Walmart International

Wal-Mart Stores, Inc. (NYSE: WMT)
18th Annual Meeting for the Investment Community

Doug McMillon
President and CEO of Walmart International
Today’s speakers

Doug McMillon
President & CEO, Walmart International

Cathy Smith
SVP, CFO and Strategy, Walmart International

Eduardo Solorzano
President & CEO, Walmart Latin America

Scott Price
President & CEO, Walmart Asia

David Cheesewright
President & CEO, Walmart EMEA/Canada
The global economy presents an opportunity

In today’s economy, **price leadership** matters even more

Source: IHS Global Insights
Key trends: What customers are telling us

- Emerging markets middle class
  - Urbanization
  - Rising income

- Conscious consumerism
  - Social
  - Environmental

- Developed market flux
  - Aging
  - Affordability

- Connectivity
  - Internet penetration
  - Social networks
FY12 H1 sales growth vs. retail market

Source: See Appendix A
FY12 H1 operating performance

YOY Sales Growth
- FY12 Q1: 11.5%
- FY12 Q2: 16.2%

YOY Op. Income Growth
- FY12 Q1: 1.2%
- FY12 Q2: 8.9%
FY12 H1 operating performance

YOY Sales Growth
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- FY12 Q2: 16.2%

YOY Op. Income Growth
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Reported vs. Constant currency

Wal-Mart Stores, Inc. (NYSE: WMT)
Aggressive growth in four dimensions

Comp sales
Across International, we have two top priorities to drive comp sales:
- Everyday low price (EDLP)
- Being great merchants

eCommerce / multi-channel

New stores
FY12 estimated new sq. ft. (MM)
- EMEA/Canada: 53%
- Asia: 32%
- Latam: 15%

Strategy for store acquisitions
M&A Strategy
- Build scale in existing markets
- Evaluate remaining large, high growth markets

Wal-Mart Stores, Inc. (NYSE: WMT)
Our EDLP journey is ongoing
Live feed from Brazil

Marcos Samaha
President and CEO, Walmart Brazil
We’re still item merchants!

United States

Mexico

Argentina

Brazil

Canada

China

India
Dogs can be style icons
Even for kids in Argentina!

Last year sales of 5,000 units
This year sales of 10,000 units

Next year:

50,000 units!
Emerging markets key for new store growth

New square footage (FY07)

- Developed: 76%
- Emerging: 24%

New square footage (FY12)

- Developed: 10%
- Emerging: 90%

Source: WMT data - FY07 actuals and FY12 estimates
Emerging markets key for new store growth

New square footage (FY07)

- Developed: 24%
- Emerging: 76%

New square footage (FY12)

- Developed: 10%
- Emerging: 90%

Source: WMT data - FY07 actuals and FY12 estimates
eCommerce / mobile commerce / multi-channel

Growth channel

Emerging markets:
Lead in eCommerce and mobile Commerce

Developed markets:
Lead in multi-channel

Source of leverage

Social commerce

Mobile commerce

NextGen eCommerce platform

NextGen tools & processes
## eCommerce country updates

<table>
<thead>
<tr>
<th>Country</th>
<th>GM</th>
<th>Grocery</th>
<th>Highlights</th>
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<tbody>
<tr>
<td>UK</td>
<td>✔️</td>
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<td>Strong grocery home delivery; enhancing general merchandise</td>
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<tr>
<td>Canada</td>
<td>✔️</td>
<td></td>
<td>New general merchandise eCommerce site</td>
</tr>
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<td>Mexico</td>
<td>✔️</td>
<td>✔️</td>
<td>Robust multi-channel ordering; expanding offering into general merchandise and wholesale</td>
</tr>
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<td>Brazil</td>
<td>✔️</td>
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<td>Site-to-store capabilities; Growing 2x market growth, Best eCommerce site award in 2010 and 2011</td>
</tr>
<tr>
<td>Chile</td>
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<td>Argentina</td>
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<td>✔️</td>
<td>New eCommerce site with limited general merchandise assortment</td>
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<td>China</td>
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<td>Sam’s Club pick from club model; Yihaodian investment</td>
</tr>
<tr>
<td>Japan</td>
<td>✔️</td>
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<td>Strong grocery business; expand general merchandise, move to common platform</td>
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Source: e-bit for Brazil market growth, best eCommerce site award

Wal-Mart Stores, Inc. (NYSE: WMT)
Growth through acquisitions

Build **scale** in existing markets

Evaluate remaining large, high growth markets
Live feed from Sub-Saharan Africa

Grant Pattison
CEO, Massmart
Walmart International returns will improve

Operating income improvement
• Emerging markets are key
• All markets must be EDLC

Deliberate capital allocation
• By market and by format
• Capex efficiency
Emerging markets are key to improving returns

China and Brazil will grow faster than WMT Int’l…

FY12-FY17 CAGR

China: 2.5x
Brazil: 1.4x

… and SG&A % of sales reduced to WMT International level

FY17 SG&A % of sales

WMT Int’l

China: 23 bps
Brazil: 19 bps

ROI improvement for every 100 bps SG&A % of sales reduction

China
Brazil
Productivity loop drives EDLC in every market

Operate for less
Buy for less
Grow sales
Sell for less
Powered by Walmart

*Working together where it makes us better, faster and/or cheaper*

- **Procurement**
- **Process engineering**
- **Information technology**
- **Shared Services**
- **Logistics**
- **Format expertise**
- **Financial services**

Wal-Mart Stores, Inc. (NYSE: WMT)
Capex discipline guides new store program

Based on format performance

Investment Focus

Hold
At pace
Accelerate

Mexico & CAM
China
Brazil
UK
Canada
Chile
Argentina
India
Japan

Wal-Mart Stores, Inc. (NYSE: WMT)
Driving returns

Operating income improvement
Risk adjusted hurdle rates
Investment by market, store format
New market prioritization and entry strategies
Portfolio risk and return correlations

WMT International ROI performance goal

+300-400 bps

FY12 FY17
UK, Canada and Sub-Saharan Africa update

United Kingdom
- Price leadership - price guarantee
- Quality - Chosen by You
- Supermarkets - Netto conversions

Canada
- Price leadership
- Supercentre expansion
- Urban 90

Sub-Saharan Africa
- Price leadership
- Integration and leverage
- Government relations

Wal-Mart Stores, Inc. (NYSE: WMT)
India

- Significant improvement post Trust-Mart re-banning
- > 50 new stores in FY12

Japan

- Earthquake recovery
- Positive comp sales > market
- Continue EDLP

India

- India ahead of plan
- Rapid new space growth
- HO expense leverage

China

- Tier II / III city expansion
- Item merchandising
- Productivity loop and leverage

India

- Growth in west and south
- Global scale and expertise
- Driving multi-channel

Japan

- Scale up with improving ROI
  - New stores
  - Global leverage
  - eCommerce

Current

- Strategy

Wal-Mart Stores, Inc. (NYSE: WMT)
Actions to drive growth in China

- **Customer**
  - Sales productivity enhancement
  - Conversion of 104 stores to Walmart
  - Entering Tier II / III cities
  - Expanding discount compact hypermarket rollout
  - Refining Sam’s Club format strategy

- **Talent:**
  - Growth
  - Retention
  - Significant growth: 160k new associates by FY17
  - Comprehensive acquisition and development plans
  - Strengthening Tier II / III city capabilities
  - Entering into self-development

- **Long-Term**

- **Short-Term**

- **RE Capabilities**
Latin America update

**Mexico & C. America**
- Aggressive organic growth
- Central America integration
- EDLP

**Brazil**
- EDLP
- Business integration
- Organic growth

**Chile**
- Reposition financial services
- Local offering in format and general merchandise

**Argentina**
- Changomas expansion
- New formats

**Strategy**
- Organic growth
- eCommerce/multi-channel
- New format growth (e.g., pharmacy)

- Portfolio management
- eCommerce/multi-channel
- New format growth (e.g., Bodega)

- Financial services full potential
- New format growth (e.g., wholesale)
- Finalize integration

- Aggressive Changomas expansion
- New format growth (e.g., supermarkets)
The best talent
Lead on social and environmental issues

Deliver on our promise
- Deliver EDLP
- Raise standard of living
- Serve the underserved

Operate a responsible business
- Sustainability focus
- Ethical sourcing
- Associate development

Leverage business to drive social change
- Women’s empowerment
- Hunger and nutrition
- Disaster recovery
## Walmart International capex details

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Key takeaways

- Aggressive growth with discipline
  - Prioritizing emerging markets

- Expense leverage
  - EDLP/EDLC
  - Powered by Walmart

- Returns will improve
Questions