

## **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 any possible short-term impacts.

ROI was 17.8 percent and 18.1 percent for the trailing twelve months ended April 30, 2013 and 2012, respectively. The decline was primarily the result of acquisitions, along with an increase in fixed assets within our base business.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the fiscal year 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 accumulated depreciation and amortization less accounts payable and accrued liabilities for that period, plus a rent factor equal to the rent for the fiscal year multiplied by a factor of eight. When we have discontinued operations, we exclude the impact of the discontinued operations.

ROI is considered a non-GAAP financial measure under the SEC's rules. We consider return on assets ("ROA") to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to ROI as we calculate that financial measure. ROI differs from ROA (which is consolidated net income for the period divided by average total assets for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; adjusts total assets 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 Walmart's management to calculate ROI may differ from the methods other companies use 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**  
**April 30,**  
**2013**      **2012**

(Dollars in millions)

**CALCULATION OF RETURN ON INVESTMENT**

<b>Numerator</b>		
Operating income	\$ 27,870	\$ 27,049
+ Interest income	193	157
+ Depreciation and amortization	8,589	8,251
+ Rent	2,631	2,515
Adjusted operating income	<u>\$ 39,283</u>	<u>\$ 37,972</u>
<b>Denominator</b>		
Average total assets of continuing operations <sup>1</sup>	\$ 199,644	\$ 191,663
+ Average accumulated depreciation and amortization <sup>1</sup>	53,692	49,761
- Average accounts payable <sup>1</sup>	36,919	35,775
- Average accrued liabilities <sup>1</sup>	16,972	16,334
+ Rent x 8	21,048	20,120
Average invested capital	<u>\$ 220,493</u>	<u>\$ 209,435</u>
<b>Return on investment (ROI)</b>	<u>17.8%</u>	<u>18.1%</u>

**CALCULATION OF RETURN ON ASSETS**

<b>Numerator</b>		
Income from continuing operations	\$ 17,807	\$ 16,770
<b>Denominator</b>		
Average total assets of continuing operations <sup>1</sup>	\$ 199,644	\$ 191,663
<b>Return on assets (ROA)</b>	<u>8.9%</u>	<u>8.7%</u>

**As of April 30,**

<b>Certain Balance Sheet Data</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Total assets of continuing operations <sup>2</sup>	\$ 202,187	\$ 197,100	\$ 186,225
Accumulated depreciation and amortization	56,549	50,835	48,686
Accounts payable	36,770	37,068	34,481
Accrued liabilities <sup>3</sup>	17,282	16,661	16,006

<sup>1</sup> 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.