



Walmart

We Save People Money So They Can Live Better

Our Company — An Overview

Our company's mission is to save people money so they can live better. By running an every day low cost company, we deliver every day low prices on great merchandise — and help customers around the world provide for their families.

We are working to build the Next Generation Walmart. We know the world is changing in big, disruptive ways, and we recognize our global opportunity to serve more customers through new stores and by offering anytime, anywhere access to Walmart.

We believe we have an opportunity and a responsibility to lead on social issues that matter to our customers and associates.

As we grow, we will keep our culture strong everywhere and operate with integrity. The enduring values that built Walmart will continue to drive our success.



Fast Facts

- > Walmart has 10,773 retail units under 69 different banners in 27 countries.
- > Globally, we serve customers more than 200 million times every week.
- > We employ more than 2 million associates.
- > For the fiscal year ended January 2013, Walmart increased net sales by 5.0 percent to \$466.1 billion.
- > Last year, we returned \$13 billion to shareholders through dividends and share repurchases.

State of the Business

We are confident about our long-term strategy and the direction that the company is headed.

- Wal-Mart Stores, Inc. reported second-quarter diluted earnings per share (EPS) of \$1.24, a 5.1 percent increase compared to last year's \$1.18.
- Walmart U.S. comp sales declined 0.3 percent in the 13-week period from April 27 to July 26, 2013. Comp traffic, while negative, improved approximately 130 basis points from the first quarter. Walmart U.S. gained market share in the measured category of "food, consumables and health & wellness/OTC."
- International grew net sales 2.9 percent to \$33.0 billion for the second quarter.
- Sam's Club posted a comp sales increase of 1.7 percent for the second quarter, without fuel.

EDLP/EDLC Business Model

Walmart was built on a simple foundation: Every Day Low Prices and Every Day Low Costs. We are strengthening our EDLP model in every market around the world.

- We build customer loyalty and trust by offering great merchandise at Every Day Low Prices.
- Our model is simple: We take costs out of our business and pass the savings along to customers.
- We call it the "productivity loop." By operating for less, we can lower our prices. Having low prices drives traffic to our stores and increases sales. That allows us to again lower expenses and further lower prices.
- We work directly with suppliers and local farmers to lower prices for our customers. That is the key to our success and our ability to deliver for the people who shop with us.



Walmart eCommerce

Walmart eCommerce is creating a seamless experience that lets customers shop in the way most convenient for them—anytime and anywhere.

- Walmart has unmatched assets in retail and is building up best-in-class e-commerce capabilities. By bringing together online, mobile and social with our 10,773 stores around the world, we will serve customers in ways no one else can.
- We are leveraging the unique advantages of Walmart by providing customers a broad range of shopping, payment and delivery options. U.S. customers can choose free in-store pick-up as quickly as the same day, home delivery, or shop online and then Pay With Cash in any store.
- We are also innovating to elevate the in-store experience and drive incremental sales through our mobile apps, which let customers create shopping lists, check prices, find items in their store, see additional choices available online, and have a faster more convenient check-out.
- We will deliver the best possible customer experience — best site, best app, best store and best club. We'll offer access to the broadest assortment of great merchandise. And we'll deliver on our promise to get customers' orders to the store or their door... when they want it and at the lowest cost.

Financial Priorities

Momentum, discipline, and investment are driving our financial priorities of growth, leverage, and returns.

- Growth – Growth in sales, growth in the number of customers, growth through new stores and acquisitions, growth in new markets. In fiscal year 2013, we increased net sales by 5.0 percent to \$466.1 billion.
- Leverage – Our goal is to grow sales faster than operating expenses. We are leveraging innovation, systems and processes to improve our overall productivity. We have committed to reducing operating expenses as a percentage of sales by 100 basis points by 2017.
- Returns – Our goal is to provide a stable level of returns to shareholders. Last year, Walmart returned \$13 billion to shareholders through dividends and share repurchases.

Our Customers

We help our customers — all 200 million of them — get what they want and need, save money, and build better lives for their families.

- Two-thirds of America shops at a Walmart store each month. Our customers represent the full and vibrant diversity of America — they are economically and ethnically diverse, come from every walk of life, and have every occupation and interest imaginable.
- Our core customers in the U.S. are moms with kids at home — the day-to-day CEOs of their households in charge of most purchasing decisions.
- Our customers are also in emerging markets around the world, part of a growing global middle class who are looking for quality, value and a better life.
- As our customers do better, we do better ... and we are proud to be part of their success story.



Walmart

We Save People Money So They Can Live Better

“Live Better” Overview

Our company’s mission is to save people money so they can live better. We help our customers stretch their paychecks and provide for their families. And we use our company’s size and scale to make a difference on big social issues that matter to our customers, our associates, and our communities.

We welcome the higher expectations of our company and believe we have both an opportunity and a responsibility to lead.

We are delivering on the commitments we’ve made, even as we broaden and accelerate our work in areas like Sustainability, Domestic Manufacturing, Healthier Foods, Women’s Economic Empowerment, and Veterans. We work with thousands of community volunteers, nonprofits, universities, and businesses to partner on scalable and sustainable solutions.

We have built a model for how business can address large issues in a systemic way. This work lives in our business; it is not an add-on or a corporate social responsibility initiative but a core part of how we operate. It is our associates who make the difference.



Sustainability

We are using our size and scale to make a difference on sustainability and other issues that matter to our customers and associates.

- Walmart believes customers shouldn't have to choose between products that are sustainable and products they can afford.
- We are working to one day be supplied by 100 percent renewable energy. In 2012, we became the No. 1 user of on-site solar power in America. By 2020, we've committed to a six-fold increase in renewable energy projects, as well as to a 20 percent reduction of the energy intensity required to power our buildings globally compared to 2010 levels.
- Walmart has a goal to send zero waste to the landfill. We are recycling millions of pounds of cardboard, plastic, paper and aluminum from our stores every year. We now keep more than 80 percent of all waste generated by our U.S. operations out of landfills.
- We support local farmers and their communities by selling locally grown foods, which means fresher fruits and vegetables, healthier choices at affordable costs and reducing the amount of miles driven by our delivery trucks. Ten percent of all produce sold in the U.S. is now locally grown.
- Walmart is working with our suppliers to incorporate the Sustainability Index into our buying decisions to make the products we sell more environmentally friendly throughout the supply chain. This new retail standard is driving improvements in sourcing, packaging and transportation to reduce energy consumption, manage risk and bolster local communities.

Healthier Foods

As the nation's largest grocer, Walmart is helping America's families by making the food we sell healthier and healthier food more affordable and accessible.

- Walmart believes customers shouldn't have to choose between food that is good for them and food they can afford.
- We're helping customers make healthier food choices with a five-year plan to lower prices on fresh produce and other healthier options. During the first two years of this initiative, we have saved families in the U.S. \$2.3 billion on fresh fruits and vegetables.
- Since 2011, we have opened 86 new stores serving USDA-designated food deserts in urban and rural areas, giving more than 264,000 Americans additional options for fresh, healthier groceries.
- We are reformulating thousands of packaged food items by reducing sodium and added sugars, and by removing all remaining industrially produced trans fats.
- Walmart's Great for You icon is helping our customers instantly identify food options that are better for them. It is appearing on more than 1,300 qualifying Great Value and Marketside items, as well as fresh and packaged produce.



Women's Economic Empowerment

For Walmart, empowering women isn't just the right thing to do, it's also smart business – helping us better understand and serve our customers, find the best talent, and promote economic growth in our communities.

- In September 2011, Walmart launched our Global Women's Economic Empowerment Initiative, an effort that leverages our size and scale to improve women's lives across the world. By 2016, we are committed to making progress in three areas: sourcing, training, and diversity.
- We've set an unprecedented goal of sourcing \$20 billion from women-owned businesses for our U.S. business over five years and doubling what we buy from women in international countries where we do business. We are also growing retail training programs and access to higher education to help low-income women in the U.S. and around the world. Holistically through this initiative, we'll help provide more training, market access and career opportunities to nearly one million women, many on farms and in factories, who will have access to the economic opportunity they deserve.
- Walmart believes empowering women economically will make us a more successful retailer. The majority of our 200 million customers are women, and women control \$20 trillion of annual consumer spending globally. With 90 million women estimated to have joined the global workforce by the end of this year, we want to take a leadership role in educating, sourcing from and opening new customer markets for those women because we know it promotes economic growth.
- Within our company, we are working to attract, retrain and develop female leaders by elevating women — for example, our female executives are developing and mentoring women throughout our organization. In 2012, women accounted for 53 percent of hourly promotions in our U.S. stores. In the last five years, we have increased our Walmart U.S. female market managers by 92 percent, female store managers by 42 percent, and female co-managers by 134 percent. More than 200,000 women have worked for us for 10 years or longer.
- Women make up nearly 27 percent of our corporate officers and more than 20 percent of our board, outperforming the retail industry and Fortune 500 averages.

Fighting Hunger

As the nation's largest grocer, we believe we have a unique opportunity and responsibility to help end hunger in America.

- Walmart has made a \$2 billion commitment to help end hunger in America. As part of that commitment, since 2005 Walmart has given away more than 1 billion meals.
- As the nation's largest grocer, we're sharing our logistics expertise with food banks to help them improve distribution, warehouse layout and efficiency.
- We've donated more than 150 refrigerated trucks to food banks – and are committed to continuing this work until every major food bank that needs one, has one.



Jobs and Opportunity

Our U.S. associates are 1.4 million strong and they achieve incredible things every single day — both by delivering for customers and in their own lives.

- The retail industry provides tens of millions of people with hope and opportunity. For some, retail is a first job and chance to gain skills to succeed in the workplace. For others, it's part-time work — students stretching their financial aid, a teacher working over the summer. And for many, it is a chance to build a meaningful, long-term career.
- We're proud to offer jobs at all levels, including some entry-level jobs ... because entry level jobs often lead to bigger jobs. At Walmart, you can climb the ladder from a stocker or a cashier to a department manager, a store manager, and beyond. Depending on the time of year, there are 15,000 - 50,000 job openings at Walmart U.S.
- About 75 percent of our store management teams started as hourly associates, and they earn between \$50,000 and \$170,000 a year — similar to what firefighters, accountants, and even doctors make. Every year, Walmart U.S. promotes about 160,000 people to jobs with more responsibility and higher pay.
- We want every associate to find the career opportunities they want with Walmart. We're ensuring that part-time associates have visibility into full-time job openings in their stores and nearby stores — and that they always have the first shot at those jobs. We are also bringing more transparency to our scheduling system so part-time workers can choose more hours for themselves.
- Walmart offers competitive pay and benefits, including health care plans, education assistance, retirement plans, and training and development opportunities. We offer hourly store associates quarterly cash bonus opportunities, a health care plan that starts at \$17 per pay period, a 401k plan with a company match, a discount on merchandise, and, most of all, a chance to move up through the ranks.

Veterans

Beginning Memorial Day, Walmart will offer a job to any honorably discharged U.S. veteran within his or her first 12 months off active duty.

- We are already the nation's largest employer of veterans, and we project that we'll hire more than 100,000 more over the next five years. Not every returning veteran wants to work in retail. But every veteran who does will have a place to go.
- We love to hire veterans — they're quick learners and team players, with discipline, training, and a passion for service.
- Walmart also guarantees a job at a nearby store or club for all qualified military personnel and spouses who are transferred by the military while employed at Walmart and Sam's Club.



Domestic Sourcing

Walmart will buy an additional \$50 billion in U.S. products over the next 10 years — a timeframe that reflects the lead times for bringing manufacturing facilities online.

- Through our buying power, Walmart can give manufacturers confidence to invest capital in America — and play a role in revitalizing the communities we serve.
- According to data from our suppliers, items that are made here, sourced here, or grown here already account for about two-thirds of what we spend to buy products at Walmart U.S. But of course there's room for more.
- When Walmart grows overseas, we bring American companies with us. From Procter & Gamble to PepsiCo, our top international suppliers are U.S. companies. We sold more than \$10 billion in products from these suppliers overseas last year, boosting their revenue and supporting American jobs. When we grow, they grow.
- In our global supply chain, we are instituting a zero tolerance policy for unauthorized subcontracting, and we will terminate our relationship with any supplier engaged in unauthorized subcontracting.

Charitable Giving

Walmart operates globally and gives back locally, making a difference in your community.

- The Walmart Foundation supports fighting hunger and healthy eating, career opportunity, sustainability, and women's economic empowerment. We believe we make the greatest difference by supporting causes that are important to our customers in their own neighborhoods.
- A share of our giving is directed by our local store, distribution center and club managers who know their communities and their people better than anyone.
- In 2012, our company and Foundation gave an average of \$19 million each week in cash and in-kind contributions around the world. Walmart and the Foundation gave more than \$1 billion in cash and in-kind gifts in the United States. In international markets, our charitable giving totaled more than \$82 million.
- Our associates are also actively engaged in their communities. In 2012, Walmart associates volunteered more than 2 million hours toward the causes and organizations that matter most to them.
- Walmart has earned a strong reputation for its disaster relief efforts — responding quickly and holistically to disaster — as the nation witnessed after Hurricane Katrina. Last year, we responded to events that impact our communities, including tornadoes, earthquakes, wildfires and other emergencies.