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):
November 16, 2017

Wal-Mart Stores, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	001-06991	71-0415188
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

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 November 16, 2017 (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 November 16, 2017 (the "Financial Presentation"). The Press Release and the Financial Presentation will disclose information regarding the Company's results of operations for the three and nine months ended October 31, 2017, and the Company's financial condition as of October 31, 2017.

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 8.01. Other Information.

As previously disclosed, the Company has been cooperating with the U. S. Department of Justice and the U.S. Securities and Exchange Commission with respect to their investigations regarding possible violations of the U. S. Foreign Corrupt Practices Act and there have been ongoing discussions regarding the possible resolution of these matters with the government agencies. These discussions have progressed to a point that the Company can now reasonably estimate a probable loss and has recorded an aggregate accrual of $283 million with respect to these matters. As the discussions are continuing, there can be no assurance that the Company's efforts to reach a final resolution with the government agencies will be successful or, if they are, what the timing or terms of such resolution will be.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following documents are furnished as exhibits to this Current Report on Form 8-K:

99.1 Press Release

99.2 Financial Presentation

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: November 16, 2017

WAL-MART STORES, INC.

By:	/s/ Gordon Y. Allison
Name:	Gordon Y. Allison
Title:	Vice President and General Counsel, Corporate

Walmart U.S. Q3 comps [1] grew 2.7% and Walmart U.S. eCommerce sales grew 50%, Company reports Q3 FY18 GAAP EPS of $0.58; Adjusted EPS [2] of $1.00, The company now expects full-year GAAP EPS of $3.84 to $3.92, Adjusted full-year EPS [2] of $4.38 to $4.46

- The company's third-quarter GAAP EPS was adjusted [2] for three items. A charge of $0.29 for loss on extinguishment of debt in connection with the company's recently completed debt tender offer, a charge of $0.09 based on discussions with government agencies regarding the possible resolution of the FCPA matter, and a charge of $0.04 based on the decision to exit certain properties in one of the company's international markets.
- Total revenue was $123.2 billion, an increase of $5.0 billion, or 4.2%. Excluding currency [2], total revenue was $122.7 billion, an increase of $4.5 billion, or 3.8%.
- Walmart U.S. comp sales [1] increased 2.7%, and comp traffic increased 1.5%.
- eCommerce growth at Walmart U.S. remained strong, led by growth through Walmart.com. Net sales and GMV [3] increased 50% and 54%, respectively.
- Net sales at Walmart International were $29.5 billion, an increase of 4.1%. Excluding currency [2], net sales were $29.1 billion, an increase of 2.5%. Ten of eleven markets posted positive comp sales, including our four largest markets.

"We are pleased with the strong results in the quarter across each of our business segments, and I want to thank our associates for their commitment and great work to make it happen. We have momentum, and it's encouraging to see customers responding to our store and eCommerce initiatives. We are leveraging our unique assets to save customers time and money and serve them in ways that are easy, fast, friendly and fun."

Doug McMillon
President and CEO, Walmart

Key results

(Amounts in millions, except as noted)

Walmart	Q3 FY18	Q3 FY17	Change	
Revenue	$123,179	$118,179	$5,000	4.2%
Revenue (constant currency) [2]	$122,721	$118,179	$4,542	3.8%
Operating income	$4,764	$5,119	-$355	-6.9%
Operating income (constant currency) [2]	$4,704	$5,119	-$415	-8.1%

Free Cash Flow	YTD FY18	$ Change
Operating cash flow	$17,060	-$2,721
Capital expenditures	$6,908	-$551
Free cash flow [2]	**$10,152**	**-$2,170**

Returns to Shareholders	Q3 FY18	% Change
Dividends	$1,526	-1.5%
Share repurchases [4]	$2,209	57.6%
Total	**$3,735**	**26.6%**

1 Represents Walmart U.S. comparable sales excluding fuel. Including fuel, Walmart U.S. comparable sales grew 2.8%. See additional information at the end of this release regarding non-GAAP financial measures.
2 See additional information at the end of this release regarding non-GAAP financial measures.
3 GMV represents the total U.S. dollar volume of merchandise sold or services rendered for all transactions, including marketplace transactions, that are generally initiated through our eCommerce platforms or include our owned inventory sold on other third party platforms. For additional information, visit stock.walmart.com.
4 The company repurchased approximately 27 million shares in Q3 FY18 under the $20 billion authorization approved in October 2015. Effective November 20, 2017, share repurchases will be made under the company's $20 billion share repurchase authorization approved in October 2017.

Guidance

- Fiscal year 2018 GAAP EPS: $3.84 to $3.92
- Fiscal year 2018 Adjusted EPS [1] : $4.38 to $4.46
- Comp sales for the 13-week period ending Jan. 26, 2018:
  - Walmart U.S. (ex. fuel) [1] : +1.5% to +2.0%
  - Sam's Club (ex. fuel) [1] : +1.5% to +2.0%

Segment results

(Amounts in millions, except as noted)

Walmart U.S.	Q3 FY18	Q3 FY17	Change	
Net sales	$77,724	$74,550	$3,174	4.3%
Comp sales (ex. fuel) [1,2]	2.7%	1.2%	150 bps	N/A
Traffic	1.5%	0.7%	80 bps	N/A
Ticket	1.2%	0.5%	70 bps	N/A
eCommerce	~80 bps	~50 bps	~30 bps	N/A
Operating income	$4,030	$3,999	$31	0.8%

Walmart International	Q3 FY18	Q3 FY17	Change	
Net sales	$29,548	$28,390	$1,158	4.1%
Net sales (constant currency) [1]	$29,094	$28,390	$704	2.5%
Operating income	$1,249	$1,354	-$105	-7.8%
Operating income (constant currency) [1]	$1,189	$1,354	-$165	-12.2%

Sam's Club	Q3 FY18	Q3 FY17	Change	
Net sales	$14,864	$14,236	$628	4.4%
Comp sales (ex. fuel) [1,2]	2.8%	1.4%	140 bps	N/A
Traffic	3.6%	-0.5%	410 bps	N/A
Ticket	-0.8%	1.9%	-270 bps	N/A
eCommerce	~80 bps	~60 bps	~20 bps	N/A
Operating income	$447	$396	$51	12.9%

1 See additional information at the end of this release regarding non-GAAP financial measures.
2 13-week period ended Oct. 27, 2017, compared to 13-week period ended Oct. 28, 2016, and excludes fuel.

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, over 260 million customers and members visit our more than 11,600 stores under 59 banners in 28 countries and e-commerce websites in 11 countries. With fiscal year 2017 revenue of $485.9 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 .

Investor Relations contact
Steve Schmitt (479) 258-7172

Media Relations contact
Randy Hargrove (800) 331-0085

Along with this press release, Walmart makes available a recorded call with executive leaders and a financial presentation to review 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)

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 earnings per share and adjusted earnings per share for the fiscal year ending January 31, 2018, and Walmart U.S.'s comparable sales and Sam's Club's comparable sales, excluding fuel, for the 13 weeks ending January 26, 2018. Walmart believes such statements are "forward-looking statements" as defined in, and 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. Assumptions on which such forward-looking statements are based are also forward-looking statements. Walmart's actual results may differ materially from the guidance provided 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 impact of acquisitions, divestitures, store or club closures, and other strategic decisions;
- Walmart's ability to successfully integrate acquired businesses, including within the e-commerce space;
- Walmart's effective tax rate 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 it 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 or regulatory 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 regulations and changes in tax rates, trade agreements,
- trade restrictions and tariff rates;
- the level of public assistance payments;
- natural disasters, public health emergencies, civil disturbances, and terrorist attacks; and
- Walmart's expenditures for FCPA and other compliance related costs, including the adequacy of the accrual with respect to this matter made in the third quarter of the fiscal year ending January 31, 2018.

Such risks, uncertainties and factors also include the risks relating to our operations and financial performance discussed in our filings with the SEC. You should read this release in conjunction with our Annual Report on Form 10-K for the year ended January 31, 2017, and our subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. 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. We 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 forecasted or expected consequences and effects for or on our 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 October 31,			Nine Months Ended October 31,		
(Amounts in millions, except per share data)	**2017**	**2016**	**Percent Change**	**2017**	**2016**	**Percent Change**
Revenues:						
Net sales	$ 122,136	$ 117,176	4.2 %	$ 360,611	$ 351,567	2.6 %
Membership and other income	1,043	1,003	4.0 %	3,465	3,370	2.8 %
Total revenues	123,179	118,179	4.2 %	364,076	354,937	2.6 %
Costs and expenses:						
Cost of sales	91,547	87,484	4.6 %	270,756	263,513	2.7 %
Operating, selling, general and administrative expenses	26,868	25,576	5.1 %	77,350	74,865	3.3 %
Operating income	4,764	5,119	(6.9)%	15,970	16,559	(3.6)%
Interest:						
Debt	502	528	(4.9)%	1,530	1,536	(0.4)%
Capital lease and financing obligations	81	81	— %	264	246	7.3 %
Interest income	(42)	(24)	75.0 %	(115)	(70)	64.3 %
Interest, net	541	585	(7.5)%	1,679	1,712	(1.9)%
Loss on extinguishment of debt	1,344	—	N/A	2,132	—	N/A
Income before income taxes	2,879	4,534	(36.5)%	12,159	14,847	(18.1)%
Provision for income taxes	975	1,332	(26.8)%	3,999	4,540	(11.9)%
Consolidated net income	1,904	3,202	(40.5)%	8,160	10,307	(20.8)%
Consolidated net income attributable to noncontrolling interest	(155)	(168)	(7.7)%	(473)	(421)	12.4 %
Consolidated net income attributable to Walmart	$ 1,749	$ 3,034	(42.4)%	$ 7,687	$ 9,886	(22.2)%
Net income per common share:						
Basic net income per common share attributable to Walmart	$ 0.59	$ 0.98	(39.8)%	$ 2.56	$ 3.17	(19.2)%
Diluted net income per common share attributable to Walmart	$ 0.58	$ 0.98	(40.8)%	$ 2.54	$ 3.16	(19.6)%
Weighted-average common shares outstanding:						
Basic	2,981	3,089		3,008	3,114	
Diluted	2,996	3,100		3,021	3,124	
Dividends declared per common share	$ —	$ —		$ 2.04	$ 2.00	

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

(Amounts in millions)	October 31, 2017	January 31, 2017	October 31, 2016
ASSETS			
Current assets:			
Cash and cash equivalents	$ 7,026	$ 6,867	$ 5,939
Receivables, net	5,865	5,835	5,344
Inventories	50,147	43,046	49,822
Prepaid expenses and other	2,330	1,941	2,296
Total current assets	65,368	57,689	63,401
Property and equipment:			
Property and equipment	185,103	179,492	179,667
Less accumulated depreciation	(76,948)	(71,782)	(70,991)
Property and equipment, net	108,155	107,710	108,676
Property under capital lease and financing obligations:			
Property under capital lease and financing obligations	12,641	11,637	11,482
Less accumulated amortization	(5,497)	(5,169)	(5,070)
Property under capital lease and financing obligations, net	7,144	6,468	6,412
Goodwill	18,204	17,037	17,792
Other assets and deferred charges	10,543	9,921	10,576
Total assets	$ 209,414	$ 198,825	$ 206,857
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	$ 5,114	$ 1,099	$ 5,082
Accounts payable	47,587	41,433	42,990
Dividends payable	1,530	—	1,541
Accrued liabilities	21,757	20,654	21,243
Accrued income taxes	540	921	459
Long-term debt due within one year	3,257	2,256	2,266
Capital lease and financing obligations due within one year	650	565	549
Total current liabilities	80,435	66,928	74,130
Long-term debt	34,206	36,015	36,178
Long-term capital lease and financing obligations	6,700	6,003	5,930
Deferred income taxes and other	9,167	9,344	10,144
Commitments and contingencies			
Equity:			
Common stock	297	305	308
Capital in excess of par value	2,501	2,371	2,084
Retained earnings	84,480	89,354	87,636
Accumulated other comprehensive loss	(11,133)	(14,232)	(12,335)
Total Walmart shareholders' equity	76,145	77,798	77,693
Nonredeemable noncontrolling interest	2,761	2,737	2,782
Total equity	78,906	80,535	80,475
Total liabilities and equity	$ 209,414	$ 198,825	$ 206,857

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

	Nine Months Ended October 31,	
(Amounts in millions)	**2017**	**2016**
Cash flows from operating activities:		
Consolidated net income	$ 8,160	$ 10,307
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	7,827	7,374
Deferred income taxes	231	1,167
Loss on extinguishment of debt	2,132	—
Other operating activities	144	(387)
Changes in certain assets and liabilities , net of effects of acquisitions:		
Receivables, net	(529)	271
Inventories	(6,446)	(5,516)
Accounts payable	5,630	5,121
Accrued liabilities	510	1,393
Accrued income taxes	(599)	51
Net cash provided by operating activities	17,060	19,781
Cash flows from investing activities:		
Payments for property and equipment	(6,908)	(7,459)
Proceeds from the disposal of property and equipment	301	783
Proceeds from disposal of certain operations	1,046	—
Purchase of available for sale securities	—	(1,901)
Business acquisitions, net of cash acquired	(372)	(2,406)
Other investing activities	62	(67)
Net cash used in investing activities	(5,871)	(11,050)
Cash flows from financing activities:		
Net change in short-term borrowings	4,004	2,302
Proceeds from issuance of long-term debt	7,476	134
Repayments of long-term debt	(8,859)	(2,040)
Premiums paid to extinguish debt	(2,067)	—
Dividends paid	(4,614)	(4,682)
Purchase of Company stock	(6,656)	(6,254)
Dividends paid to noncontrolling interest	(536)	(320)
Purchase of noncontrolling interest	(8)	(89)
Other financing activities	(156)	(323)
Net cash used in financing activities	(11,416)	(11,272)
Effect of exchange rates on cash and cash equivalents	386	(225)
Net increase (decrease) in cash and cash equivalents	159	(2,766)
Cash and cash equivalents at beginning of year	6,867	8,705
Cash and cash equivalents at end of period	$ 7,026	$ 5,939

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

Net sales and operating income

(dollars in millions)	Net Sales Three Months Ended October 31, 2017	2016	Percent Change	Operating Income Three Months Ended October 31, 2017	2016	Percent Change
Walmart U.S.	$ 77,724	$ 74,550	4.3%	$ 4,030	$ 3,999	0.8 %
Walmart International	29,548	28,390	4.1%	1,249	1,354	-7.8 %
Sam's Club	14,864	14,236	4.4%	447	396	12.9 %
Corporate and support	—	—	N/A	-962	-630	52.7 %
Consolidated	$ 122,136	$ 117,176	4.2%	$ 4,764	$ 5,119	-6.9 %

U.S. comparable sales results

	With Fuel 13 Weeks Ended		Without Fuel [1] 13 Weeks Ended		Fuel Impact 13 Weeks Ended	
	10/27/2017	10/28/2016	10/27/2017	10/28/2016	10/27/2017	10/28/2016
Walmart U.S.	2.8%	1.2%	2.7%	1.2%	0.1%	0.0%
Sam's Club	4.0%	0.7%	2.8%	1.4%	1.2%	-0.7%
Total U.S.	3.0%	1.1%	2.7%	1.2%	0.3%	-0.1%

[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. We had net cash provided by operating activities of $17.1 billion and $19.8 billion for the nine months ended October 31, 2017 and 2016 , respectively. We generated free cash flow of $10.2 billion and $12.3 billion for the nine months ended October 31, 2017 and 2016 , respectively. The decreases in net cash provided by operating activities and free cash flow were due to the timing of payments and an increase in incentive payments, as well as lapping prior year's improvements in 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.

	Nine Months Ended October 31,	
(Dollars in millions)	**2017**	**2016** [1]
Net cash provided by operating activities	$ 17,060	$ 19,781
Payments for property and equipment (capital expenditures)	-6,908	-7,459
Free cash flow	$ 10,152	$ 12,322
Net cash used in investing activities [2]	$ -5,871	$ -11,050
Net cash used in financing activities	-11,416	-11,272

[1] Reclassifications made due to the adoption of ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting* .

[2] "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 ("non-USD entities") 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. 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 of non-USD entities, if any, until such acquisitions are included in both comparable periods. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations of non-USD entities.

The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three and nine months ended October 31, 2017 .

	Three Months Ended October 31,				Nine Months Ended October 31,			
	Walmart International		Consolidated		Walmart International		Consolidated	
(Dollars in millions)	2017	Percent Change [1]	2017	Percent Change [1]	2017	Percent Change [1]	2017	Percent Change [1]
Total revenues:								
As reported	$ 29,879	3.9 %	$ 123,179	4.2 %	$ 86,308	-0.3 %	$ 364,076	2.6 %
Currency exchange rate fluctuations	-458	N/A	-458	N/A	1,790	N/A	1,790	N/A
Constant currency total revenues	$ 29,421	2.3 %	$ 122,721	3.8 %	$ 88,098	1.8 %	$ 365,866	3.1 %
Net sales:								
As reported	$ 29,548	4.1 %	$ 122,136	4.2 %	$ 84,976	-0.1 %	$ 360,611	2.6 %
Currency exchange rate fluctuations	-454	N/A	-454	N/A	1,739	N/A	1,739	N/A
Constant currency net sales	$ 29,094	2.5 %	$ 121,682	3.8 %	$ 86,715	1.9 %	$ 362,350	3.1 %
Operating income:								
As reported	$ 1,249	-7.8 %	$ 4,764	-6.9 %	$ 4,004	-5.7 %	$ 15,970	-3.6 %
Currency exchange rate fluctuations	-60	N/A	-60	N/A	146	N/A	145	N/A
Constant currency operating income	$ 1,189	-12.2 %	$ 4,704	-8.1 %	$ 4,150	-2.2 %	$ 16,115	-2.7 %

[1] Change versus prior year comparable period.

Adjusted EPS

The adjusted diluted earnings per share from continuing operations attributable to Walmart (Adjusted EPS) for the three-month period ended October 31, 2017 is considered a non-GAAP financial measure under the SEC's rules because the Adjusted EPS for each such period excludes certain amounts not excluded in the diluted earnings per share from continuing operations attributable to Walmart calculated in accordance with GAAP (EPS) for such period. Management believes that the Adjusted EPS for the three-month period ended October 31, 2017 is a meaningful measure to share with investors because that measure, which adjusts EPS for such period for certain items recorded in such period, is the measure that best allows comparison of the performance for the comparable period. In addition, the measure affords investors a view of what management considers Walmart's core earnings performance for the three-month period ended October 31, 2017 and also affords investors the ability to make a more informed assessment of such core earnings performance for the comparable period.

We have calculated Adjusted EPS for the three months ended October 31, 2017 by adjusting EPS for the following: (1) the loss on the early extinguishment of certain debt, (2) the FCPA accrual based on discussions with government agencies regarding the possible resolution of the FCPA matter and (3) the impairment of certain properties due to our decision to exit those properties in one of our international markets. Adjusted EPS for the three months ended October 31, 2017 is a non-GAAP financial measure. The most directly comparable financial measure calculated in accordance with GAAP is EPS for the three months ended October 31, 2017 .

	Three Months Ended October 31, 2017		
Diluted earnings per share:			
Reported EPS			$0.58
Adjustments:	**Pre-Tax Impact**	**Tax Impact [1]**	**Net Impact**
Loss on Early Extinguishment of Debt	$0.45	-$0.16	$0.29
FCPA Accrual	0.09	—	0.09
Impairment of Certain International Properties	0.05	-0.01	0.04
Net adjustments			**$0.42**
Adjusted EPS			$1.00

[1] Calculated based on nature of item and statutory rate in effect for relevant jurisdiction.

Adjusted EPS Guidance

Adjusted EPS Guidance is considered a non-GAAP financial measure. Management believes that Adjusted EPS Guidance for Fiscal 2018 is a meaningful metric to share with investors because that metric, which adjusts EPS for certain items to be recorded in the period, is the metric that best allows comparison of the expected performance for Fiscal 2018 to the comparable prior period. In addition, the metric affords investors a view of what management is forecasting for Walmart's core earnings performance for Fiscal 2018 and also affords investors the ability to make a more informed assessment of the core earnings performance for the comparable period.

We have calculated Adjusted EPS Guidance for Fiscal 2018 by adjusting for the amount of the impact of: (1) the loss on the early extinguishment of certain debt, (2) the FCPA accrual based on discussions with government agencies regarding the possible resolution of the FCPA matter, (3) the gain on the sale of Suburbia in Mexico and (4) the impairment of certain properties due to our decision to exit those properties in one of our international markets.

	Fiscal 2018			
Diluted net income per share:				
Forecasted EPS				$3.84 - $3.92
Adjustments:	**Pre-Tax Impact**	**Tax Impact [1]**	**NCI Impact [2]**	**Net Impact**
Loss on Early Extinguishment of Debt	$0.71	-$0.25	$—	$0.46
FCPA Accrual	0.09	—	—	0.09
Gain on Sale of Suburbia	-0.13	0.04	0.04	-0.05
Impairment of Certain International Properties	0.05	-0.01	—	0.04
Net adjustments				**$0.54**
Adjusted EPS Guidance				$4.38 - $4.46

[1] Calculated based on nature of item and statutory rate in effect for relevant jurisdiction.
[2] Calculated based on the ownership percentages of the noncontrolling interest at Walmex.

Comparable Sales Measures Excluding Fuel

The comparable sales of the company's Walmart U.S. and Sam's Club operating segments for the 13-week period ended October 27, 2017, and October 28, 2016, and our guidance for comparable sales for the 13-week period ending January 26, 2018 , in each case calculated or forecasted by excluding fuel sales for such periods (the "Comparable Sales Measures Excluding Fuel"), are non-GAAP financial measures as defined by the SEC's rules. We believe the most directly comparable financial measures computed in accordance with GAAP are the comparable sales calculated by including fuel sales for the corresponding periods.

We believe that the presentation of the Comparable Sales Measures Excluding Fuel 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 Walmart U.S. and Sam's Club's comparable sales for the periods presented.

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Walmart

Financial presentation to accompany management transcript

Q3 FY18

Safe harbor and non-GAAP measures

This presentation contains statements as to Walmart management's guidance regarding earnings per share and adjusted earnings per share for the fiscal year ending January 31, 2018, Walmart U.S.'s comparable sales and Sam's Club's comparable sales, excluding fuel, for the 13-week period ending January 26, 2018, and the third-party FCPA- and compliance- related expenses expected to be incurred for the year ending January 31, 2018. Assumptions on which such forward-looking statements are based, including without limitation assumptions regarding our effective tax rate for the year ending January 31, 2018, are also forward-looking statements. Walmart believes such statements are "forward-looking statements" as defined in, and are intended to enjoy the protection of the safe harbor for such statements provided by, the Private Securities Litigation Reform Act of 1995, as amended. Walmart's actual results may differ materially from the guidance provided as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors including:

- conomic, 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 impact of acquisitions, divestitures, store or club closures, and other strategic decisions;
- Walmart's ability to successfully integrate acquired businesses, including within the e-commerce space;
- Walmart's effective tax rate 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 it 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 or regulatory 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 regulations and changes in tax rates, trade agreements, trade restrictions and tariff rates;
- the level of public assistance payments;
- natural disasters, public health emergencies, civil disturbances, and terrorist attacks; and
- Walmart's expenditures for FCPA and other compliance related costs, including the adequacy of the accrual with respect to this matter made in the third quarter of the fiscal year ending January 31, 2018.

Such risks, uncertainties and factors also include the risks relating to Walmart's strategy, operations and performance and the financial, legal, tax, regulatory, compliance and other risks discussed in Walmart's most recent annual report on Form 10-K and subsequently filed quarterly reports on Form 10-Q filed with the SEC. You should read this presentation in conjunction with such reports. You should consider all of the risks, uncertainties and other factors identified above and in those SEC reports and Current Reports on Form 8-K carefully when evaluating the forward looking statements in this presentation. 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 forecasted 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 presentation, and Walmart undertakes no obligation to update such statements to reflect subsequent events or circumstances.

This presentation includes certain non-GAAP measures as defined under SEC rules, including net sales, revenue, and operating income on a constant currency basis, comp sales excluding fuel, free cash flow and return on investment. Refer to information about the non-GAAP measures contained in this presentation. Additional information as required by Regulation G and Item 10(e) of Regulation S-K regarding non-GAAP measures can be found in our most recent Form 10-K and our Form 8-K furnished as of the date of this presentation with the SEC, which are available at **www.stock.walmart.com**.

Guidance

FY18 GAAP EPS:
$3.84 to $3.92

FY18 adjusted EPS[2]:
$4.38 to $4.46

Comp sales for 13-week period, excluding fuel[1,2]: between +1.5% to +2.0%

Comp sales for 13-week period, excluding fuel[1,2]: between +1.5% to +2.0%

[1] 13-week period from October 28, 2017 through January 26, 2018, compared to 13-week period ended January 27, 2017.

[2] See press release located at www.stock.walmart.com and additional information at the end of this presentation regarding non-GAAP financial measures.

Wal-Mart Stores, Inc.

(Amounts in millions, except per share data)	Q3	$ Δ[1]	% Δ[1]	YTD	$ Δ[1]	% Δ[1]
Total revenue	$123,179	$5,000	4.2%	$364,076	$9,139	2.6%
Total revenue, constant currency[2]	$122,721	$4,542	3.8%	$365,866	$10,929	3.1%
Net sales	$122,136	$4,960	4.2%	$360,611	$9,044	2.6%
Net sales, constant currency[2]	$121,682	$4,506	3.8%	$362,350	$10,783	3.1%
Membership & other income	$1,043	$40	4.0%	$3,465	$95	2.8%
Operating income	$4,764	-$355	-6.9%	$15,970	-$589	-3.6%
Operating income, constant currency[2]	$4,704	-$415	-8.1%	$16,115	-$444	-2.7%
Interest expense, net	$541	-$44	-7.5%	$1,679	-$33	-1.9%
Consolidated net income attributable to Walmart	$1,749	-$1,285	-42.4%	$7,687	-$2,199	-22.2%
Diluted EPS	$0.58	-$0.40	-40.8%	$2.54	-$0.62	-19.6%
Adjusted EPS[2]	$1.00	$0.02	2.0%	$3.07	$0.05	1.7%

Walmart

[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.

	Q3	bps Δ[1]	YTD	bps Δ[1]
Gross profit rate	25.0%	-29 bps	24.9%	-13 bps
Operating expenses as a percentage of net sales	22.0%	17 bps	21.5%	16 bps
Effective tax rate[2]	33.9%	449 bps	32.9%	231 bps
Debt to total capitalization[3]	NP	NP	39.6%	40 bps
Return on investment[4,5]	NP	NP	14.7%	-30 bps

[1] Basis points change versus prior year comparable period.

[2] The increase in the effective tax rate for the quarter was primarily due to the $283 million FCPA accrual, which is detailed on page 26.

[3] Debt to total capitalization is calculated as of October 31, 2017. 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.

[4] ROI is calculated for the trailing 12 months ended October 31, 2017.

[5] See reconciliations at the end of presentation regarding non-GAAP financial measures.

NP - Not provided

Walmart

Wal-Mart Stores, Inc.

(Amounts in millions)	Q3	$ Δ[1]	% Δ[1]
Receivables, net	$5,865	$521	9.7%
Inventories	$50,147	$325	0.7%
Accounts payable	$47,587	$4,597	10.7%

[1] Change versus prior year comparable period.

Walmart

Wal-Mart Stores, Inc.

(Amounts in millions)	YTD	$ Δ[1]
Operating cash flow	$17,060	-$2,721
Capital expenditures	$6,908	-$551
Free cash flow[2]	**$10,152**	**-$2,170**

(Amounts in millions)	Q3	% Δ[1]	YTD	% Δ[1]
Dividends	$1,526	-1.5%	$4,614	-1.5%
Share repurchases[3]	$2,209	57.6%	$6,656	6.4%
Total	**$3,735**	**26.6%**	**$11,270**	**3.1%**

[1] Change versus prior year comparable period.

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

[3] Effective November 20, 2017, share repurchases will be made under the company's $20 billion share repurchase authorization approved in October 2017.

Walmart

Walmart U.S.

(Amounts in millions)	Q3	Δ[1]	YTD	Δ[1]
Net sales	$77,724	4.3%	$231,898	3.5%
Comparable sales[2,3]	2.7%	150 bps	2.0%	80 bps
• Comp traffic	1.5%	80 bps	NP	NP
• Comp ticket	1.2%	70 bps	NP	NP
eCommerce impact[3,4]	~0.8%	~30 bps	NP	NP
Neighborhood Market	~6.0%	~80 bps	NP	NP
Gross profit rate	Decrease	-36 bps	Decrease	-13 bps
Operating expense rate	Decrease	-10 bps	Increase	5 bps
Operating income	$4,030	0.8%	$12,917	1.3%

[1] Change versus prior year comparable period.

[2] Comp sales for the 13-week and 39-week periods ended October 27, 2017, excluding fuel. Including fuel, Walmart U.S. comparable sales are 2.8% and 2.0%, respectively. See press release located at www.stock.walmart.com and reconciliations at the end of this presentation regarding non-GAAP financial measures.

[3] The results of new acquisitions are included in our comp sales metrics in the 13th month after acquisition.

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

NP - Not provided

Walmart
Save money. Live better.

Walmart U.S. - quarterly financial highlights

Sales

- Net sales increased 4.3%, or approximately $3.2 billion.
- Comp sales[1] increased 2.7% led by a strong comp traffic of 1.5%. eCommerce contributed approximately 80 basis points to segment comp sales growth. Hurricane-related impacts benefited comp sales by approximately 30-50 basis points. On a 2-year stack basis, comp sales and traffic were up 3.9% and 2.2%, respectively.
- Strong performance in food categories continued with comp sales, traffic and unit growth across categories.
- Market inflation in food for the third quarter was around or slightly less than the second quarter.
- Strong growth in multi-channel sales continued in the quarter, including online grocery and general merchandise pickup in store.

Gross Margin

- Gross margin rate declined 36 basis points in the quarter. The margin rate was pressured by the continued execution of our price investment strategy and the mix effects from our growing eCommerce business. In addition, we estimate that hurricane-related impacts contributed to about one-third of the overall decline.

Expenses

- Segment operating expenses leveraged 10 basis points, despite hurricane-related expenses. Physical stores leveraged expenses for the 3rd consecutive quarter and were partially offset by investments in eCommerce and technology.

Inventory

- Total inventory was flat versus last year and comp store inventory declined approximately 3.5%, while in-stock levels remained high.

Format growth

- We opened 2 Supercenters and 2 Neighborhood Markets in the period. We also remodeled 208 stores.
- As of the end of Q3, online grocery was offered in over 1,100 locations, which represents more than 200 additional locations since Q2.

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[1] Comp sales for the 13-week period ended October 27, 2017, excluding fuel. Including fuel, Walmart U.S. comparable sales grew 2.8%. See press release located at www.stock.walmart.com and reconciliations at the end of this presentation regarding non-GAAP financial measures.

Walmart U.S. - quarterly merchandise highlights

Category	Comp	Comments
Grocery[1]	+ low single-digit	Food and consumables had solid comp sales driven by strong customer traffic, increased innovation, and improvement in private brands. Strength was broad-based across categories, with fresh foods particularly strong driven by improvements in assortment, quality and price. Market inflation in food for the third quarter was around or slightly less than the second quarter.
Health & wellness	+ mid single-digit	Customer traffic, branded drug inflation and script growth contributed to strong performances in pharmacy and over-the-counter.
General merchandise[2]	+ low single-digit	Newness and private brands contributed to comp sales and traffic improvement. Ladies apparel, shoes, home, toys and automotive had especially strong results. Entertainment sales were soft.

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[1] Includes food and consumables.
[2] General merchandise includes entertainment, toys, hardlines, apparel, home and seasonal.

Walmart International

(Amounts in millions)	Reported		Constant currency[1]		Reported		Constant currency[1]	
	Q3	Δ[2]	Q3	Δ[2]	YTD	Δ[2]	YTD	Δ[2]
Net sales	$29,548	4.1%	$29,094	2.5%	$84,976	-0.1%	$86,715	1.9%
Gross profit rate	Decrease	-18 bps	NP	NP	Decrease	-10 bps	NP	NP
Operating income	$1,249	-7.8%	$1,189	-12.2%	$4,004	-5.7%	$4,150	-2.2%

Walmart International

[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.

NP - Not provided

Walmart International - quarterly financial highlights

Sales

- Net sales on a constant currency basis increased 2.5 percent.
  - Reported net sales increased 4.1 percent, which included a benefit of approximately $450 million from currency.
- The divestitures of Suburbia and Yihaodian created a headwind to sales of nearly $560 million when compared to last year.
- Ten of 11 markets delivered positive comp sales.

Gross Margin

- Gross margin rate declined 18 basis points primarily driven by planned price investments in certain markets.

Operating income

- Operating income declined 12.2 percent on a constant currency basis and 7.8 percent on a reported basis.
  - The decrease in operating income is due to the ~$150 million impairment related to our decision to exit certain properties in one of our markets as well as lapping last year's gain of $86 million from the sale of several shopping malls in Chile.

Inventory

- During the quarter, inventory grew slower than sales.

Walmart International

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

Walmart International - key markets quarterly results

Country[1,2]	Comp[3]			Net sales[3]	Gross profit rate[3]	Operating income[3]
	Sales	Traffic	Ticket			
United Kingdom[4]	1.1%	-1.4%	2.5%	3.6%	Decrease	Decrease
Walmex[5]	7.0%	0.3%	6.7%	6.6%	Decrease	Increase
Canada	1.0%	1.0%	Flat	1.9%	Decrease	Decrease
China	2.5%	-0.8%	3.3%	4.0%	Decrease	Increase

[1] Results are presented on a constant currency basis. Net sales and comp sales are presented on a nominal, calendar basis.
[2] eCommerce results are included for each of the markets listed 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. Excluding Suburbia net sales of $165 million in the comparable prior year period would result in an increase in Walmex net sales of 9.2% for the quarter.

Walmart International

Walmart International - key market quarterly highlights

Walmex

- Net sales increased 6.6 percent and comp sales increased 7.0 percent. Normalizing for Suburbia sales last year, net sales would have increased 9.2 percent.
- Operating income grew at a faster rate than sales.
- In Mexico specifically, comp sales increased 7.2 percent in the quarter or 14.5 percent on a two-year stacked basis, and all of our merchandise divisions continued to outpace ANTAD self-service.
- In Mexico, the strongest performance came from Sam's Club followed by the Walmart Supercenter format.
- Net sales in Central America increased 11.2 percent, and all countries delivered positive comp sales.

Canada

- Net sales increased 1.9 percent while comp sales increased 1.0 percent.
- We gained 30 basis points of market share for the 12-week period ended September 30, according to Nielsen.
- Gross profit rate declined primarily driven by planned price investments.
- Inventory levels decreased even as sales increased 1.9 percent.

Walmart International

[1] ANTAD - Asociación Nacional de Tiendas de Autoservicio y Departamentales; The National Association of Supermarkets and Department Stores

Walmart International - key market quarterly highlights

U.K.

- Net sales increased 3.6 percent, while comp sales increased 1.1 percent.
- We continued to see improved results as customers responded to investments in the value proposition.
- During the quarter, we experienced improved in-store service scores and performance strengthened across our private brand and online grocery offerings.
- Gross profit rate declined primarily driven by commodity price headwinds as well as on-going price investments.
- We leveraged operating expenses during the quarter through sales growth and continued cost control.

China

- Net sales increased 4.0 percent while comp sales increased 2.5 percent.
- The solid sales performance was primarily driven by strong seasonal categories during the Mid-Autumn Festival and continued strength across our fresh and consumables categories.
- Operating income grew at a faster rate than sales.
- During the quarter, we continued to focus on driving efficiency, reducing expenses and strengthening our portfolio through 'We Operate for Less' and 'We Buy for Less' initiatives.
- Approximately 140 Walmart stores now offer grocery delivery through JD Daojia.
- During the quarter we launched the Walmart – JD Omni Channel Shopping Festival.

Walmart International

Sam's Club

(Amounts in millions)	With fuel		Without fuel[1]		With fuel		Without fuel[1]	
	Q3	Δ[2]	Q3	Δ[2]	YTD	Δ[2]	YTD	Δ[2]
Net sales	$14,864	4.4%	$13,584	3.2%	$43,737	3.2%	$40,218	2.2%
Comparable sales[3]	4.0%	330 bps	2.8%	140 bps	2.8%	360 bps	1.9%	120 bps
• Comp traffic	NP	NP	3.6%	410 bps	NP	NP	NP	NP
• Comp ticket	NP	NP	-0.8%	-270 bps	NP	NP	NP	NP
eCommerce impact[4]	NP	NP	~0.8%	~20 bps	NP	NP	NP	NP
Gross profit rate	Decrease	-13 bps	Decrease	-21 bps	Decrease	-26 bps	Decrease	-29 bps
Membership income	NP	NP	NP	0.9%	NP	NP	NP	1.1%
Operating income	$447	12.9%	$397	4.2%	$1,265	-1.2%	$1,171	-5.8%

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

[2] Change versus prior year comparable period.

[3] Comp sales for the 13-week and 39-week periods ended October 27, 2017.

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

NP - Not provided

Sam's Club
Savings Made Simple

Sam's Club - quarterly financial highlights

Sales

- Comp sales[1] for the period increased 2.8% with growth in comp traffic of 3.6%. The company estimates a benefit to comp sales of approximately 70 to 90 basis points from recent hurricanes.
- Market inflation in food positively impacted comp sales by approximately 70 basis points.
- In eCommerce, both Club Pickup and the direct to home business continued to have strong results.

Gross Profit

- Excluding fuel, gross profit rate declined 21 basis points. Consistent with previous quarters, certain fresh supply expenses were reclassified from operating expenses to cost of goods sold. In addition, we estimate that hurricane-related impacts contributed to about half of the overall decline. Gross profit was also impacted by higher shrink, investment in cash rewards and increased shipping costs at Samsclub.com.

Operating Expenses

- Operating expenses leveraged 41 basis points, primarily due to sales growth, the reclassification of certain fresh supply expenses to cost of goods sold and lower advertising costs.

Membership Income

- Membership income increased 0.9% versus last year. Plus penetration increased 77 basis points.

Inventory

- Inventory decreased 1.0%, and inventory at comp clubs decreased 3.5%.

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

Sam's Club - quarterly category highlights

Category	Comp	Comments
Fresh / Freezer / Cooler	+ mid single-digit	Strong performance in fresh meat, produce, bakery and prepared foods.
Grocery and beverage	+ low single-digit	Water, breakfast bars and an expanded premium assortment in certain categories delivered positive growth. Member's Mark penetration increased across multiple categories.
Consumables	+ mid single-digit	Strong performance in Member's Mark items, especially in paper products and food service.
Home and apparel	+ high single-digit	Tires, home improvement, kitchen electrics, as well as apparel and seasonal categories delivered strong results.
Technology, office and entertainment	- low single-digit	Soft sales in televisions and smart phones were the primary contributors of the decline.
Health and wellness	+ mid single-digit	Nutrition and protein drinks performed well, along with momentum in generic script counts.
Tobacco	Slightly positive	Tobacco slightly positive.

Sam's Club
Savings Made Simple

Third-party FCPA- and compliance-related expenses

(Amounts in millions)	Q3		YTD	
	FY18	FY17	FY18	FY17
Ongoing inquiries and investigations	$2	$24	$22	$68
Global compliance program and organizational enhancements	3	5	11	14
Total	**$5**	**$29**	**$33**	**$82**

- In fiscal year 2018, we expect our third party FCPA- and compliance-related expenses to range between $50 and $60 million. These amounts are included in our Corporate and support expenses. These amounts exclude the accrual made in the third quarter of FY18.

Walmart

Non-GAAP measures - ROI

We include Return on Assets ("ROA"), which is calculated in accordance with generally accepted accounting principles in the U.S. ("GAAP") as well as Return on Investment ("ROI") as measures to assess returns on assets. Management believes ROI is a meaningful measure 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. We consider ROA to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to our calculation of ROI.

ROA was 5.8 percent and 7.3 percent for the trailing twelve months ended October 31, 2017 and 2016, respectively. ROI was 14.7 percent and 15.0 percent for the trailing twelve months ended October 31, 2017 and 2016, respectively. The decline in ROA was primarily due to the loss on extinguishment of debt and the decrease in operating income. The decline in ROI was primarily due to the 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. As mentioned above, we consider return on assets to be the financial measure computed in accordance with generally accepted accounting principles 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 measure, 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 ROA and ROI, along with a reconciliation of ROI to the calculation of ROA, the most comparable GAAP financial measure, is as follows:

Wal-Mart Stores, Inc.
Return on Assets and Return on Investment

(Dollars in millions)	Trailing Twelve Months Ended October 31, 2017	Trailing Twelve Months Ended October 31, 2016
CALCULATION OF RETURN ON ASSETS		
Numerator		
Consolidated net income	$ 12,146	$ 15,055
Denominator		
Average total assets[1]	$ 208,136	$ 206,001
Return on assets (ROA)	5.8%	7.3%

Certain Balance Sheet Data	As of October 31, 2017	As of October 31, 2016	As of October 31, 2015
Total assets	$ 209,414	$ 206,857	$ 205,144
Accumulated depreciation and amortization	82,445	76,061	70,652
Accounts payable	47,587	42,990	40,553
Accrued liabilities	21,757	21,243	19,499

(Dollars in millions)	Trailing Twelve Months Ended October 31, 2017	Trailing Twelve Months Ended October 31, 2016
CALCULATION OF RETURN ON INVESTMENT		
Numerator		
Operating income	$ 22,175	$ 23,201
+ Interest income	145	86
+ Depreciation and amortization	10,533	9,805
+ Rent	2,667	2,610
Adjusted operating income	$ 35,520	$ 35,702
Denominator		
Average total assets[1]	$ 208,136	$ 206,001
+ Average accumulated depreciation and amortization[1]	79,253	73,357
- Average accounts payable[1]	45,289	41,772
- Average accrued liabilities[1]	21,500	20,371
+ Rent x 8	21,336	20,880
Average invested capital	$ 241,936	$ 238,095
Return on investment (ROI)	14.7%	15.0%

Walmart

[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. We had net cash provided by operating activities of $17.1 billion and $19.8 billion for the nine months ended October 31, 2017 and 2016, respectively. We generated free cash flow of $10.2 billion and $12.3 billion for the nine months ended October 31, 2017 and 2016, respectively. The decreases in net cash provided by operating activities and free cash flow were due to the timing of payments and an increase in incentive payments, as well as lapping prior year's improvements in 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.

	Nine Months Ended October 31,	
(Dollars in millions)	**2017**	**2016[1]**
Net cash provided by operating activities	$ 17,060	$ 19,781
Payments for property and equipment (capital expenditures)	-6,908	-7,459
Free cash flow	$ 10,152	$ 12,322
Net cash used in investing activities[2]	$ -5,871	$ -11,050
Net cash used in financing activities	-11,416	-11,272

[1] Reclassifications have been made due to the adoption of ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting*.

[2] "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

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 ("non-USD entities") 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. 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 of non-USD entities, if any, until such acquisitions are included in both comparable periods. The disclosure of constant currency amounts or results permits investors to better understand Walmart's underlying performance without the effects of currency exchange rate fluctuations of non-USD entities.

The table below reflects the calculation of constant currency for total revenues, net sales and operating income for the three and nine months ended October 31, 2017.

	Three Months Ended October 31,				Nine Months Ended October 31,			
	Walmart International		Consolidated		Walmart International		Consolidated	
(Dollars in millions)	2017	Percent Change[1]	2017	Percent Change[1]	2017	Percent Change[1]	2017	Percent Change[1]
Total revenues:								
As reported	$ 29,879	3.9%	$ 123,179	4.2%	$ 86,308	-0.3%	$ 364,076	2.6%
Currency exchange rate fluctuations	-458	N/A	-458	N/A	1,790	N/A	1,790	N/A
Constant currency total revenues	$ 29,421	2.3%	$ 122,721	3.8%	$ 88,098	1.8%	$ 365,866	3.1%
Net sales:								
As reported	$ 29,548	4.1%	$ 122,136	4.2%	$ 84,976	-0.1%	$ 360,611	2.6%
Currency exchange rate fluctuations	-454	N/A	-454	N/A	1,739	N/A	1,739	N/A
Constant currency net sales	$ 29,094	2.5%	$ 121,682	3.8%	$ 86,715	1.9%	$ 362,350	3.1%
Operating income:								
As reported	$ 1,249	-7.8%	$ 4,764	-6.9%	$ 4,004	-5.7%	$ 15,970	-3.6%
Currency exchange rate fluctuations	-60	N/A	-60	N/A	146	N/A	145	N/A
Constant currency operating income	$ 1,189	-12.2%	$ 4,704	-8.1%	$ 4,150	-2.2%	$ 16,115	-2.7%

[1] Change versus prior year comparable period.

Non-GAAP measures - fuel impact

The net sales, gross profit rate and operating income of Sam's Club for the three and nine months ended October 31, 2017, the percentage changes in those financial measures from the respective comparable prior year period, comparable sales of Sam's Club and Walmart U.S. for the 13-week and 39-week periods ended October 27, 2017 and projected comparable sales for the 13-week period ending January 26, 2018, in each case calculated by excluding fuel sales for such periods, are non-GAAP financial measures. We believe the net sales, gross profit rate and operating income for the three and nine months ended October 31, 2017, the percentage changes in those financial measures from the respective comparable prior year period, comparable sales for the 13-week and 39-week periods ended October 27, 2017, and projected comparable sales for the 13-week period ending January 26, 2018, in each case calculated by including 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 and Walmart U.S. 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 fuel sales, 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 and Walmart U.S.'s comparable sales for the periods presented.

Non-GAAP measures - fuel impact cont.

The table below reflects the calculation of the Sam's Club fuel impact for net sales and operating income for the three and nine months ended October 31, 2017 and 2016.

	Three Months Ended October 31,			Nine Months Ended October 31,		
(Dollars in millions)	2017	2016	% Change	2017	2016	% Change
Sam's Club						
Net Sales:						
As Reported	$ 14,864	$ 14,236	4.4%	$ 43,737	$ 42,387	3.2%
Less: Fuel Impact	1,280	1,067	N/A	3,519	3,042	N/A
Excluding Fuel	$ 13,584	$ 13,169	3.2%	$ 40,218	$ 39,345	2.2%
Operating Income:						
As Reported	$ 447	$ 396	12.9%	$ 1,265	$ 1,281	-1.2%
Less: Fuel Impact	50	15	N/A	94	38	N/A
Excluding Fuel	$ 397	$ 381	4.2%	$ 1,171	$ 1,243	-5.8%

The table below reflects the fuel impact for comparable club sales for the 13-week and 39-week periods ended October 27, 2017 and October 28, 2016.

	With Fuel		Without Fuel		Fuel Impact	
	13 Weeks Ended		13 Weeks Ended		13 Weeks Ended	
	10/27/2017	10/28/2016	10/27/2017	10/28/2016	10/27/2017	10/28/2016
Walmart U.S.	2.8%	1.2%	2.7%	1.2%	0.1%	0.0%
Sam's Club	4.0%	0.7%	2.8%	1.4%	1.2%	-0.7%
	39 Weeks Ended		39 Weeks Ended		39 Weeks Ended	
	10/27/2017	10/28/2016	10/27/2017	10/28/2016	10/27/2017	10/28/2016
Walmart U.S.	2.0%	1.2%	2.0%	1.2%	0.0%	0.0%
Sam's Club	2.8%	-0.8%	1.9%	0.7%	0.9%	-1.5%

Walmart

Non-GAAP measures - adjusted EPS

The adjusted diluted earnings per share from continuing operations attributable to Walmart (Adjusted EPS) for the three- and nine-month periods ended October 31, 2017 is considered a non-GAAP financial measure under the SEC's rules because the Adjusted EPS for each such period excludes certain amounts not excluded in the diluted earnings per share from continuing operations attributable to Walmart calculated in accordance with GAAP (EPS) for the three- and nine-month periods ended October 31, 2017. Management believes that Adjusted EPS for the three- and nine-month periods ended October 31, 2017 is a meaningful measure to share with investors because that measure, which adjusts EPS for such periods for certain items recorded in such periods, is the measure that best allows comparison of the performance for the comparable periods. In addition, the measure affords investors a view of what management considers Walmart's core earnings performance for the three- and nine-month periods ended October 31, 2017 and also affords investors the ability to make a more informed assessment of such core earnings performance for the comparable periods.

We have calculated Adjusted EPS for the three and nine months ended October 31, 2017 by adjusting EPS for the following: (1) the loss on the early extinguishment of certain debt, (2) the FCPA accrual based on discussions with government agencies regarding the possible resolution of the FCPA matter, (3) the impairment of certain properties due to our decision to exit those properties in one of our international markets and, for the nine months ended October 31, 2017 only, (4) the gain on sale of Suburbia. Adjusted EPS for the three and nine months ended October 31, 2017 is a non-GAAP financial measure. The most directly comparable financial measure calculated in accordance with GAAP is EPS for the three and nine months ended October 31, 2017.

	Three Months Ended October 31, 2017			Nine Months Ended October 31, 2017			
Diluted earnings per share:							
Reported EPS			$0.58				$2.54
Adjustments:	**Pre-Tax Impact**	**Tax Impact[1]**	**Net Impact**	**Pre-Tax Impact**	**Tax Impact[1]**	**NCI Impact[2]**	**Net Impact**
Loss on Early Extinguishment of Debt	0.45	-$0.16	$0.29	$0.71	-$0.25	$—	$0.46
FCPA Accrual	0.09	—	0.09	0.09	—	—	0.09
Impairment of Certain International Properties	0.05	-0.01	0.04	0.05	-0.01	—	0.04
Gain on Sale of Suburbia	—	—	—	-0.13	0.04	0.04	-0.05
Net adjustments			**$0.42**				**$0.54**
Adjusted EPS[3]			$1.00				$3.07

Walmart

[1] Calculated based on nature of item and statutory rate in effect for relevant jurisdiction.
[2] Calculated based on the ownership percentages of the noncontrolling interest at Walmex.
[3] Calculation of YTD Adjusted EPS may not sum due to rounding.

Non-GAAP measures - adjusted EPS

We have calculated Adjusted EPS for the nine months ended October 31, 2016 by adjusting EPS for the amount of the impact of the gain from the sale of Yihaodian in China. Adjusted EPS for the nine months ended October 31, 2016 is a non-GAAP financial measure. The most directly comparable financial measure calculated in accordance with GAAP is EPS for the nine months ended October 31, 2016.

	Nine Months Ended October 31, 2016		
Diluted earnings per share:			
Reported EPS			$3.16
Adjustment:	**Pre-Tax Impact**	**Tax Impact[1]**	**Net Impact**
Gain from the sale of Yihaodian in China	-$0.17	$0.03	-$0.14
Adjusted EPS			$3.02

[1] Calculated based on nature of item and statutory rate in effect for relevant jurisdiction.

Walmart

Non-GAAP measures - adjusted EPS guidance

Adjusted EPS Guidance is considered a non-GAAP financial measure. Management believes that Adjusted EPS Guidance for Fiscal 2018 is a meaningful metric to share with investors because that metric, which adjusts EPS for certain items to be recorded in the period, is the metric that best allows comparison of the expected performance for Fiscal 2018 to the comparable prior period. In addition, the metric affords investors a view of what management is forecasting for Walmart's core earnings performance for Fiscal 2018 and also affords investors the ability to make a more informed assessment of the core earnings performance for the comparable period.

We have calculated Adjusted EPS Guidance for Fiscal 2018 by adjusting for the amount of the impact of: (1) the loss on the early extinguishment of certain debt, (2) the FCPA accrual based on discussions with government agencies regarding the possible resolution of the FCPA matter, (3) the gain on the sale of Suburbia in Mexico and (4) the impairment of certain properties due to our decision to exit those properties in one of our international markets.

	Fiscal 2018			
Diluted net income per share:				
Forecasted EPS				$3.84 - $3.92
Adjustments:	**Pre-Tax Impact**	**Tax Impact[1]**	**NCI Impact[2]**	**Net Impact**
Loss on Early Extinguishment of Debt	$0.71	-$0.25	$—	$0.46
FCPA Accrual	0.09	—	—	0.09
Gain on Sale of Suburbia	-0.13	0.04	0.04	-0.05
Impairment of Certain International Properties	0.05	-0.01	—	0.04
Net adjustments				**$0.54**
Adjusted EPS Guidance				$4.38 - $4.46

[1] Calculated based on nature of item and statutory rate in effect for relevant jurisdiction.
[2] Calculated based on the ownership percentages of the noncontrolling interest at Walmex.

Walmart

Additional resources at stock.walmart.com

- Unit counts & square footage
- Comparable store sales
- Terminology
- Fiscal year 2018 earnings dates

Walmart