

Wal-Mart Stores, Inc.

Calculation of Return on Investment and Return on Assets

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 16.4 percent and 17.5 percent for the trailing 12 months ended October 31, 2014 and 2013, respectively. The decline in ROI was primarily due to the decrease in operating income, as well as our continued capital investment in store growth and e-commerce.

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 eight. 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 eight 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") that is the most directly comparable financial measure to our calculation of ROI. ROI differs from ROA (which is consolidated income from continuing operations for the period divided by average total assets of continuing operations for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; adjusts total assets of continuing operations 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.

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. We urge you to understand the methods used by other companies to calculate their ROI before comparing our ROI to that of such other companies.

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

Trailing Twelve Months Ended
October 31,
2014 **2013**

(Dollars in millions)

CALCULATION OF RETURN ON INVESTMENT

Numerator		
Operating income	\$ 26,545	\$ 28,105
+ Interest income	103	146
+ Depreciation and amortization	9,151	8,775
+ Rent	2,898	2,667
Adjusted operating income	<u>\$ 38,697</u>	<u>\$ 39,693</u>
Denominator		
Average total assets of continuing operations ¹	\$ 208,699	\$ 207,624
+ Average accumulated depreciation and amortization ¹	62,521	56,533
- Average accounts payable ¹	39,439	39,747
- Average accrued liabilities ¹	18,690	18,571
+ Rent x 8	23,184	21,336
Average invested capital	<u>\$ 236,275</u>	<u>\$ 227,175</u>
Return on investment (ROI)	<u>16.4%</u>	<u>17.5%</u>

CALCULATION OF RETURN ON ASSETS

Numerator		
Income from continuing operations	\$ 16,170	\$ 17,870
Denominator		
Average total assets of continuing operations ¹	\$ 208,699	\$ 207,624
Return on assets (ROA)	<u>7.7%</u>	<u>8.6%</u>

As of October 31,

Certain Balance Sheet Data	2014	2013	2012
Total assets of continuing operations	\$ 207,889	\$ 209,509	\$ 205,738
Accumulated depreciation and amortization	65,634	59,408	53,658
Accounts payable	39,656	39,221	40,272
Accrued liabilities	18,773	18,606	18,536

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.