



**Walmart U.S. Q2 comps¹ grew 1.8% and Walmart U.S. eCommerce GMV² grew 67%,
Company reports Q2 FY18 GAAP EPS of \$0.96; Adjusted EPS³ of \$1.08**

- * Total revenue was \$123.4 billion, an increase of \$2.5 billion, or 2.1%. Excluding currency³, total revenue was \$124.4 billion, an increase of \$3.5 billion, or 2.9%.
- * Walmart U.S. comp sales¹ increased 1.8% with traffic growth of 1.3%, marking the twelfth consecutive quarter with positive comp sales.
- * E-commerce growth at Walmart U.S. remained strong, led by organic growth through Walmart.com. Net sales and GMV grew 60% and 67%, respectively, as customers continued to respond well to new initiatives and an expanded assortment of more than 67 million SKUs.

"Thanks to the team for delivering another solid quarter. Our customers are responding to the improvements in stores and online, and our results reflect this. Traffic increases at store level and the eCommerce growth rate are key highlights. We are moving faster and becoming more creative as we strive to make every day easier for busy families."

Doug McMillon
President and CEO, Walmart

- * Net sales at Walmart International were \$28.3 billion, a decrease of 1.0%. Excluding currency³, net sales were \$29.3 billion, an increase of 2.5%. Nine of eleven markets posted positive comp sales.
- * Second quarter EPS included a charge of \$0.17 for loss on extinguishment of debt in connection with the company's recently completed debt tender offers. This discrete charge was partially offset by the gain from the sale of the Suburbia business in Mexico, which benefited EPS by \$0.05.

Key results

(Amounts in millions, except as noted)

| Walmart  | Q2 FY18 | Q2 FY17 | Change | |
|---------------------------------------------------------------------------------------------|-----------|-----------|---------|-------|
| Revenue | \$123,355 | \$120,854 | \$2,501 | 2.1% |
| Revenue (constant currency) ³ | \$124,395 | \$120,854 | \$3,541 | 2.9% |
| Operating income | \$5,969 | \$6,165 | -\$196 | -3.2% |
| Operating income (constant currency) ³ | \$6,069 | \$6,165 | -\$96 | -1.6% |

| Free Cash Flow | YTD FY18 | \$ Change | Returns to Shareholders | Q2 FY18 | % Change |
|-----------------------------------|----------------|-----------------|--------------------------------|----------------|-------------|
| Operating cash flow | \$11,360 | -\$3,571 | Dividends | \$1,539 | -1.3% |
| Capital expenditures | \$4,423 | -\$196 | Share repurchases ⁴ | \$2,262 | 6.8% |
| Free cash flow³ | \$6,937 | -\$3,375 | Total | \$3,801 | 3.4% |

¹ Represents Walmart U.S. comparable sales excluding fuel. Including fuel, Walmart U.S. comparable sales grew 1.9%. See additional information at the end of this release regarding non-GAAP financial measures.

² 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.

³ See additional information at the end of this release regarding non-GAAP financial measures.

⁴ \$4.8 billion remaining of \$20 billion authorization approved in October 2015. The company repurchased approximately 30 million shares in Q2 fiscal 2018.

Guidance

- Fiscal year 2018 GAAP EPS: \$4.18 to \$4.28
- Fiscal year 2018 adjusted EPS¹: \$4.30 to \$4.40
- Third quarter fiscal year 2018 EPS: \$0.90 to \$0.98
- Comp sales for the 13-week period ending Oct. 27, 2017:
 - Walmart U.S. (ex. fuel)¹: +1.5% to +2.0%
 - Sam's Club (ex. fuel)¹: +1.0% to +1.5%

Segment results

|  Walmart U.S. Save money. Live better. | Q2 FY18 | Q2 FY17 | Change | |
|----------------------------------------------------------------------------------------------------------------------------|----------|----------|---------|------|
| Net sales | \$78,738 | \$76,241 | \$2,497 | 3.3% |
| Comp sales (ex. fuel) ^{1,2} | 1.8% | 1.6% | 20 bps | N/A |
| * Traffic | 1.3% | 1.2% | 10 bps | N/A |
| * Ticket | 0.5% | 0.4% | 10 bps | N/A |
| * E-commerce | ~70 bps | ~40 bps | ~30 bps | N/A |
| Operating income | \$4,618 | \$4,519 | \$99 | 2.2% |

|  Walmart International | Q2 FY18 | Q2 FY17 | Change | |
|---------------------------------------------------------------------------------------------------------|----------|----------|--------|-------|
| Net sales | \$28,331 | \$28,621 | -\$290 | -1.0% |
| Net sales (constant currency) ¹ | \$29,326 | \$28,621 | \$705 | 2.5% |
| Operating income | \$1,592 | \$1,727 | -\$135 | -7.8% |
| Operating income (constant currency) ¹ | \$1,692 | \$1,727 | -\$35 | -2.0% |

|  Sam's Club Savings Made Simple | Q2 FY18 | Q2 FY17 | Change | |
|-----------------------------------------------------------------------------------------------------------------------|----------|----------|----------|--------|
| Net sales | \$14,880 | \$14,543 | \$337 | 2.3% |
| Comp sales (ex. fuel) ^{1,2} | 1.2% | 0.6% | 60 bps | N/A |
| * Traffic | 2.1% | -0.4% | 250 bps | N/A |
| * Ticket | -0.9% | 1.0% | -190 bps | N/A |
| * E-commerce | ~80 bps | ~60 bps | ~20 bps | N/A |
| Operating income | \$404 | \$472 | -\$68 | -14.4% |

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

² 13-week period ended July 28, 2017, compared to 13-week period ended July 29, 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>.

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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 for the three months ending October 31, 2017 and fiscal year ending January 31, 2018, 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 October 27, 2017. 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 and store or club closures;
- 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.

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

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

| | Three Months Ended July 31, | | | Six Months Ended July 31, | | |
|-----------------------------------------------------------------|--------------------------------|-----------------|-------------------|------------------------------|-----------------|-------------------|
| | 2017 | 2016 | Percent Change | 2017 | 2016 | Percent Change |
| <i>(Dollars in millions, except per share data)</i> | | | | | | |
| Revenues: | | | | | | |
| Net sales | \$ 121,949 | \$ 119,405 | 2.1 % | \$ 238,475 | \$ 234,391 | 1.7 % |
| Membership and other income | 1,406 | 1,449 | (3.0)% | 2,422 | 2,367 | 2.3 % |
| Total revenues | 123,355 | 120,854 | 2.1 % | 240,897 | 236,758 | 1.7 % |
| Costs and expenses: | | | | | | |
| Cost of sales | 91,521 | 89,485 | 2.3 % | 179,209 | 176,029 | 1.8 % |
| Operating, selling, general and administrative expenses | 25,865 | 25,204 | 2.6 % | 50,482 | 49,289 | 2.4 % |
| Operating income | 5,969 | 6,165 | (3.2)% | 11,206 | 11,440 | (2.0)% |
| Interest: | | | | | | |
| Debt | 522 | 509 | 2.6 % | 1,028 | 1,008 | 2.0 % |
| Capital lease and financing obligations | 91 | 79 | 15.2 % | 183 | 165 | 10.9 % |
| Interest income | (38) | (22) | 72.7 % | (73) | (46) | 58.7 % |
| Interest, net | 575 | 566 | 1.6 % | 1,138 | 1,127 | 1.0 % |
| Loss on extinguishment of debt | 788 | — | N/A | 788 | — | N/A |
| Income before income taxes | 4,606 | 5,599 | (17.7)% | 9,280 | 10,313 | (10.0)% |
| Provision for income taxes | 1,502 | 1,710 | (12.2)% | 3,024 | 3,208 | (5.7)% |
| Consolidated net income | 3,104 | 3,889 | (20.2)% | 6,256 | 7,105 | (11.9)% |
| Consolidated net income attributable to noncontrolling interest | (205) | (116) | 76.7 % | (318) | (253) | 25.7 % |
| Consolidated net income attributable to Walmart | \$ 2,899 | \$ 3,773 | (23.2)% | \$ 5,938 | \$ 6,852 | (13.3)% |
| Net income per common share: | | | | | | |
| Basic net income per common share attributable to Walmart | \$ 0.96 | \$ 1.21 | (20.7)% | \$ 1.97 | \$ 2.19 | (10.0)% |
| Diluted net income per common share attributable to Walmart | \$ 0.96 | \$ 1.21 | (20.7)% | \$ 1.96 | \$ 2.18 | (10.1)% |
| Weighted-average common shares outstanding: | | | | | | |
| Basic | 3,008 | 3,109 | | 3,021 | 3,126 | |
| Diluted | 3,021 | 3,119 | | 3,034 | 3,136 | |
| Dividends declared per common share | \$ — | \$ — | | \$ 2.04 | \$ 2.00 | |

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

(Dollars in millions)

| | July 31, 2017 | January 31, 2017 | July 31, 2016 |
|----------------------------------------------------------------|-------------------|---------------------|-------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 6,469 | \$ 6,867 | \$ 7,676 |
| Receivables, net | 5,395 | 5,835 | 5,275 |
| Inventories | 43,442 | 43,046 | 43,453 |
| Prepaid expenses and other | 1,457 | 1,941 | 1,828 |
| Total current assets | <u>56,763</u> | <u>57,689</u> | <u>58,232</u> |
| Property and equipment: | | | |
| Property and equipment | 183,545 | 179,492 | 178,596 |
| Less accumulated depreciation | (75,375) | (71,782) | (69,729) |
| Property and equipment, net | <u>108,170</u> | <u>107,710</u> | <u>108,867</u> |
| Property under capital lease and financing obligations: | | | |
| Property under capital lease and financing obligations | 12,581 | 11,637 | 11,544 |
| Less accumulated amortization | (5,398) | (5,169) | (5,001) |
| Property under capital lease and financing obligations, net | <u>7,183</u> | <u>6,468</u> | <u>6,543</u> |
| Goodwill | 18,037 | 17,037 | 16,339 |
| Other assets and deferred charges | 11,413 | 9,921 | 7,905 |
| Total assets | <u>\$ 201,566</u> | <u>\$ 198,825</u> | <u>\$ 197,886</u> |
| LIABILITIES AND EQUITY | | | |
| Current liabilities: | | | |
| Short-term borrowings | \$ 3,262 | \$ 1,099 | \$ 1,932 |
| Accounts payable | 42,389 | 41,433 | 39,902 |
| Dividends payable | 3,057 | — | 3,101 |
| Accrued liabilities | 19,686 | 20,654 | 19,651 |
| Accrued income taxes | 505 | 921 | 720 |
| Long-term debt due within one year | 3,254 | 2,256 | 2,265 |
| Capital lease and financing obligations due within one year | 658 | 565 | 551 |
| Total current liabilities | <u>72,811</u> | <u>66,928</u> | <u>68,122</u> |
| Long-term debt | 33,706 | 36,015 | 36,673 |
| Long-term capital lease and financing obligations | 6,763 | 6,003 | 6,070 |
| Deferred income taxes and other | 9,240 | 9,344 | 7,877 |
| Commitments and contingencies | | | |
| Equity: | | | |
| Common stock | 299 | 305 | 310 |
| Capital in excess of par value | 2,352 | 2,371 | 1,915 |
| Retained earnings | 84,838 | 89,354 | 85,972 |
| Accumulated other comprehensive loss | (11,100) | (14,232) | (11,672) |
| Total Walmart shareholders' equity | <u>76,389</u> | <u>77,798</u> | <u>76,525</u> |
| Nonredeemable noncontrolling interest | 2,657 | 2,737 | 2,619 |
| Total equity | <u>79,046</u> | <u>80,535</u> | <u>79,144</u> |
| Total liabilities and equity | <u>\$ 201,566</u> | <u>\$ 198,825</u> | <u>\$ 197,886</u> |

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

| <i>(Dollars in millions)</i> | Six Months Ended July 31, | |
|------------------------------------------------------------------------------------------------|------------------------------|-----------------|
| | 2017 | 2016 |
| Cash flows from operating activities: | | |
| Consolidated net income | \$ 6,256 | \$ 7,105 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 5,169 | 4,905 |
| Deferred income taxes | 94 | 33 |
| Other operating activities | 772 | (361) |
| Changes in certain assets and liabilities: | | |
| Receivables, net | 585 | 443 |
| Inventories | 233 | 1,055 |
| Accounts payable | 535 | 1,864 |
| Accrued liabilities | (1,720) | (387) |
| Accrued income taxes | (564) | 274 |
| Net cash provided by operating activities | <u>11,360</u> | <u>14,931</u> |
| Cash flows from investing activities: | | |
| Payments for property and equipment | (4,423) | (4,619) |
| Proceeds from the disposal of property and equipment | 212 | 260 |
| Proceeds from disposal of certain operations | 1,012 | — |
| Business acquisitions, net of cash acquired | (363) | — |
| Other investing activities | 3 | (57) |
| Net cash used in investing activities | <u>(3,559)</u> | <u>(4,416)</u> |
| Cash flows from financing activities: | | |
| Net change in short-term borrowings | 2,144 | (857) |
| Proceeds from issuance of long-term debt | 1,503 | 130 |
| Payments of long-term debt | (4,177) | (2,026) |
| Dividends paid | (3,088) | (3,133) |
| Purchase of Company stock | (4,447) | (4,852) |
| Dividends paid to noncontrolling interest | (473) | (270) |
| Purchase of noncontrolling interest | (8) | (103) |
| Other financing activities | (85) | (103) |
| Net cash used in financing activities | <u>(8,631)</u> | <u>(11,214)</u> |
| Effect of exchange rates on cash and cash equivalents | 432 | (330) |
| Net increase (decrease) in cash and cash equivalents | (398) | (1,029) |
| Cash and cash equivalents at beginning of year | 6,867 | 8,705 |
| Cash and cash equivalents at end of year | <u>\$ 6,469</u> | <u>\$ 7,676</u> |

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

Net sales and operating income

| <i>(dollars in millions)</i> | Net Sales | | | Operating Income | | |
|------------------------------|--------------------|------------------|----------------|-------------------------|-----------------|----------------|
| | Three Months Ended | | | Three Months Ended | | |
| | July 31, | | | July 31, | | |
| | 2017 | 2016 | Percent Change | 2017 | 2016 | Percent Change |
| Walmart U.S. | \$ 78,738 | \$ 76,241 | 3.3% | \$ 4,618 | \$ 4,519 | 2.2% |
| Walmart International | 28,331 | 28,621 | -1.0% | 1,592 | 1,727 | -7.8% |
| Sam's Club | 14,880 | 14,543 | 2.3% | 404 | 472 | -14.4% |
| Corporate and support | — | — | N/A | -645 | -553 | 16.6% |
| Consolidated | \$121,949 | \$119,405 | 2.1% | \$ 5,969 | \$ 6,165 | -3.2% |

U.S. comparable sales results

| | With Fuel | | Without Fuel ¹ | | Fuel Impact | |
|--------------|----------------|-----------|---------------------------|-----------|----------------|-----------|
| | 13 Weeks Ended | | 13 Weeks Ended | | 13 Weeks Ended | |
| | 7/28/2017 | 7/29/2016 | 7/28/2017 | 7/29/2016 | 7/28/2017 | 7/29/2016 |
| Walmart U.S. | 1.9% | 1.6% | 1.8% | 1.6% | 0.1% | 0.0% |
| Sam's Club | 1.4% | -1.2% | 1.2% | 0.6% | 0.2% | -1.8% |
| Total U.S. | 1.8% | 1.1% | 1.7% | 1.4% | 0.1% | -0.3% |

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 \$11.4 billion and \$14.9 billion for the six months ended July 31, 2017 and 2016, respectively. We generated free cash flow of \$6.9 billion and \$10.3 billion for the six months ended July 31, 2017 and 2016, respectively. The decreases in net cash provided by operating activities and free cash flow were due to an increase in incentive payments and timing of other payments. Additionally, the six months ended July 31, 2016 included a greater benefit from our improvement 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.

| <i>(Dollars in millions)</i> | Six Months Ended | |
|------------------------------------------------------------|-------------------------|------------------|
| | July 31, | |
| | 2017 | 2016 |
| Net cash provided by operating activities | \$ 11,360 | \$ 14,931 |
| Payments for property and equipment (capital expenditures) | -4,423 | -4,619 |
| Free cash flow | \$ 6,937 | \$ 10,312 |
| Net cash used in investing activities ¹ | \$ -3,559 | \$ -4,416 |
| Net cash used in financing activities | \$ -8,631 | \$ -11,214 |

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

Constant Currency

In discussing our operating results, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for all countries where the functional currency is not the U.S. dollar ("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 or acquisitions 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 six months ended July 31, 2017.

| <i>(Dollars in millions)</i> | Three Months Ended July 31, | | | | Six Months Ended July 31, | | | |
|--------------------------------------------------|-----------------------------|-----------------------------|--------------|-----------------------------|---------------------------|-----------------------------|--------------|-----------------------------|
| | Walmart International | | Consolidated | | Walmart International | | Consolidated | |
| | 2017 | Percent Change ¹ | 2017 | Percent Change ¹ | 2017 | Percent Change ¹ | 2017 | Percent Change ¹ |
| Total revenues: | | | | | | | | |
| As reported | \$ 29,000 | -1.5% | \$ 123,355 | 2.1% | \$ 56,429 | -2.4% | \$ 240,897 | 1.7% |
| Currency exchange rate fluctuations ² | 1,040 | N/A | 1,040 | N/A | 2,248 | N/A | 2,248 | N/A |
| Constant currency total revenues | \$ 30,040 | 2.1% | \$ 124,395 | 2.9% | \$ 58,677 | 1.5% | \$ 243,145 | 2.7% |
| Net sales: | | | | | | | | |
| As reported | \$ 28,331 | -1.0% | \$ 121,949 | 2.1% | \$ 55,428 | -2.3% | \$ 238,475 | 1.7% |
| Currency exchange rate fluctuations ² | 995 | N/A | 995 | N/A | 2,193 | N/A | 2,193 | N/A |
| Constant currency net sales | \$ 29,326 | 2.5% | \$ 122,944 | 3.0% | \$ 57,621 | 1.6% | \$ 240,668 | 2.7% |
| Operating income: | | | | | | | | |
| As reported | \$ 1,592 | -7.8% | \$ 5,969 | -3.2% | \$ 2,755 | -4.7% | \$ 11,206 | -2.0% |
| Currency exchange rate fluctuations ² | 100 | N/A | 100 | N/A | 206 | N/A | 206 | N/A |
| Constant currency operating income | \$ 1,692 | -2.0% | \$ 6,069 | -1.6% | \$ 2,961 | 2.4% | \$ 11,412 | -0.2% |

¹ Change versus prior year comparable period.

² Excludes currency exchange rate fluctuations related to acquisitions until the acquisitions are included in both comparable periods.

Adjusted EPS

The adjusted diluted earnings per share from continuing operations attributable to Walmart (Adjusted EPS) for each of the three-month periods ended July 31, 2017 and 2016 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 each of the three-month periods ended July 31, 2017 and 2016. Management believes that the Adjusted EPS for each of the three-month periods ended July 31, 2017 and 2016 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 each of the three-month periods ended July 31, 2017 and 2016 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 July 31, 2017 by adjusting EPS for the following: (1) the loss on the early extinguishment of certain debt and (2) the gain on the sale of Suburbia in Mexico. Adjusted EPS for the three months ended July 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 July 31, 2017.

| Three Months Ended July 31, 2017 | | | | |
|--------------------------------------|-----------------------|-------------------------------|-------------------------------|-------------------|
| Diluted earnings per share: | | | | |
| Reported EPS | | | | \$0.96 |
| Adjustments: | Pre-Tax Impact | Tax Impact¹ | NCI Impact² | Net Impact |
| Loss on Early Extinguishment of Debt | \$0.26 | -\$0.09 | \$— | \$0.17 |
| Gain on Sale of Suburbia | -0.13 | 0.04 | 0.04 | -0.05 |
| Net adjustments | | | | \$0.12 |
| Adjusted EPS | | | | \$1.08 |

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

² Calculated based on the ownership percentages of the country's noncontrolling interest.

As previously disclosed in our second quarter period ended July 31, 2016 press release, we have calculated Adjusted EPS for the three months ended July 31, 2016 by adjusting EPS for the amount of the dilutive impact of the gain on the sale of Yihaodian in China. Adjusted EPS for the three months ended July 31, 2016 is a non-GAAP financial measure. The most directly comparable financial measure calculated in accordance with GAAP is EPS for the three months ended July 31, 2016.

| Three Months Ended July 31, 2016 | | | |
|----------------------------------------|-----------------------|-------------------------------|-------------------|
| Diluted earnings per share: | | | |
| Reported EPS | | | \$1.21 |
| Adjustment: | Pre-Tax Impact | Tax Impact¹ | Net Impact |
| Gain on the Sale of Yihaodian in China | -\$0.17 | \$0.03 | -\$0.14 |
| Adjusted EPS | | | \$1.07 |

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 and (2) the gain on the sale of Suburbia in Mexico.

| Fiscal 2018 | | | | |
|--------------------------------------|-----------------------|-------------------------------|-------------------------------|-------------------|
| Diluted net income per share: | | | | |
| Forecasted EPS | | | | \$4.18 - \$4.28 |
| Adjustments: | | | | |
| | Pre-Tax Impact | Tax Impact¹ | NCI Impact² | Net Impact |
| Loss on Early Extinguishment of Debt | \$0.26 | -\$0.09 | \$— | \$0.17 |
| Gain on Sale of Suburbia | -0.13 | 0.04 | 0.04 | -0.05 |
| Net adjustments | | | | \$0.12 |
| Adjusted EPS Guidance | | | | \$4.30 - \$4.40 |

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 July 28, 2017, and July 29, 2016, and our guidance for comparable sales for the 13-week period ending October 27, 2017, 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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