

Building the Next Generation Walmart



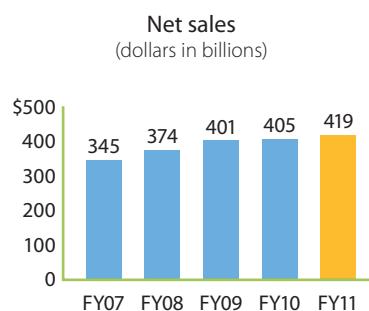


Our global mission We save people money so they can live better.

Saving people money to help them live better was the goal that Sam Walton envisioned when he opened the doors to the first Walmart®. This focus drives everything we do at Walmart. And, for the millions of customers who shop in our stores around the world each week, it means they can trust that our brand means we have every day low prices.

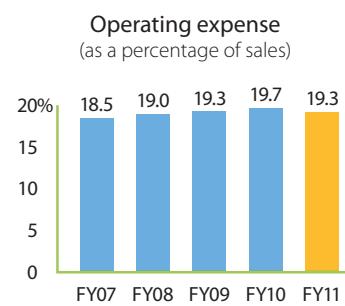
Our financial priorities

Growth



In FY12, we expect to grow net sales between 4% and 6% through new square footage and comparable sales. Walmart International remains a major contributor to growth.

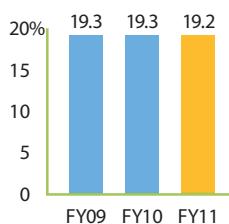
Leverage



The productivity loop now is ingrained in our business model. Every day low cost (EDLC) drives our ability to deliver every day low price (EDLP). We remain committed to leveraging operating expenses.

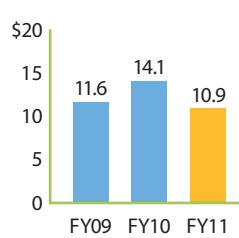
Returns

Return on investment¹



Our commitment is to keep return on investment, or ROI, stable. One of our priorities is returning value to shareholders through dividends and share repurchases.

Free cash flow¹ (dollars in billions)



Walmart continues to invest capital to grow the business, and our operating results helped to produce another year of strong returns.

¹Return on investment (ROI) and free cash flow are non-GAAP measures. Return on assets (ROA) is the closest GAAP measure to ROI and net cash provided by operating activities of continuing operations is the closest GAAP measure to free cash flow. The reconciliations and other information regarding ROI and free cash flow and their closest GAAP measures can be found in the Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report. A reconciliation of ROI to ROA for fiscal 2009 is reflected on our website at www.walmartstores.com/investors.



< Michael T. Duke

President and Chief Executive Officer
Wal-Mart Stores, Inc.

To our shareholders, associates and customers

Building the Next Generation Walmart

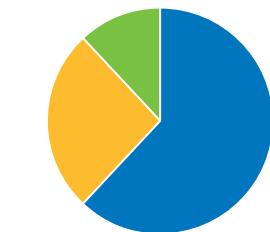
At Walmart, we are proud that we work for a very special company that's based on Sam Walton's vision of saving people money so they can live better. Every time a Walmart associate walks the sales floor, enters our offices, or gets behind the wheel of a truck, he or she has the opportunity to improve the lives of millions of people around the world. What we do and how we perform is watched closely not only by our customers and shareholders, but also by the whole world.

Financial results. Walmart delivered solid financial performance for fiscal year 2011. We increased net sales by 3.4 percent to \$419 billion and operating income by 6.4 percent to more than \$25 billion. Our diluted earnings per share from continuing operations rose 12 percent to \$4.18 per share. We continued to deliver a stable return on investment of over 19 percent. We closed out the year with almost \$11 billion in free cash flow. And I'm proud that we returned a record \$19.2 billion to shareholders through dividends and share repurchases.

These results demonstrate the strength of our underlying business and our dedication to delivering shareholder value. In the coming year, I'm optimistic that Walmart will improve where we need to and continue to build momentum where we're already succeeding. Our talented leadership team is fully aligned on executing plans to support our financial priorities of growth, leverage and returns.

Sales by segment

(dollars in billions)
(fiscal year ended January 31, 2011)



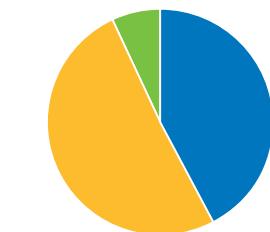
● Walmart U.S.	\$260
● Walmart International	\$109
● Sam's Club	\$ 49

Business segments. We were simply not satisfied with the net sales results in Walmart U.S. last year. The team is implementing an aggressive plan to reinforce our commitment to EDLP and to offer a broad merchandise assortment and presentation that's even more relevant to customers. My top priority this year is to work with Bill Simon, CEO of Walmart U.S., and his team to achieve positive comparable store sales. At the same time, there's a tremendous opportunity to grow in the United States through supercenters and new formats, such as Walmart Express™, in urban and rural markets.

Under Doug McMillon, CEO of Walmart International, our international segment continued to be a growth engine last year – generating a 12 percent net sales increase and adding approximately 8 percent more selling space through 458 net new units. Walmart International leveraged expenses on a constant currency basis this past year, and we expect improving returns in the years ahead. We are pleased with the progress of the Massmart transaction in South Africa and continue to work on finalizing our acquisition of the Netto stores in the U.K. Our international leadership teams are accelerating organic growth in emerging markets, including Brazil, China, India and Mexico.

Units by segment

(as of January 31, 2011)



● Walmart U.S.	3,804
● Walmart International	4,557
● Sam's Club	609

I am very pleased with Sam's Club's performance and the contributions they're making to shareholder value. Brian Cornell, CEO of Sam's Club®, and his team grew sales 3.5 percent, and we expect continued sales momentum this year. Sam's top priority for this year is attracting new members through improved member experiences.

Best-positioned retailer. There is no doubt that Walmart is the best-positioned global retailer to address the needs of customers around the world. Our customers remain pressured, particularly in mature markets, about job security and personal finances. In emerging markets, the economic recovery is stronger and fueling a growing middle class. All of this points to the incredible opportunity we have with the Next Generation Walmart and our mission of saving people money so they can live better.

At Walmart, we have so many great strengths to leverage throughout our company. Our new Global Business Processes team is developing and sharing improved processes, such as workforce productivity, across our business segments. Our Global Customer Insight Group will help drive growth by deepening our understanding of consumer trends and creating new analytical tools. I'm also pleased with the progress we're making in developing the best talent in each market. Recruiting, developing and retaining future leaders is vital to Walmart's success, and we have a special emphasis on women leaders. This is important because, globally, women represent 50 percent of the available talent and, according to an external study, directly influence over \$20 trillion in annual consumer spending.

With customers adopting technology faster than ever, we're entering an era of even greater price transparency. Our ASDA® price guarantee program is a great example of that transparency. Our focus on the productivity loop helps ensure we drive every day low cost, so we can deliver every day low prices across our business. Walmart U.S. is also leveraging multi-channel innovations like Site-to-Store®, Pick Up Today™ and Fed-Ex® Site to Store to allow our customers to shop when and how they want. We have a web presence in many of our 15 countries and are working to coordinate those efforts and expand to new markets where we may not even have a physical presence. Through these and other initiatives, we will continue to leverage our resources, lower costs and increase our speed to market.

Leading on social issues. We continue to play an even bigger leadership role on the social issues that matter to our customers. I am especially proud of how sustainability is integrated throughout our business, and how associates all over the world are involved in this initiative. This year, we've published a Global Responsibility Report, expanding the dialogue to a broader range of major issues beyond our environmental sustainability efforts. This is a natural evolution for the company as we work toward a globally responsible view of our impact on the world community.

Our culture is what makes us special at Walmart. The retailer that respects individuals, puts customers first, strives for excellence, and is trusted, will win the future. In particular, it is important that Walmart associates obsess about serving customers every day – listening to them and giving them what they want. Everywhere I travel, customers tell me that they care about quality products at an affordable price, and that's what we need to deliver to them.

We can and do make a profound difference in people's lives. At Walmart, we understand this opportunity and the responsibility that comes with it. And not a day goes by when I don't think about how much our Board of Directors and the management team appreciate the hard work of our 2.1 million associates. Working together, we are building the Next Generation Walmart and making Sam Walton's vision a reality around the world.

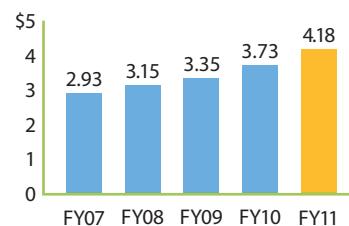


Michael T. Duke
President and Chief Executive Officer
Wal-Mart Stores, Inc.



Earnings per share

(diluted, continuing operations)



Dividends

(dollars per share)





Walmart U.S. FY11 results

\$260 billion

Net sales

3,804

Retail units

617 million

Total square footage





Leveraging our foundation to reach even more U.S. families

In fiscal 2011, Walmart U.S. delivered strong operating income and expense leverage. Net sales exceeded \$260 billion. Operating income grew 3.1 percent to approximately \$20 billion. We offer one-stop shopping to millions of customers through more than 3,800 stores and over 617 million square feet of selling space.

Improved sales this year. This year, the Walmart U.S. team is implementing a four-point plan to improve comparable store sales. Walmart's commitment is to deliver every day low price on the basket. EDLP is what our brand was built on, and what drives customer trust and loyalty. Working with our suppliers, we will offer the most relevant, broadest assortment possible across all categories. We are expanding our assortment, reallocating selling space and enhancing productivity initiatives to reduce costs. By expanding our multi-channel initiatives, customers have even more opportunities to shop on their terms.

Continued growth in the U.S. Growth through new stores remains a priority, with supercenters the primary driver because they continue to offer the greatest returns and allow customers a one-stop shopping experience. We are growing also through smaller formats, including both grocery stores and even smaller, convenience formats. We will open our first convenience format stores, Walmart Express, in the second quarter. These stores will be less than 30,000 square feet and will sell grocery, pharmacy and limited general merchandise.

Solid and consistent expense leverage. Our focus on delivering expense leverage is as strong as ever. We continue to implement productivity initiatives throughout the stores, supply chain and logistics to improve returns. Last, as we see topline sales increase through our focus on EDLP and from operational and merchandising improvements, we can further enhance our ability to drive expense leverage.



Operating income grew 3.1 percent to almost \$20 billion for the fiscal year. The team also leveraged expenses for five consecutive quarters.



Walmart International FY11 results

\$109 billion

Net sales

4,557

Retail units

287 million

Total square footage



Net sales increased 12.1 percent over the last year. Organic growth included 458 net new stores, representing a 7.8 percent increase in square footage. Customer appeal and support for EDLP continues to spread in international markets, with Japan converting all stores and all departments during FY11.



Driving aggressive growth and increasing leverage globally

Walmart International continues aggressive growth, adding sales in both emerging and mature markets. Net sales for fiscal 2011 grew 12 percent to \$109 billion. Operating income increased to more than \$5.6 billion, supported by more than 4,500 locations and almost 287 million square feet of selling space.

Locally relevant. Our growth comes from a combination of comparable sales and new stores. We're opening supercentres in new regions of Canada and changing the competitive environment in Brazil with a shift to EDLP. Our expectations for growth this year include 23 to 24 million new square feet in current markets, including significant investments in soft discount formats and supercenters in emerging markets. The diversity of our formats allows entry into urban and rural areas and ensures we're relevant to the local community. In every market, our customers trust us to lead on price with our EDLP promise. Japan's transition to EDLP and operational efficiencies contributed to increased profits for each of the past three years. In the United Kingdom, ASDA has gone even further, providing customers with the ability to check their basket price against competitors with a few simple clicks online through the ASDA price guarantee.

Opportunity for leverage. Leveraging the local and global footprint and the scale of Walmart saves our customers money so they can live better. Global sourcing efforts drive merchandise quality and uniqueness. Operational cost efficiencies and various systems, processes and technologies allow us to lower the prices in our markets. The ability to choose between local and global sourcing provides us with a significant competitive advantage in our markets.

A balanced approach. We will continue to balance our commitment to aggressive growth with our long-term plan to improve returns. Looking ahead, solid returns come from operational discipline, adherence to the productivity loop and effective capital allocation.



Savings Made SimpleSM

Sam's Club FY11 results

\$49 billion

Net sales

609

Retail units

81 million

Total square footage





Delivering growth through Savings Made SimpleSM

Sam's Club's continued focus on understanding our members' needs led to strong sales and operating income growth during the year, with annual net sales of almost \$50 billion, an increase of 3.5 percent over the previous year. Comparable club sales accelerated through the year, giving us strong sales momentum heading into fiscal 2012.



Helping members make smart choices. Our members want expanded offerings in produce, meat and bakery, and we added more than 100 new fresh items last year, with many more coming this year. Health and wellness is becoming more important to our members, and we're responding by adding services to our pharmacies, such as free monthly health screenings and hearing centers. Additionally, we continue to add exciting brands in key categories, including apparel, jewelry, technology and entertainment.

Technology and innovation improving member experience. Both in our clubs and online, we have created more ways than ever to engage members. We have stepped up technology offerings, from free wireless networks in the clubs, to a more robust eCommerce site and the Sam's Club smart phone application. Sam's Club Plus Members can now access their personalized eValuesSM through a kiosk in the club, the Sam's Club smart phone application, or online.

We've also improved our scheduling and stocking processes, which provides productivity savings. And there are more initiatives on the way to help us better leverage our expenses this year.



Comparable club sales, without fuel, increased sequentially every quarter during FY11 through improvements in fresh products, apparel and health and wellness offerings. Sam's expects sales momentum to continue in FY12.





Investing in global eCommerce to reach more customers

In 2010, Walmart consolidated its eCommerce activities around the world in a Global eCommerce Division. This division has three goals: 1) Develop and execute a global eCommerce strategy; 2) Accelerate global online channel growth; and 3) Create technology platforms and applications for every Walmart market.

We made significant strides against these goals and now have a strong foundation in place to make even greater progress this year. In addition, we organized our teams to focus separate and dedicated resources on emerging and mature markets. Our structure also integrates into each operating segment and to each country to ensure we can respond to customers' multi-channel shopping needs.

Walmart offers eCommerce sales through dedicated online platforms in seven countries, with the most significant being Walmart.com in the United States. ASDA.com, our U.K. grocery home shopping network, is now a meaningful business, serving 97 percent of all U.K. customers. The investments made in these platforms are helping to accelerate growth in other markets, including Brazil and China.

The factors that drive shopping behavior – price, assortment, customer experience and trust – are as relevant for eCommerce today as they have always been for our various physical retail formats. What is changing is the technology that enables and shapes the retail transaction. Nowhere is this more evident than with mobile applications and the impact technology has on price transparency and location services. We intend to leverage these evolving technologies – and the trust that our customers have in the Walmart brand – to our advantage as we differentiate our business from other online retailers.





Helping people live better around the world

Walmart's culture is at the heart of how we operate our business. The core beliefs that Sam Walton established – respect for the individual, service to our customers and striving for excellence – drive us to help customers and communities live better. We have an enormous responsibility to lead on issues that make a difference for associates and communities. Several key pillars define this commitment: economic opportunity, sustainability, responsible sourcing, healthy living and community involvement.

We recruit and develop the best talent around the globe and develop an engaged workforce by providing all associates with opportunities to learn, grow and advance.

Since October 2005, when our sustainability program was launched, our focus has been on three goals: be supplied 100 percent by renewable energy, create zero waste and sell products that sustain people and the environment. Sustainability is now ingrained in our business strategy, and we have broadened and deepened this commitment.

We value the trust customers place in us to provide them with safe and sustainable choices, and strive to be a leader in responsible sourcing and product compliance. We made a global commitment to sustainable agriculture to help both farmers and customers in all of our markets. And we kicked off a new initiative in the United States to make the food we sell healthier and healthier foods more affordable for our customers. We are also proud of the bold commitment we made last year to end hunger in America.



Learn about a more responsible Walmart in our new Global Responsibility Report at walmartstores.com

Through financial contributions, in-kind donations and volunteerism, Walmart supports local communities everywhere we operate. The Walmart Foundation supports causes and efforts around the world, from alleviating hunger to disaster relief. Leading on social issues is now a key strategy in building the Next Generation Walmart, and we are using our size and scale to make a difference for customers and our world.



Board members pictured, left to right

Front Row: James W. Breyer, Steven S Reinemund, Aida M. Alvarez, S. Robson Walton, Roger C. Corbett, H. Lee Scott, Jr., M. Michele Burns

Back Row: Linda S. Wolf, Douglas N. Daft, James I. Cash, Jr., Ph.D., Gregory B. Penner, Arne M. Sorenson, Michael T. Duke, Jim C. Walton, Christopher J. Williams

2011 Walmart Board of Directors

Aida M. Alvarez^(a)

Ms. Alvarez is the former Administrator of the U.S. Small Business Administration and was a member of President Clinton's Cabinet from 1997 to 2001.

James W. Breyer^{(b)*}

Mr. Breyer is a Partner of Accel Partners, a venture capital firm.

M. Michele Burns^(b)

Ms. Burns is the Chairman and Chief Executive Officer of Mercer LLC, a subsidiary of Marsh & McLennan Companies, Inc.

James I. Cash, Jr., Ph.D.^(a)

Dr. Cash is the retired James E. Robison Emeritus Professor of Business Administration at Harvard Business School, where he served from July 1976 to October 2003.

Roger C. Corbett^(b)

Mr. Corbett is the retired Chief Executive Officer and Group Managing Director of Woolworths Limited, the largest retail company in Australia.

Douglas N. Daft^(c)

Mr. Daft is the retired Chairman of the Board of Directors and Chief Executive Officer of The Coca-Cola Company, a beverage manufacturer, where he served in that capacity from February 2000 until May 2004, and in various other capacities since 1969.

Michael T. Duke^{(d)*(e)*}

Mr. Duke is the President and Chief Executive Officer of Wal-Mart Stores, Inc. and is the Chairman of the Executive Committee of the Board of Directors.

Gregory B. Penner^(e)

Mr. Penner is a General Partner at Madrone Capital Partners, an investment management firm.

Steven S Reinemund^(c)

Mr. Reinemund is the Dean of Business and Professor of Leadership and Strategy at Wake Forest University. He previously served as the Chairman of the Board and Chairman and Chief Executive Officer of PepsiCo, Inc.

H. Lee Scott, Jr.^(b)

Mr. Scott is the former Chairman of the Executive Committee of the Board of Directors of Wal-Mart Stores, Inc. He is the former President and Chief Executive Officer of Wal-Mart Stores, Inc., serving in that position from January 2000 to January 2009.

Arne M. Sorenson^(a)

Mr. Sorenson is President and Chief Operating Officer of Marriott International, Inc.

Jim C. Walton^(b)

Mr. Walton is the Chairman of the Board of Directors and Chief Executive Officer of Arvest Bank Group, Inc., a group of banks operating in the states of Arkansas, Kansas, Missouri and Oklahoma.

S. Robson Walton^{(d)(e)}

Mr. Walton is the Chairman of the Board of Directors of Wal-Mart Stores, Inc.

Christopher J. Williams^{(a)*(d)}

Mr. Williams is the Chairman of the Board of Directors and Chief Executive Officer of The Williams Capital Group, L.P., an investment bank.

Linda S. Wolf^{(c)*}

Ms. Wolf is the retired Chairman of the Board of Directors and Chief Executive Officer of Leo Burnett Worldwide, Inc., an advertising agency and division of Publicis Groupe S.A.

Committees

- (a) Audit
- (b) Strategic Planning and Finance
- (c) Compensation, Nominating and Governance
- (d) Executive
- (e) Global Compensation

*Denotes Committee Chairperson

Effective corporate governance benefits shareholders

Walmart is a purpose-driven organization, helping customers save money so they can live better. Our commitment to this mission and to enhancing shareholder value drives our associates around the world and lays the groundwork for us to build the Next Generation Walmart. It is gratifying to me and to our entire Board that we uphold the same values and principles that guided my Dad as he built this company.

Walmart associates live those values every day. I like to get out and visit with our associates, and when I do I am proud to see their commitment when I visit stores or clubs. I appreciate watching the heartfelt offer of a greeting and a shopping cart to a mother with small children. A small restaurant owner shared his enthusiasm with me recently about the savings and value he finds at Sam's Club. It is exciting that through our growth strategy we have so many more opportunities to share the Walmart experience. In fact, when our Board met in China late last year, we spent two days visiting our stores and several competitors. We had lunch with a number of hourly Walmart China associates and learned more about their lives and how we can better serve customers. These visits reinforced the Board's recommendation that our international team accelerate growth in China, as well as our other emerging markets.

Strong governance framework. Our corporate governance practices are rooted in these same values and principles that Dad instilled in Walmart. This corporate governance framework has never been stronger. We've maintained a separate Chairman and CEO leadership structure since 1988 to enhance the oversight of our leadership team and facilitate management development.

Our Board remains committed to corporate governance processes that ensure a balance between proper oversight and the right level of control, and we regularly review these processes. For example, our Board recently changed the charter to formalize the Compensation, Nominating and Governance Committee's oversight for sustainability and corporate responsibility. This committee also regularly reviews our executive compensation programs to ensure



that compensation is not only competitive, but also remains closely tied to performance that is aligned with shareholder value.

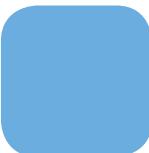
Walmart Board members represent varied experiences covering retail, technology, financial, brand management, strategic and global expertise. We encourage frank discussions and debate, gain consensus and provide guidance to management on strategies and plans. Mike Duke's leadership team is fully aware that each Board conversation includes honest feedback and provocative questions, based on the best interests of the company and our shareholders.

As Chairman, I am very proud that through these examples and countless others, our corporate governance reflects Walmart's culture and rich history. My Dad left behind one of the greatest gifts, a culture that ensures we always strive to do our best for customers and shareholders. We often credit Dad with creating this great company, as well as driving innovation in operations and merchandising. What he really did was create an organization founded on the principles of the utmost integrity behind our decisions...that just happened to be a retail company. It's an organization that is capable of continuing to accomplish great things.

One of my Dad's most popular quotes is "To succeed, stay out in front of change." Dad forged a framework that allows us to do that. And in doing so, we challenge ourselves to improve constantly for our customers, our shareholders and our associates.

A handwritten signature in black ink, appearing to read "S. Robson Walton".

S. Robson Walton
Chairman of the Board of Directors
Wal-Mart Stores, Inc.



Every week around the world, our 2.1 million associates work diligently to help more than 200 million customers save money so they can live better.



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

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