare and other benefit costs;
- changes in accounting estimates or judgments;
- changes in existing tax, labor and other laws and changes in tax rates, trade restrictions and tariff rates;
- the level of public assistance payments;
- natural disasters, public health emergencies, civil disturbances, and terrorist attacks.
- Walmart's expenditures for FCPA and compliance related costs; and
- outcomes of and costs incurred in legal proceedings to which Walmart is a party.

Such risks, uncertainties and factors also include the risks relating to Walmart's operations and financial performance discussed in Walmart's most recent annual report on Form 10-K filed with the SEC. You should read this release 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 subsequently filed with the SEC. You should consider all of the risks, uncertainties and other factors identified above and in those SEC reports carefully when evaluating the forward-looking statements in this release. Walmart cannot assure you that the future results reflected in or implied by any such forward-looking statement will be realized or, even if substantially realized, will have the forecast or expected consequences and effects for or on Walmart's operations or financial performance. Such forward-looking statements are made as of the date of this release, and Walmart undertakes no obligation to update such statements to reflect subsequent events or circumstances.

This presentation includes certain non-GAAP financial measures as defined under SEC rules, including net sales, revenue, and operating income on a constant currency basis, Sam's Club comp sales excluding fuel, free cash flow, and return on investment. Refer to Appendix - Non-GAAP Financial Measures for more information about the non-GAAP financial measures contained in this presentation. Additional information as required by Regulation G regarding non-GAAP financial measures can be found in our most recent Form 10-K, Form 10-Q, and our Form 8-K filed as of the date of this presentation with the SEC, which are available at www.stock.walmart.com.



Guidance



FY17 Q2 EPS:

- \$0.95 to \$1.08



13-week period¹:

- around +1.0%



13-week period¹:

- Slightly positive

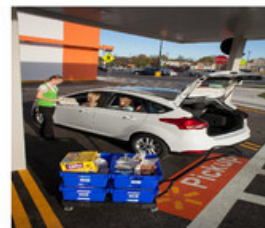


¹ 13-week period from April 30, 2016 through July 29, 2016, compared to 13-week period ended July 31, 2015.

Wal-Mart Stores, Inc.

(Amounts in millions, except share data)

	Q1	\$ Δ ¹	% Δ ¹
Total revenue	\$115,904	\$1,078	0.9%
Total revenue, constant currency ²	\$119,426	\$4,600	4.0%
Net sales	\$114,986	\$984	0.9%
Net sales, constant currency ²	\$118,484	\$4,482	3.9%
Membership & other income	\$918	\$94	11.4%
Operating income	\$5,275	-\$405	-7.1%
Operating income, constant currency ²	\$5,416	-\$264	-4.6%
Interest expense, net	\$561	-\$263	-31.9%
Consolidated net income attributable to Walmart	\$3,079	-\$262	-7.8%
Diluted EPS (continuing operations)	\$0.98	-\$0.05	-4.9%

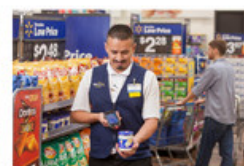


¹ Change versus prior year comparable period.

² See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

Wal-Mart Stores, Inc.

	Q1	bps Δ^1
Gross profit rate	24.7%	60 bps
Operating expenses as a percentage of net sales	21.0%	107 bps
Effective tax rate	31.8%	-61 bps
Debt to total capitalization ²	40.0%	40 bps
Return on investment ^{3,4}	15.3%	-130 bps



¹ Basis points change versus prior year comparable period.

² Debt to total capitalization is calculated as of April 30, 2016. Debt includes short-term borrowings, long-term debt due within one year, capital lease and financing obligations due within one year, long-term debt, and long-term capital lease and financing obligations. Total capitalization includes debt and total Walmart shareholders' equity.

³ ROI is calculated for the trailing 12 months ended April 30, 2016.

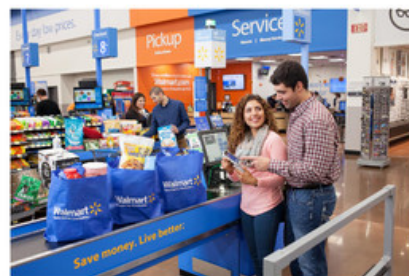
⁴ See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.



Wal-Mart Stores, Inc.

<i>(Amounts in millions)</i>	Q1	\$ Δ^1	% Δ^1
Receivables, net	\$5,187	-\$626	-10.8%
Inventories	\$44,513	-\$1,797	-3.9%
Accounts payable	\$37,997	\$773	2.1%

¹ Change versus prior year comparable period.



Wal-Mart Stores, Inc.

(Amounts in millions)	Q1 FY17	\$ Δ^1
Operating cash flow	\$6,193	\$1,747
Capital expenditures	\$2,209	\$6
Free cash flow²	\$3,984	\$1,741

(Amounts in millions)	Q1 FY17	% Δ^1
Dividends	\$1,573	-0.4%
Share repurchases ³	\$2,735	876.8%
Total	\$4,308	131.7%



¹ Change versus prior year comparable period.

² See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

³ \$14.7 billion remaining of \$20 billion authorization approved in October 2015.

Walmart U.S.

(Amounts in millions)

	Q1	Δ^1
Net sales	\$73,295	4.3%
Comparable store sales ²	1.0%	-10 bps
• Comp traffic	1.5%	50 bps
• Comp ticket	-0.5%	-60 bps
E-commerce impact ³	~0.2%	— bps
Neighborhood Market	~7.1%	-80 bps
Gross profit rate	Increase	44 bps
Operating expense	Increase	141 bps
Operating income	\$4,232	-8.8%



¹ Change versus prior year comparable period.

² Comp sales are on a 13-week basis for the period ended April 29, 2016.

³ The company's e-commerce sales impact includes those sales initiated through the company's websites and fulfilled through the company's dedicated e-commerce distribution facilities, as well as an estimate for sales initiated online, but fulfilled through the company's stores and clubs.

Walmart U.S. - financial highlights

Sales

- +1% comp sales growth led by comp traffic of +1.5%; 2-year stack basis comp sales +2.1%.
- Deflation in food negatively impacted comps by approximately 60 basis points versus last year's Q1 comp.
- Strength in health & wellness, apparel, home & seasonal, and hardlines.

Gross Margin

- 44 bps growth in gross margin due to improved margin rates in grocery and health & wellness partially offset by a reduced margin rate in general merchandise, as our continued efforts to improve inventory productivity and drive a better customer experience drove higher markdowns in the first quarter versus last year.
- Gross margin also benefited from a continued focus on efforts to reduce costs in operating the business and procuring merchandise, improved shrink and lower transportation costs.

Expenses

- As expected, expenses increased primarily as a result of initiating the second phase of wage rate increases in February, as well as investments in technology. Partially offsetting these increases were lower utility & maintenance expenses due to a milder winter.

Inventory

- Total inventory declined 3.5%, and comp store inventory declined by 5.7%, while in-stock levels improved.

Format growth

- Opened 13 Supercenters (including conversions and relocations) and 20 Neighborhood Markets.
- Expanding online grocery to 9 new markets, bringing the total to nearly 40 markets by the end of May.



Walmart U.S. - merchandise highlights

Category	Comp	Comments
Grocery ¹	- low single-digit	Continued deflation in food was partially offset by strong traffic in grocery. Better in-stock levels and a focus on assortment drove stronger consumables results, particularly in beauty and pets.
Health & wellness	+ mid single-digit	Pharmacy script count growth, along with branded drug inflation led the category higher. OTC benefited from better in-stock levels and a more year-round allergy business.
General merchandise ²	+ low single-digit	A focus on basics contributed to strength in apparel, while toys benefited from licensed brands and improved in-stock levels. The addition of Auto Service Center managers and a focus on basics in Tools drove solid results in hardlines, and home benefited from new brands such as Pioneer Woman. Electronics experienced positive comps as a result of better in-stock levels due to lapping last year's port congestion, along with stronger adoption of new technology in TVs. Wireless remains a headwind driven by overall industry declines. Overall, enhanced inventory focus is improving in-stock levels and allowing more space for seasonally-appropriate items.



¹ Includes food and consumables.

² In order to align with how we manage the business, general merchandise now includes entertainment, toys, hardlines, apparel and home/seasonal.

Walmart International

(Amounts in millions)	Reported		Constant currency ¹	
	Q1	Δ^2	Q1	Δ^2
Net sales	\$28,083	-7.2%	\$31,581	4.3%
Gross profit rate	Increase	70 bps	NP	NP
Operating income	\$1,164	8.8%	\$1,305	22.0%



¹ See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

² Change versus prior year comparable period.

Walmart International - financial highlights

Sales

- Ten of 11 markets had positive comp sales. Nine of 11 markets had comp sales greater than 4%.
- Continued strength at Walmex and in Canada.
- Currency exchange rate fluctuations negatively impacted net sales by \$3.5 billion, but was a bit lower than anticipated.

Operating income

- Higher sales, gross profit rate improvement and targeted cost reduction initiatives led to strong growth in operating income on a constant currency basis, led by Walmex and Canada.

Expenses

- We leveraged expenses in the majority of markets as the focus continued on "We Operate for Less" initiatives.

Inventory

- A focus on reducing unproductive and obsolete merchandise led to inventory growth that was slower than the growth in net sales, on a constant currency basis.



Walmart International - key markets

Country ^{1,2}	Comp ³			Net sales ³	Gross profit rate ³	Operating income ³
	Sales	Traffic	Ticket			
United Kingdom ⁴	-5.7%	-5.0%	-0.7%	-3.6%	Increase	Decrease
Walmex ⁵	8.6%	2.1%	6.5%	9.5%	Increase	Increase
Canada	6.7%	4.6%	2.1%	8.6%	Increase	Increase
Brazil	4.5%	-3.7%	8.2%	1.4%	Decrease	Decrease
China	1.4%	-3.8%	5.2%	5.1%	Increase	Increase



¹ Results are on a constant currency basis. Net sales and comp sales are presented on a nominal, calendar basis.

² E-commerce results included for the United Kingdom, Walmex and Canada. E-commerce results are reported separately for Brazil and China and are not included in the table.

³ Change versus prior year comparable period.

⁴ Comp sales for the United Kingdom are presented excluding fuel.

⁵ Walmex includes the consolidated results of Mexico and Central America.

Walmart International - key market highlights

Walmex

- Strong sales momentum for Walmex continued across all formats, divisions, countries and regions, led by strong performances in food and consumables.
- Growth in total sales and comp sales significantly outpaced the rest of the self-service market, according to ANTAD.
- Sam's Club continued its turnaround with on-going progress in food and consumables, in addition to strong comp sales in general merchandise and electronics.
- Higher gross margins, driven by strong inventory management, reduced clearance and good expense management led to strong growth in operating income.

Canada

- Comp sales were positive for the eighth consecutive quarter. Assortment enhancements led to strong customer traffic.
- Gained 100 basis points of market share for the 12-week period ended April 16, according to Nielsen, led by food, consumables, health & wellness and infant.
- E-commerce continues to grow, and the expansion of online grocery to the Toronto metro area is performing well.
- Even as e-commerce investments continued, the ability to leverage expenses in the core business led to growth in operating income that outpaced growth in sales.



Walmart International - key market highlights (cont.)

U.K.

- Significant, structural shifts in the market driven by growth in hard discounters and intense price competition, led to continued deflation in food that has now lasted for 20 consecutive months.
- Project Renewal remains a focus with the aim to simplify and strengthen the customer offer, reduce costs and drive sales.
- The cost analytics program, which is part of Project Renewal, made good progress and delivered savings in line with expectations, and is helping to deliver an improvement in the price position against key competitors.
- Improvements in price and product availability throughout the quarter were not enough to overcome traffic and food volume declines in the large store format.
- Improvements in working capital and discipline in capital spending led to free cash flow that met expectations.



Walmart International - key market highlights (cont.)

China

- Good overall results despite challenging macro-economic environment.
- A strong performance during Chinese New Year, double-digit growth in gift card loading and continued strengthening in the fresh category led to good sales growth and positive comps.
- "We Operate for Less" initiatives continued to deliver results. Through store and DC productivity improvements, expenses grew at a slower rate than sales.
- The online grocery service is now in three additional cities, and the cross border e-commerce pilot "Walmart Global Shop" expanded and provides customers with access to a limited selection of trusted imported items and brands.

Brazil

- High inflation contributed to an economic environment that continues to be challenging.
- Strong performance in the wholesale business led to sales growth and the closure of unprofitable stores led to solid comp sales.



Sam's Club

(Amounts in millions)

	Without fuel ¹		With fuel	
	Q1	Δ ²	Q1	Δ ²
Net sales	\$12,727	2.9%	\$13,608	1.0%
Comparable club sales ³	0.1%	-30 bps	-1.9%	190 bps
• Comp traffic	-0.2%	— bps	NP	NP
• Comp ticket	0.3%	-30 bps	NP	NP
E-commerce impact ⁴	~0.6%	20 bps	NP	NP
Gross profit rate	Increase	18 bps	Increase	51 bps
Membership income	NP	3.9%	NP	NP
Operating income	\$408	-6.4%	\$413	-3.3%



¹ See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

² Change versus prior year comparable period.

³ Comp sales are on a 13-week basis for the period ended April 29, 2016

⁴ The company's e-commerce sales impact includes those sales initiated through the company's websites and fulfilled through the company's dedicated e-commerce distribution facilities, as well as an estimate for sales initiated online, but fulfilled through the company's stores and clubs.

Sam's Club - financial highlights

Sales

- Comp sales¹ were in-line with guidance at +0.1%. Deflation negatively impacted comp sales by approximately 50 basis points versus last year's Q1 comp.
- E-commerce contributed approximately 60 basis points to comp sales.
 - Club Pickup sales grew more than 30% and represents the fastest growing piece of the business.
 - Continued strong growth in direct-to-home sales.

Gross Margin¹

- Investments in membership value continued through price and cash rewards. Despite these investments, gross profit rate increased 18 basis points over last year.

Expenses¹

- Operating expenses deleveraged during the quarter as investments in people and technology continued.

Membership Income

- Membership income grew 3.9% over last year.
- Plus Member renewals increased more than 30% for the quarter, and Plus penetration was near an all-time high.
- Members continued to recognize the value that Sam's Club provides. Member benefits from the 5/3/1 credit card increased more than 50% over last year.

Inventory

- Inventory grew at a rate slower than sales growth at 50 basis points despite strategic purchases in key categories.



¹Excluding fuel. See press release located at www.stock.walmart.com and reconciliations at the end of presentation regarding non-GAAP financial measures.

Sam's Club - category highlights

Category	Comp	Comments
Fresh / Freezer / Cooler	- low single-digit	Deflationary trends continued in fresh meat and dairy. Discipline in assortment changes and slower business member traffic pressured frozen foods. Improved availability in key items led to strong results in produce.
Grocery and beverage	+ low single-digit	Dry grocery was negatively impacted by deflation in key categories. Strong feature activity and new item launches from the prior year pressured comparisons. Improved value from the expansion of private label produced good results especially in juice, water and sports drinks.
Consumables	+ low single-digit	Product innovation and private label expansion benefited key areas including laundry, home care and paper goods.
Home and apparel	+ low single-digit	Strong item merchandising in apparel, especially children's apparel, kitchen electronics and home improvement delivered good results. Weakness continued in tire and battery.
Technology, office and entertainment	- mid single-digit	The reallocation of space in music and movies, along with challenges in wireless installment plans pressured the category.
Health and wellness	+ mid single-digit	RX benefited from growth in script counts and the Free/4/10 Plus benefit program. Improved pricing and assortment led to strong performance in OTC.



Third party FCPA and compliance-related expenses

(Amounts in millions)

	Q1	
	FY17	FY16
Ongoing inquiries and investigations	\$21	\$25
Global compliance program and organizational enhancements	\$4	\$8
Total	\$25	\$33

- In fiscal year 2017, we expect our third party FCPA-related expenses to range between \$100 and \$120 million. Recall that these are included in our Corporate and support expenses.



Non-GAAP measures - ROI

Management believes return on investment (ROI) is a meaningful metric to share with investors because it helps investors assess how effectively Walmart is deploying its assets. Trends in ROI can fluctuate over time as management balances long-term potential strategic initiatives with possible short-term impacts.

ROI was 15.3 percent and 16.6 percent for the trailing 12 months ended April 30, 2016 and 2015, respectively. The decline in ROI was primarily due to our decrease in operating income.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the trailing 12 months divided by average invested capital during that period. We consider average invested capital to be the average of our beginning and ending total assets, plus average accumulated depreciation and average amortization, less average accounts payable and average accrued liabilities for that period, plus a rent factor equal to the rent for the fiscal year or trailing 12 months multiplied by a factor of 8. When we have discontinued operations, we exclude the impact of the discontinued operations.

Our calculation of ROI is considered a non-GAAP financial measure because we calculate ROI using financial measures that exclude and include amounts that are included and excluded in the most directly comparable GAAP financial measure. For example, we exclude the impact of depreciation and amortization from our reported operating income in calculating the numerator of our calculation of ROI. In addition, we include a factor of 8 for rent expense that estimates the hypothetical capitalization of our operating leases. We consider return on assets (ROA) to be the financial measure computed in accordance with generally accepted accounting principles (GAAP) most directly comparable to our calculation of ROI. ROI differs from ROA (which is consolidated net income for the period divided by average total assets for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; adjusts total assets for the impact of accumulated depreciation and amortization, accounts payable and accrued liabilities; and incorporates a factor of rent to arrive at total invested capital. Because of the adjustments mentioned above, we believe ROI more accurately measures how we are deploying our key assets and is more meaningful to investors than ROA.

Although ROI is a standard financial metric, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI.



Non-GAAP measures - ROI cont.

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

Wal-Mart Stores, Inc.						
Return on Investment and Return on Assets						
(Dollars in millions)	Trailing Twelve Months Ended		(Dollars in millions)	Trailing Twelve Months Ended		
	April 30,			April 30,		
	2016	2015		2016	2015	
CALCULATION OF RETURN ON INVESTMENT			CALCULATION OF RETURN ON ASSETS			
Numerator			Numerator			
Operating income	\$ 23,700	\$ 26,634	Consolidated net income	\$ 15,013	\$ 16,386	
+ Interest income	85	108	Denominator			
+ Depreciation and amortization	9,523	9,242	Average total assets ¹	\$ 199,726	\$ 201,406	
+ Rent	2,492	2,763	Return on assets (ROA)	7.5%	8.1%	
Adjusted operating income	\$ 35,800	\$ 38,747				
Denominator			As of April 30,			
Average total assets ¹	\$ 199,726	\$ 201,406	Certain Balance Sheet Data	2016	2015	2014
+ Average accumulated depreciation and amortization ¹	70,639	65,213	Total assets	\$ 198,705	\$ 200,747	\$ 202,064
- Average accounts payable ¹	37,611	36,786	Accumulated depreciation and amortization	73,469	67,808	62,617
- Average accrued liabilities ¹	19,145	18,246	Accounts payable	37,997	37,224	36,347
+ Rent x 8	19,936	22,104	Accrued liabilities	19,605	18,685	17,807
Average invested capital	\$ 233,545	\$ 233,691				
Return on investment (ROI)	15.3%	16.6%				



¹ The average is based on the addition of the account balance at the end of the current period to the account balance at the end of the prior period and dividing by 2.

Non-GAAP measures - free cash flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. Free cash flow was \$4.0 billion and \$2.2 billion for the three months ended April 30, 2016 and 2015, respectively. The increase in free cash flow was primarily due to improved working capital management.

Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, Walmart's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities.

(Dollars in millions)	Three Months Ended April 30,	
	2016	2015
Net cash provided by operating activities	\$ 6,193	\$ 4,446
Payments for property and equipment (capital expenditures)	(2,209)	(2,203)
Free cash flow	\$ 3,984	\$ 2,243
Net cash used in investing activities ¹	\$ (2,119)	\$ (2,113)
Net cash used in financing activities	\$ (5,432)	\$ (3,695)

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



Non-GAAP measures - constant currency

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 into U.S. dollars. 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. We refer to the results of calculation as the impact of currency exchange rate fluctuations. When we report constant currency operating results, we are reporting operating results without the impact of currency exchange rate fluctuations and without the impact of acquisitions, if any, 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. The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three months ended April 30, 2016.

(Dollars in millions)	Three Months Ended April 30,			
	Walmart International		Consolidated	
	2016	Percent Change	2016	Percent Change
Total revenues:				
As reported	\$ 28,356	(7.2)%	\$ 115,904	0.9 %
Currency exchange rate fluctuations [†]	3,522		3,522	
Constant currency total revenues	\$ 31,878	4.4 %	\$ 119,426	4.0 %
Net sales:				
As reported	\$ 28,083	(7.2)%	\$ 114,986	0.9 %
Currency exchange rate fluctuations [†]	3,498		3,498	
Constant currency net sales	\$ 31,581	4.3 %	\$ 118,484	3.9 %
Operating income:				
As reported	\$ 1,164	8.8 %	\$ 5,275	(7.1)%
Currency exchange rate fluctuations [†]	141		141	
Constant currency operating income	\$ 1,305	22.0 %	\$ 5,416	(4.6)%

[†] Excludes currency exchange rate fluctuations related to acquisitions until the acquisitions are included in both comparable periods.



Non-GAAP measures - fuel impact

The net sales and operating income of Sam's Club for the quarter ended April 30, 2016, the percentage changes in those financial measures from the prior year period, Sam's Club's comparable club sales for the 13-week period ended April 29, 2016 and Sam's Club's projected comparable club sales for the 13-week period ending July 29, 2016, in each case calculated by excluding Sam's Club's fuel sales for such periods, are non-GAAP financial measures. We believe the Sam's Club net sales and operating income for the quarter ended April 30, 2016, the percentage changes in those financial measures from the prior year period, Sam's Club's comparable club sales for the 13-week period ended April 29, 2016, and Sam's Club's projected fuel sales for the 13-week period ending July 31, 2016, in each case calculated by including Sam's Club's fuel sales for such period, are, respectively, the financial measures computed in accordance with GAAP most directly comparable to the non-GAAP financial measures described above.

We believe that the presentation of the non-GAAP financial measures with respect to Sam's Club described above provides useful information to investors regarding Walmart's financial condition and results of operations because that information permits investors to understand the effect of the fuel sales of Sam's Club, which are affected by the volatility of fuel prices, on Sam's Club's net sales and operating income and on Sam's Club's comparable club sales for the periods presented.



Non-GAAP measures - fuel impact cont.

The table below reflects the calculation of the fuel impact for net sales and operating income for the three months ended April 30, 2016 and 2015.

(Dollars in millions)	Three Months Ended April 30,		
	2016	2015	Percent Change
Net Sales:			
Excluding Fuel	\$ 12,727	\$ 12,363	2.9%
Fuel Impact	881	1,116	
As Reported	\$ 13,608	\$ 13,479	1.0%
Operating Income:			
Excluding Fuel	\$ 408	\$ 436	-6.4%
Fuel Impact	5	(9)	
As Reported	\$ 413	\$ 427	-3.3%

The table below reflects the fuel impact for comparable store sales for the 13 weeks ended April 29, 2016 and May 1, 2015.

Sam's Club	Without Fuel		With Fuel		Fuel Impact	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	4/29/2016	5/1/2015	4/29/2016	5/1/2015	4/29/2016	5/1/2015
	0.1%	0.4%	-1.9%	-3.8%	-2.0%	-4.2%



Additional resources at stock.walmart.com

- Additional information related to reconciliations for our non-GAAP financial measures (ROI, free cash flow, constant currency and Sam's Club comparable measures)
- Unit counts & square footage
- Comparable store sales
- Terminology
- FY 17 earnings dates



