UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the quarterly period ended October 31, 2016 .

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the transition period from ______to ______.

Commission file number 1-6991

WAL-MART STORES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**71-0415188**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
702 S.W. 8th Street Bentonville, Arkansas	**72716**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (479) 273-4000
Former name, former address and former fiscal year, if changed since last report: N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 3,073,190,306 shares of common stock outstanding as of November 28, 2016.

Wal-Mart Stores, Inc.
Form 10-Q
For the Quarterly Period Ended October 31, 2016

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

(Amounts in millions, except per share data)	Three Months Ended October 31, 2016	Three Months Ended October 31, 2015	Nine Months Ended October 31, 2016	Nine Months Ended October 31, 2015
Revenues:				
Net sales	$ 117,176	$ 116,598	$ 351,567	$ 349,930
Membership and other income	1,003	810	3,370	2,533
Total revenues	118,179	117,408	354,937	352,463
Costs and expenses:				
Cost of sales	87,484	87,446	263,513	263,985
Operating, selling, general and administrative expenses	25,576	24,248	74,865	71,015
Operating income	5,119	5,714	16,559	17,463
Interest:				
Debt	528	509	1,536	1,555
Capital lease and financing obligations	81	64	246	428
Interest income	(24)	(21)	(70)	(64)
Interest, net	585	552	1,712	1,919
Income before income taxes	4,534	5,162	14,847	15,544
Provision for income taxes	1,332	1,748	4,540	5,212
Consolidated net income	3,202	3,414	10,307	10,332
Consolidated net income attributable to noncontrolling interest	(168)	(110)	(421)	(212)
Consolidated net income attributable to Walmart	$ 3,034	$ 3,304	$ 9,886	$ 10,120
Net income per common share:				
Basic net income per common share attributable to Walmart	$ 0.98	$ 1.03	$ 3.17	$ 3.14
Diluted net income per common share attributable to Walmart	0.98	1.03	3.16	3.13
Weighted-average common shares outstanding:				
Basic	3,089	3,210	3,114	3,221
Diluted	3,100	3,219	3,124	3,231
Dividends declared per common share	$ —	$ —	$ 2.00	$ 1.96

See accompanying notes.

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
(Amounts in millions)	**2016**	**2015**	**2016**	**2015**
Consolidated net income	$ 3,202	$ 3,414	$ 10,307	$ 10,332
Less consolidated net income attributable to nonredeemable noncontrolling interest	(168)	(110)	(421)	(212)
Consolidated net income attributable to Walmart	3,034	3,304	9,886	10,120
Other comprehensive income (loss), net of income taxes				
Currency translation and other	(757)	(2,694)	(1,086)	(3,941)
Net investment hedges	258	182	468	101
Cash flow hedges	(179)	(56)	(123)	(75)
Minimum pension liability	17	(1)	(89)	73
Other comprehensive income (loss), net of income taxes	(661)	(2,569)	(830)	(3,842)
Less other comprehensive income (loss) attributable to nonredeemable noncontrolling interest	(2)	298	92	351
Other comprehensive income (loss) attributable to Walmart	(663)	(2,271)	(738)	(3,491)
Comprehensive income, net of income taxes	2,541	845	9,477	6,490
Less comprehensive income (loss) attributable to nonredeemable noncontrolling interest	(170)	188	(329)	139
Comprehensive income attributable to Walmart	$ 2,371	$ 1,033	$ 9,148	$ 6,629

See accompanying notes.

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

(Amounts in millions)	October 31, 2016	January 31, 2016	October 31, 2015
ASSETS			
Current assets:			
Cash and cash equivalents	$ 5,939	$ 8,705	$ 6,990
Receivables, net	5,344	5,624	5,012
Inventories	49,822	44,469	50,706
Prepaid expenses and other	2,296	1,441	2,404
Total current assets	63,401	60,239	65,112
Property and equipment:			
Property and equipment	179,667	176,958	176,660
Less accumulated depreciation	(70,991)	(66,787)	(65,825)
Property and equipment, net	108,676	110,171	110,835
Property under capital lease and financing obligations:			
Property under capital lease and financing obligations	11,482	11,096	10,948
Less accumulated amortization	(5,070)	(4,751)	(4,827)
Property under capital lease and financing obligations, net	6,412	6,345	6,121
Goodwill	17,792	16,695	17,051
Other assets and deferred charges	10,576	6,131	6,025
Total assets	$ 206,857	$ 199,581	$ 205,144
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings	$ 5,082	$ 2,708	$ 4,960
Accounts payable	42,990	38,487	40,553
Dividends payable	1,541	—	1,589
Accrued liabilities	21,243	19,607	19,499
Accrued income taxes	459	521	587
Long-term debt due within one year	2,266	2,745	2,746
Capital lease and financing obligations due within one year	549	551	558
Total current liabilities	74,130	64,619	70,492
Long-term debt	36,178	38,214	38,617
Long-term capital lease and financing obligations	5,930	5,816	5,581
Deferred income taxes and other	10,144	7,321	7,824
Commitments and contingencies			
Equity:			
Common stock	308	317	321
Capital in excess of par value	2,084	1,805	2,006
Retained earnings	87,636	90,021	87,903
Accumulated other comprehensive loss	(12,335)	(11,597)	(10,659)
Total Walmart shareholders' equity	77,693	80,546	79,571
Nonredeemable noncontrolling interest	2,782	3,065	3,059
Total equity	80,475	83,611	82,630
Total liabilities and equity	$ 206,857	$ 199,581	$ 205,144

See accompanying notes.

Wal-Mart Stores, Inc.
Condensed Consolidated Statement of Shareholders' Equity
(Unaudited)

(Amounts in millions)	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Walmart Shareholders' Equity	Nonredeemable Noncontrolling Interest	Total Equity
Balances as of February 1, 2016	3,162	$ 317	$ 1,805	$ 90,021	$ (11,597)	$ 80,546	$ 3,065	$ 83,611
Consolidated net income	—	—	—	9,886	—	9,886	421	10,307
Other comprehensive income (loss), net of income taxes	—	—	—	—	(738)	(738)	(92)	(830)
Cash dividends declared ($2.00 per share)	—	—	—	(6,221)	—	(6,221)	—	(6,221)
Purchase of Company stock	(89)	(9)	(125)	(6,044)	—	(6,178)	—	(6,178)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(522)	(522)
Other	6	—	404	(6)	—	398	(90)	308
Balances as of October 31, 2016	3,079	$ 308	$ 2,084	$ 87,636	$ (12,335)	$ 77,693	$ 2,782	$ 80,475

See accompanying notes.

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

	Nine Months Ended October 31,	
(Amounts in millions)	2016	2015
Cash flows from operating activities:		
Consolidated net income	$ 10,307	$ 10,332
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	7,374	7,023
Deferred income taxes	1,167	(987)
Other operating activities	(387)	644
Changes in certain assets and liabilities, net of effects of acquisitions:		
Receivables, net	271	783
Inventories	(5,516)	(6,637)
Accounts payable	5,121	3,603
Accrued liabilities	1,256	662
Accrued income taxes	51	(418)
Net cash provided by operating activities	19,644	15,005
Cash flows from investing activities:		
Payments for property and equipment	(7,459)	(8,223)
Proceeds from the disposal of property and equipment	783	362
Proceeds from the disposal of certain operations	—	246
Purchase of available for sale securities	(1,901)	—
Investment and business acquisitions, net of cash acquired	(2,406)	—
Other investing activities	(67)	48
Net cash used in investing activities	(11,050)	(7,567)
Cash flows from financing activities:		
Net change in short-term borrowings	2,302	3,537
Proceeds from issuance of long-term debt	134	41
Payments of long-term debt	(2,040)	(4,422)
Dividends paid	(4,682)	(4,728)
Purchase of Company stock	(6,254)	(1,720)
Dividends paid to noncontrolling interest	(320)	(609)
Purchase of noncontrolling interest	(89)	(890)
Other financing activities	(186)	(468)
Net cash used in financing activities	(11,135)	(9,259)
Effect of exchange rates on cash and cash equivalents	(225)	(324)
Net increase (decrease) in cash and cash equivalents	(2,766)	(2,145)
Cash and cash equivalents at beginning of year	8,705	9,135
Cash and cash equivalents at end of period	$ 5,939	$ 6,990

See accompanying notes.

Wal-Mart Stores, Inc.

Notes to Condensed Consolidated Financial Statements

Note 1. Accounting Policies

Basis of Presentation

The Condensed Consolidated Financial Statements of Wal-Mart Stores, Inc. and its subsidiaries ("Walmart" or the "Company") and the accompanying notes included in this Quarterly Report on Form 10-Q are unaudited. In the opinion of management, all adjustments necessary for the fair presentation of the Condensed Consolidated Financial Statements have been included. Such adjustments are of a normal, recurring nature. The Condensed Consolidated Financial Statements, and the accompanying notes, are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and do not contain certain information included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2016 . Therefore, the interim Condensed Consolidated Financial Statements should be read in conjunction with that Annual Report on Form 10-K .

The Company's Condensed Consolidated Financial Statements are based on a fiscal year ending on January 31 for the United States ("U.S.") and Canadian operations. The Company consolidates all other operations generally using a one-month lag and based on a calendar year. There were no significant intervening events during the month of October 2016 related to the operations consolidated using a lag that materially affected the Condensed Consolidated Financial Statements.

The Company's business is seasonal to a certain extent due to calendar events and national and religious holidays, as well as weather patterns. Historically, the Company's highest sales volume and operating income have occurred in the fiscal quarter ending January 31.

Receivables

Receivables are stated at their carrying values, net of a reserve for doubtful accounts. Receivables consist primarily of amounts due from:

- insurance companies resulting from pharmacy sales;
- banks for customer credit and debit cards and electronic bank transfers that take in excess of seven days to process;
- consumer financing programs in certain international operations;
- suppliers for marketing or incentive programs; and
- real estate transactions.

The Walmart International segment offers a limited number of consumer credit products, primarily through its financial institutions in Canada and Chile to customers in those markets. The receivable balance from consumer credit products was $1.2 billion , net of a reserve for doubtful accounts of $77 million at October 31, 2016 , compared to a receivable balance of $ 1.0 billion , net of a reserve for doubtful accounts of $70 million at January 31, 2016 . These balances are included in receivables, net, in the Company's Condensed Consolidated Balance Sheets.

Inventories

The Company values inventories at the lower of cost or market as determined primarily by the retail inventory method of accounting, using the last-in, first-out ("LIFO") method for substantially all of the Walmart U.S. segment's inventories. The inventory at the Walmart International segment is valued primarily by the retail inventory method of accounting, using the first-in, first-out ("FIFO") method. The retail inventory method of accounting results in inventory being valued at the lower of cost or market, since permanent markdowns are immediately recorded as a reduction of the retail value of inventory. The inventory at the Sam's Club segment is valued using the LIFO method. At October 31, 2016 and January 31, 2016 , the Company's inventories valued at LIFO approximated those inventories as if they were valued at FIFO.

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606).* This ASU is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. In August 2015, FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date* , which deferred the effective date of ASU 2014-09 to reporting periods beginning after December 15, 2017, with early adoption permitted for reporting periods beginning after December 15, 2016. Subsequently, FASB issued ASUs in 2016 containing implementation guidance related to ASU 2014-09, including: ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* , which is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations; ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* , which is intended to clarify two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance; and ASU 2016-12, *Revenue from Contracts* *with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* , which contains certain practical expedients in response to identified implementation issues. The Company is planning to adopt ASU 2014-09 and related ASUs on February 1, 2018. Companies may use either a full retrospective or a modified retrospective approach to adopt these ASUs. Management is currently evaluating these ASUs, including which transition approach to use, but does not expect these ASUs to materially impact the Company's consolidated net income, financial position or cash flows.

Leases

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* . FASB issued ASU 2016-02 to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Certain qualitative and quantitative disclosures are required, as well as a retrospective recognition and measurement of impacted leases. ASU 2016-02 is effective for fiscal years and interim periods within those years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating this ASU to determine its impact on the Company's consolidated net income, financial position, cash flows and disclosures.

Financial Instruments

In January 2016, FASB issued ASU 2016-01, *Financial Instruments–Overall* (*Topic 825*). ASU 2016-01 updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for fiscal years beginning after December 15, 2017. Management is currently evaluating this ASU to determine its impact on the Company's consolidated net income, financial position and disclosures.

In June 2016, FASB issued ASU 2016-13, *Financial Instruments–Credit Losses (Topic 326)* . ASU 2016-13 modifies the measurement of expected credit losses of certain financial instruments. ASU 2016-13 is effective for fiscal years and interim periods within those years beginning after December 15, 2019. Management is currently evaluating this ASU to determine its impact on the Company's consolidated net income, financial position, cash flows and disclosures.

Stock Compensation

In March 2016, FASB issued ASU 2016-09, *Compensation–Stock Compensation (Topic 718)* . ASU 2016-09 includes new guidance on stock compensation, which is intended to simplify accounting for share-based payment transactions. The guidance will change several aspects of the accounting for share-based payment award transactions, including accounting for income taxes, forfeitures, and minimum statutory tax withholding requirements. Management has determined that the Company will adopt ASU 2016-09 in the first quarter of the year ended January 31, 2018 ("Fiscal 2018"). Management has evaluated this ASU and determined that, upon adoption, it will have an immaterial retrospective impact on the classification of cash flows between operating and financing activities.

Note 2. Net Income Per Common Share

Basic income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period. Diluted income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of share-based awards. The Company did not have significant share-based awards outstanding that were antidilutive and not included in the calculation of diluted income per common share attributable to Walmart for the three and nine months ended October 31, 2016 and 2015 .

The following table provides a reconciliation of the numerators and denominators used to determine basic and diluted income per common share attributable to Walmart:

	Three Months Ended October 31,		**Nine Months Ended October 31,**	
(Amounts in millions, except per share data)	**2016**	**2015**	**2016**	**2015**
Numerator				
Consolidated net income	$ 3,202	$ 3,414	$ 10,307	$ 10,332
Consolidated net income attributable to noncontrolling interest	(168)	(110)	(421)	(212)
Consolidated net income attributable to Walmart	$ 3,034	$ 3,304	$ 9,886	$ 10,120
Denominator				
Weighted-average common shares outstanding, basic	3,089	3,210	3,114	3,221
Dilutive impact of stock options and other share-based awards	11	9	10	10
Weighted-average common shares outstanding, diluted	3,100	3,219	3,124	3,231
Net income per common share attributable to Walmart				
Basic	$ 0.98	$ 1.03	$ 3.17	$ 3.14
Diluted	0.98	1.03	3.16	3.13

Note 3. Accumulated Other Comprehensive Loss

The following table provides the changes in the composition of total accumulated other comprehensive loss for the nine months ended October 31, 2016 :

(Amounts in millions and net of income taxes)	Currency Translation and Other	Net Investment Hedges	Cash Flow Hedges	Minimum Pension Liability	Total
Balances as of February 1, 2016	$ (11,690)	$ 1,022	$ (336)	$ (593)	$ (11,597)
Other comprehensive income (loss) before reclassifications	(994)	468	(151)	(83)	(760)
Amounts reclassified from accumulated other comprehensive loss	—	—	28	(6)	22
Balances as of October 31, 2016	$ (12,684)	$ 1,490	$ (459)	$ (682)	$ (12,335)

Amounts reclassified from accumulated other comprehensive loss for derivative instruments are recorded in interest, net, in the Company's Condensed Consolidated Statements of Income, and the amounts for the minimum pension liability are recorded in operating, selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Income.

Note 4. Long-term Debt

The following table provides the changes in the Company's long-term debt for the nine months ended October 31, 2016 :

(Amounts in millions)	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2016	$ 2,745	$ 38,214	$ 40,959
Proceeds from long-term debt	—	134	134
Repayments of long-term debt	(2,040)	—	(2,040)
Reclassifications of long-term debt	1,500	(1,500)	—
Other	61	(670)	(609)
Balances as of October 31, 2016	$ 2,266	$ 36,178	$ 38,444

Issuances

The Company did not have any material long-term debt issuances during the nine months ended October 31, 2016 , but received proceeds from a number of small, immaterial long-term debt issuances by several of its non-U.S. operations.

Maturities

During the nine months ended October 31, 2016 , the following long-term debt matured and was repaid:

(Amounts in millions)

Maturity Date	Principal Amount	Fixed vs. Floating	Interest Rate	Repayment
April 11, 2016	1,000 USD	Fixed	0.600%	$ 1,000
April 15, 2016	1,000 USD	Fixed	2.800%	1,000
				$ 2,000

The Company also repaid other, smaller long-term debt as it matured in several of its non-U.S. operations.

Note 5. Fair Value Measurements

The Company records and discloses certain financial and non-financial assets and liabilities at fair value. The fair value of an asset is the price at which the asset could be sold in an ordinary transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. The fair value of a liability is the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor. Assets and liabilities recorded at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are:

- Level 1: observable inputs such as quoted prices in active markets;
- Level 2: inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3: unobservable inputs for which little or no market data exists, therefore requiring the Company to develop its own assumptions.

Recurring Fair Value Measurements

The Company holds derivative instruments that are required to be measured at fair value on a recurring basis. The fair values are the estimated amounts the Company would receive or pay upon termination of the related derivative agreements as of the reporting dates. The fair values have been measured using the income approach and Level 2 inputs, which include the relevant interest rate and foreign currency forward curves. As of October 31, 2016 and January 31, 2016 , the notional amounts and fair values of these derivatives were as follows:

	October 31, 2016		January 31, 2016	
(Amounts in millions)	Notional Amount	Fair Value	Notional Amount	Fair Value
Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges	$ 5,000	$ 172	$ 5,000	$ 173
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as net investment hedges	1,250	532	1,250	319
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as cash flow hedges	3,970	(837)	4,132	(609)
Total	$ 10,220	$ (133)	$ 10,382	$ (117)

Additionally, the Company has available-for-sale securities that are measured at fair value on recurring basis using Level 1 inputs. Changes in fair value are recorded in accumulated other comprehensive loss.

Nonrecurring Fair Value Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company's assets and liabilities are also subject to nonrecurring fair value measurements. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges. The Company did not record any significant impairment charges to assets measured at fair value on a nonrecurring basis during the three and nine months ended October 31, 2016 , or for the fiscal year ended January 31, 2016 .

Other Fair Value Disclosures

The Company records cash and cash equivalents and short-term borrowings at cost. The carrying values of these instruments approximate their fair value due to their short-term maturities.

The Company's long-term debt is also recorded at cost. The fair value is estimated using Level 2 inputs based on the Company's current incremental borrowing rate for similar types of borrowing arrangements. The carrying value and fair value of the Company's long-term debt as of October 31, 2016 and January 31, 2016 , are as follows:

	October 31, 2016		January 31, 2016	
(Amounts in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including amounts due within one year	$ 38,444	$ 46,797	$ 40,959	$ 46,965

Note 6. Derivative Financial Instruments

The Company uses derivative financial instruments for hedging and non-trading purposes to manage its exposure to changes in interest and currency exchange rates, as well as to maintain an appropriate mix of fixed- and variable-rate debt. Use of derivative financial instruments in hedging programs subjects the Company to certain risks, such as market and credit risks. Market risk represents the possibility that the value of the derivative financial instrument will change. In a hedging relationship, the change in the value of the derivative financial instrument is offset to a great extent by the change in the value of the underlying hedged item. Credit risk related to a derivative financial instrument represents the possibility that the counterparty will not fulfill the terms of the contract. The notional, or contractual, amount of the Company's derivative financial instruments is used to measure interest to be paid or received and does not represent the Company's exposure due to credit risk. Credit risk is monitored through established approval procedures, including setting concentration limits by counterparty, reviewing credit ratings and requiring collateral (generally cash) from the counterparty when appropriate.

The Company only enters into derivative transactions with counterparties rated "A-" or better by nationally recognized credit rating agencies. Subsequent to entering into derivative transactions, the Company regularly monitors the credit ratings of its counterparties. In connection with various derivative agreements, including master netting arrangements, the Company held cash collateral from counterparties of $266 million and $345 million at October 31, 2016 and January 31, 2016 , respectively. The Company records cash collateral received as amounts due to the counterparties exclusive of any derivative asset. Furthermore, as part of the master netting arrangements with each of these counterparties, the Company is also required to post collateral with a counterparty if the Company's net derivative liability position exceeds $150 million with such counterparties. The Company did not have any cash collateral posted with counterparties at October 31, 2016 , however, the Company did have an insignificant amount of cash collateral posted with counterparties at January 31, 2016 . The Company records cash collateral it posts with counterparties as amounts receivable from those counterparties exclusive of any derivative liability.

The Company uses derivative financial instruments for the purpose of hedging its exposure to interest and currency exchange rate risks and, accordingly, the contractual terms of a hedged instrument closely mirror those of the hedged item, providing a high degree of risk reduction and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria are recorded using hedge accounting. If a derivative financial instrument is recorded using hedge accounting, depending on the nature of the hedge, changes in the fair value of the instrument will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or be recognized in accumulated other comprehensive loss until the hedged item is recognized in earnings. Any hedge ineffectiveness is immediately recognized in earnings. The Company's net investment and cash flow instruments are highly effective hedges and the ineffective portion has not been, and is not expected to be, significant. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are recorded at fair value with unrealized gains or losses reported in earnings during the period of the change.

Fair Value Instruments

The Company is a party to receive fixed-rate, pay variable-rate interest rate swaps that the Company uses to hedge the fair value of fixed-rate debt. The notional amounts are used to measure interest to be paid or received and do not represent the Company's exposure due to credit loss. The Company's interest rate swaps that receive fixed-interest rate payments and pay variable-interest rate payments are designated as fair value hedges. As the specific terms and notional amounts of the derivative instruments match those of the fixed-rate debt being hedged, the derivative instruments are assumed to be perfectly effective hedges. Changes in the fair values of these derivative instruments are recorded in earnings, but are offset by corresponding changes in the fair values of the hedged items, also recorded in earnings, and, accordingly, do not impact the Company's Condensed Consolidated Statements of Income. These fair value instruments will mature on dates ranging from October 2020 to April 2024 .

Net Investment Instruments

The Company is a party to cross-currency interest rate swaps that the Company uses to hedge its net investments. The agreements are contracts to exchange fixed-rate payments in one currency for fixed-rate payments in another currency. All changes in the fair value of these instruments are recorded in accumulated other comprehensive loss, offsetting the currency translation adjustment of the related investment that is also recorded in accumulated other comprehensive loss. These instruments will mature on dates ranging from October 2023 to February 2030 .

The Company has issued foreign-currency-denominated long-term debt as hedges of net investments of certain of its foreign operations. These foreign-currency-denominated long-term debt issuances are designated and qualify as nonderivative hedging instruments. Accordingly, the foreign currency translation of these debt instruments is recorded in accumulated other comprehensive loss, offsetting the foreign currency translation adjustment of the related net investments that is also recorded in accumulated other comprehensive loss. At October 31, 2016 and January 31, 2016 , the Company had ¥10 billion of outstanding long-term debt designated as a hedge of its net investment in Japan, as well as outstanding long-term debt of £2.5 billion at October 31, 2016 and January 31, 2016 that was designated as a hedge of its net investment in the United Kingdom. These nonderivative net investment hedges will mature on dates ranging from July 2020 to January 2039 .

Cash Flow Instruments

The Company is a party to receive fixed-rate, pay fixed-rate cross-currency interest rate swaps to hedge the currency exposure associated with the forecasted payments of principal and interest of certain non-U.S. denominated debt. The swaps are designated as cash flow hedges of the currency risk related to payments on the non-U.S. denominated debt. The effective portion of changes in the fair value of derivatives designated as cash flow hedges of foreign exchange risk is recorded in accumulated other comprehensive loss and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The hedged items are recognized foreign currency-denominated liabilities that are re-measured at spot exchange rates each period, and the assessment of effectiveness (and measurement of any ineffectiveness) is based on total changes in the related derivative's cash flows. As a result, the amount reclassified into earnings each period includes an amount that offsets the related transaction gain or loss arising from that re-measurement and the adjustment to earnings for the period's allocable portion of the initial spot-forward difference associated with the hedging instrument. These cash flow instruments will mature on dates ranging from April 2022 to March 2034 .

Financial Statement Presentation

Although subject to master netting arrangements, the Company does not offset derivative assets and derivative liabilities in its Condensed Consolidated Balance Sheets. Derivative instruments with an unrealized gain are recorded in the Company's Condensed Consolidated Balance Sheets as either current or non-current assets, based on maturity date, and those hedging instruments with an unrealized loss are recorded as either current or non-current liabilities, based on maturity date. Refer to Note 5 for the net presentation of the Company's derivative instruments.

The Company's derivative instruments, as well as its nonderivative debt instruments designated and qualifying as net investment hedges, were classified as follows in the Company's Condensed Consolidated Balance Sheets:

	October 31, 2016			January 31, 2016		
(Amounts in millions)	Fair Value Instruments	Net Investment Instruments	Cash Flow Instruments	Fair Value Instruments	Net Investment Instruments	Cash Flow Instruments
Derivative instruments						
Derivative assets:						
Other assets and deferred charges	$ 172	$ 532	$ —	$ 173	$ 319	$ 129
Derivative liabilities:						
Deferred income taxes and other	—	—	837	—	—	738
Nonderivative hedging instruments						
Long-term debt	—	3,142	—	—	3,644	—

Gains and losses related to the Company's derivatives primarily relate to interest rate hedges, which are recorded in interest, net, in the Company's Condensed Consolidated Statements of Income. Amounts related to the Company's derivatives expected to be reclassified from accumulated other comprehensive loss to net income during the next 12 months are not significant.

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Note 7. Share Repurchases

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. The current $20.0 billion share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At October 31, 2016 , authorization for $11.3 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings and the market price of its common stock. The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total amount paid for share repurchases for the nine months ended October 31, 2016 and 2015 :

	Nine Months Ended October 31,	
(Amounts in millions, except per share data)	**2016**	**2015**
Total number of shares repurchased	90.6	23.2
Average price paid per share	$ 69.04	$ 74.20
Total amount paid for share repurchases	$ 6,254	$ 1,720

Note 8. Common Stock Dividends

Dividends Declared

On February 18, 2016 , the Board of Directors approved the fiscal 2017 annual dividend of $2.00 per share, an increase over the fiscal 2016 annual dividend of $1.96 per share. For fiscal 2017 , the annual dividend will be paid in four quarterly installments of $0.50 per share, according to the following record and payable dates:

Record Date	Payable Date
March 11, 2016	April 4, 2016
May 13, 2016	June 6, 2016
August 12, 2016	September 6, 2016
December 9, 2016	January 3, 2017

The dividend installments payable on April 4, 2016 , June 6, 2016 and September 6, 2016 were paid as scheduled.

Note 9. Contingencies

Legal Proceedings

The Company is involved in a number of legal proceedings. The Company has made accruals with respect to these matters, where appropriate, which are reflected in the Company's Condensed Consolidated Financial Statements. For some matters, a liability is not probable or the amount cannot be reasonably estimated and therefore an accrual has not been made. However, where a liability is reasonably possible and may be material, such matters have been disclosed. The Company may enter into discussions regarding settlement of these matters, and may enter into settlement agreements, if it believes settlement is in the best interest of the Company and its shareholders.

Unless stated otherwise, the matters, or groups of related matters, discussed below, if decided adversely to or settled by the Company, individually or in the aggregate, may result in a liability material to the Company's financial condition or results of operations.

ASDA Equal Value Claims: ASDA Stores, Ltd. ("ASDA"), a wholly-owned subsidiary of the Company, is a defendant in over 8,000 "equal value" claims that are proceeding before an Employment Tribunal in Manchester (the "Employment Tribunal") in the United Kingdom ("UK") on behalf of current and former ASDA store employees, who allege that the work performed by female employees in ASDA's retail stores is of equal value in terms of, among other things, the demands of their jobs to that of male employees working in ASDA's warehouse and distribution facilities, and that the disparity in pay between these different job positions is not objectively justified. Claimants are requesting differential back pay based on higher wage rates in the warehouse and distribution facilities and those higher wage rates on a prospective basis as part of these equal value proceedings. ASDA believes that further claims may be asserted in the near future. On March 23, 2015, ASDA asked the Employment Tribunal to stay all proceedings and to "strike out" substantially all of the claims. On July 23, 2015, the Employment Tribunal denied ASDA's requests. Following additional proceedings, the Employment Appeal Tribunal agreed to review the "strike out" issue and the Court of Appeals agreed to review the stay issue. On May 26, 2016, the Court of Appeals denied ASDA's appeal of the stay issue. On October 14, 2016, following a preliminary hearing, the Employment Tribunal ruled that claimants could compare their positions in ASDA's retail stores with those of employees in ASDA's warehouse and distribution facilities. Claimants will now proceed to the next phase of their claims. That phase will determine whether the work performed by the claimants is of equal value to the work performed by employees in ASDA's warehouse and distribution facilities. On November 23, 2016, ASDA filed a request with the Employment Appeal Tribunal to hear an appeal of the October 14, 2016 ruling. At present, the Company cannot predict the number of such claims that may be filed, and cannot reasonably estimate any loss or range of loss that may arise from these proceedings. The Company believes it has substantial factual and legal defenses to these claims, and intends to defend the claims vigorously.

FCPA Investigation and Related Matters

The Audit Committee (the "Audit Committee") of the Board of Directors of the Company, which is composed solely of independent directors, has been conducting an internal investigation into, among other things, alleged violations of the U.S. Foreign Corrupt Practices Act ("FCPA") and other alleged crimes or misconduct in connection with foreign subsidiaries, including Wal-Mart de México, S.A.B. de C.V. ("Walmex"), and whether prior allegations of such violations and/or misconduct were appropriately handled by the Company. The Audit Committee and the Company have engaged outside counsel from a number of law firms and other advisors who are assisting in the on-going investigation of these matters.

The Company has also been conducting a voluntary global review of its policies, practices and internal controls for anti-corruption compliance. The Company is engaged in strengthening its global anti-corruption compliance program through appropriate remedial anti-corruption measures. In November 2011, the Company voluntarily disclosed that investigative activity to the U.S. Department of Justice (the "DOJ") and the Securities and Exchange Commission (the "SEC"). Since the implementation of the global review and the enhanced anti-corruption compliance program, the Audit Committee and the Company have identified or been made aware of additional allegations regarding potential violations of the FCPA. When such allegations have been reported or identified, the Audit Committee and the Company, together with their third party advisors, have conducted inquiries and when warranted based on those inquiries, opened investigations. Inquiries or investigations regarding allegations of potential FCPA violations were commenced in a number of foreign markets where the Company operates, including, but not limited to, Brazil, China and India.

As previously disclosed, the Company is under investigation by the DOJ and the SEC regarding possible violations of the FCPA. The Company has been cooperating with the agencies and discussions have begun with them regarding the resolution of these matters. As these discussions are preliminary, the Company cannot currently predict the timing, the outcome or the impact of a possible resolution of these matters.

A number of federal and local government agencies in Mexico have also initiated investigations of these matters. Walmex is cooperating with the Mexican governmental agencies conducting these investigations. Furthermore, lawsuits relating to the matters under investigation have been filed by several of the Company's shareholders against it, certain of its current directors, certain of its former directors, certain of its current and former officers and certain of Walmex's current and former officers.

The Company could be exposed to a variety of negative consequences as a result of the matters noted above. There could be one or more enforcement actions in respect of the matters that are the subject of some or all of the on-going government investigations, and such actions, if brought, may result in judgments, settlements, fines, penalties, injunctions, cease and desist orders, debarment or other relief, criminal convictions and/or penalties and the shareholder lawsuits referenced above may result in judgments against the Company and its current and former directors and officers named in those proceedings. The Company expects that there will be on-going media and governmental interest, including additional news articles from media publications on these matters, which could impact the perception among certain audiences of the Company's role as a corporate citizen.

In addition, the Company has incurred and expects to continue to incur costs in responding to requests for information or subpoenas seeking documents, testimony and other information in connection with the government investigations, in defending the shareholder lawsuits, and in conducting the review and investigations. These costs will be expensed as incurred. For the three and nine months ended October 31, 2016 and 2015 , the Company incurred the following third-party expenses in connection with the FCPA investigation and related matters:

	Three Months Ended October 31,		Nine Months Ended October 31,	
(Amounts in millions)	2016	2015	2016	2015
Ongoing inquiries and investigations	$ 24	$ 22	$ 68	$ 70
Global compliance program and organizational enhancements	5	8	14	23
Total	$ 29	$ 30	$ 82	$ 93

While the Company believes that it is probable that it will incur a loss from these matters, given the on-going nature and complexity of the review, inquiries and investigations, the Company cannot yet reasonably estimate a loss or range of loss that may arise from the conclusion of these matters. Although the Company does not presently believe that these matters will have a material adverse effect on its business, given the inherent uncertainties in such situations, the Company can provide no assurance that these matters will not be material to its business in the future.

Note 10. Acquisitions, Disposals and Related Items

In July 2015 , the Company completed the purchase of all of the remaining noncontrolling interest in Yihaodian, our e-commerce operations in China, for approximately $760 million , using existing cash to complete this transaction.

In June 2016, the Company sold certain assets relating to Yihaodian, including the Yihaodian brand, website and application, to JD.com, Inc. ("JD") in exchange for Class A ordinary shares of JD representing approximately five percent of JD's outstanding ordinary shares on a fully diluted basis. The $1.5 billion investment in JD is carried at cost and is included in other assets and deferred charges in the accompanying Condensed Consolidated Balance Sheets. The sale resulted in the recognition of a $535 million noncash gain in the Walmart International segment which is included in membership and other income in the accompanying Condensed Consolidated Statements of Income. During the quarter ended October 31, 2016, the Company purchased $1.9 billion of additional JD shares classified as available for sale securities, representing an additional ownership percentage of approximately five percent , for a total ownership of approximately ten percent of JD's outstanding ordinary shares.

On August 10, 2016, one of the Company's subsidiaries entered into a definitive agreement to sell Suburbia, the apparel retail division in Mexico for approximately $1.0 billion in total consideration, resulting in $591 million in current assets held for sale and $163 million in current liabilities held for sale as of October 31, 2016. The transaction is subject to regulatory approval and is expected to close in Fiscal 2018.

On September 19, 2016, the Company completed the acquisition of Jet.com, Inc., a U.S. based e-commerce company. The integration of Jet.com into Walmart U.S. e-commerce business will build upon the current e-commerce foundation, allowing for synergies from talent, logistical operations and access to a broader customer base. The total purchase price for the acquisition was $2.4 billion , net of cash acquired. The preliminary allocation of the purchase price includes $1.7 billion in goodwill and $0.6 billion in intangible assets. As part of the transaction, the Company will pay additional compensation in cash and equity of approximately $0.8 billion over a five year period. The Company began consolidating Jet.com's operations in the Walmart U.S. segment during the quarter ended October 31, 2016 and the acquisition is not significant to the Company's Consolidated Financial Statements.

Note 11. Segments

The Company is engaged in retail and wholesale operations located in the U.S., Argentina, Brazil, Canada, Chile, China, India, Japan, Mexico and the United Kingdom, as well as countries located in Africa and Central America. The Company's operations are conducted in three business segments: Walmart U.S., Walmart International and Sam's Club. The Company defines its segments as those operations whose results its chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources. The Company sells similar individual products and services in each of its segments. It is impractical to segregate and identify revenues for each of these individual products and services.

The Walmart U.S. segment includes the Company's mass merchant concept in the U.S. operating under the "Walmart" or "Wal-Mart" brands, as well as digital retail. The Walmart International segment consists of the Company's operations outside of the U.S., including various retail websites. The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as samsclub.com. Corporate and support consists of corporate overhead and other items not allocated to any of the Company's segments.

The Company measures the results of its segments using, among other measures, each segment's net sales and operating income, which includes certain corporate overhead allocations. From time to time, the Company revises the measurement of each segment's operating income, including any corporate overhead allocations, as determined by the information regularly reviewed by its CODM. When the measurement of a segment changes, previous period amounts and balances are reclassified to be comparable to the current period's presentation.

Net sales by segment are as follows:

	Three Months Ended October 31,		Nine Months Ended October 31,	
(Amounts in millions)	2016	2015	2016	2015
Net sales:				
Walmart U.S.	$ 74,550	$ 72,712	$ 224,086	$ 216,916
Walmart International	28,390	29,811	85,094	90,726
Sam's Club	14,236	14,075	42,387	42,288
Net sales	$ 117,176	$ 116,598	$ 351,567	$ 349,930

Operating income by segment, as well as operating loss for corporate and support, and interest, net, are as follows:

	Three Months Ended October 31,		Nine Months Ended October 31,	
(Amounts in millions)	**2016**	**2015**	**2016**	**2015**
Operating income (loss):				
Walmart U.S.	$ 3,999	$ 4,506	$ 12,750	$ 13,964
Walmart International	1,354	1,338	4,245	3,685
Sam's Club	396	539	1,281	1,394
Corporate and support	(630)	(669)	(1,717)	(1,580)
Operating income	5,119	5,714	16,559	17,463
Interest, net	585	552	1,712	1,919
Income before income taxes	$ 4,534	$ 5,162	$ 14,847	$ 15,544

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Wal-Mart Stores, Inc. ("Walmart," the "Company" or "we") is engaged in retail and wholesale operations in various formats around the world. Through our operations, we help people around the world save money and live better – anytime and anywhere – in retail stores or through our e-commerce and mobile capabilities. Through innovation, we are striving to create a customer-centric experience that seamlessly integrates digital and physical shopping. Physical retail encompasses our brick and mortar presence in each of the markets in which we operate. Digital retail is comprised of our e-commerce websites and mobile commerce applications. Each week, we serve nearly 260 million customers who visit our over 11,500 stores under 63 banners in 28 countries and e-commerce websites in 11 countries. Our strategy is to lead on price, invest to differentiate on access, be competitive on assortment and deliver a great experience. By leading on price we earn the trust of our customers every day by providing a broad assortment of quality merchandise and services at everyday low prices ("EDLP"). EDLP is our pricing philosophy under which we price items at a low price every day so our customers trust that our prices will not change under frequent promotional activity. Price leadership is core to who we are. Everyday low cost ("EDLC") is our commitment to control expenses so those cost savings can be passed along to our customers. Our digital and physical presence, which we are investing in to integrate, provides customers access to our broad assortment anytime and anywhere. We strive to give our customers and members a great digital and physical shopping experience.

Our operations consist of three reportable segments: Walmart U.S., Walmart International and Sam's Club.

- Walmart U.S. is our largest segment with three primary store formats, as well as digital retail. Of our three reportable segments, Walmart U.S. has historically had the highest gross profit as a percentage of net sales ("gross profit rate"). In addition, it has historically contributed the greatest amount to the Company's net sales and operating income.
- Walmart International consists of our operations outside of the U.S. and includes retail, wholesale and other businesses. These businesses consist of numerous formats, including supercenters, supermarkets, hypermarkets, warehouse clubs, including Sam's Clubs, cash & carry, home improvement, specialty electronics, apparel stores, drug stores and convenience stores, as well as digital retail. The overall gross profit rate for Walmart International is lower than that of Walmart U.S. because of its merchandise mix. Walmart International is our second largest segment and has grown through acquisitions, as well as by adding retail, wholesale and other units, and expanding digital retail.
- Sam's Club consists of membership-only warehouse clubs as well as digital retail. As a membership-only warehouse club, membership income is a significant component of the segment's operating income. Sam's Club operates with a lower gross profit rate and lower operating expenses as a percentage of net sales than our other segments.

Each of our segments contributes to the Company's operating results differently. Each, however, has generally maintained a consistent contribution rate to the Company's net sales and operating income in recent years other than minor changes to the contribution rate for the Walmart International segment due to fluctuations in currency exchange rates.

Our fiscal year ends on January 31 for our U.S. and Canadian operations. We consolidate all other operations generally using a one-month lag and on a calendar year basis. Our business is seasonal to a certain extent due to calendar events and national and religious holidays, as well as weather patterns. Historically, our highest sales volume and operating income have occurred in the fiscal quarter ending January 31 .

In June 2016, we announced the sale of certain assets relating to Yihaodian, our e-commerce operations in China, including the Yihaodian brand, website and application, to JD.com, Inc. ("JD") in exchange for approximately 5 percent of JD's outstanding ordinary shares on a fully diluted basis. The sale resulted in the recognition of a $535 million noncash gain in our International segment which is included in membership and other income in the accompanying Condensed Consolidated Statements of Income.

On September 19, 2016, we completed the acquisition of Jet.com, Inc., a U.S. based e-commerce company. The total preliminary purchase price for the acquisition was $2.4 billion , net of cash acquired. The preliminary allocation of the purchase price includes $1.7 billion in goodwill and $0.6 billion in intangible assets. As part of the transaction, we will pay additional compensation in cash and equity of approximately $0.8 billion over a five year period. We began consolidating Jet.com's operations in the Walmart U.S. segment during the quarter ended October 31, 2016.

We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from period to period and the primary factors that accounted for those changes. We also discuss certain performance metrics that management uses to assess the Company's performance. Additionally, the discussion provides information about the financial results of the three segments of our business to provide a better understanding of how each of those segments and its results of operations affect the financial condition and results of operations of the Company as a whole.

This discussion, which presents our results for periods occurring in the fiscal year ending January 31, 2017 ("fiscal 2017 ") and fiscal year ended January 31, 2016 ("fiscal 2016 "), should be read in conjunction with our Condensed Consolidated Financial Statements as of and for the three and nine months ended October 31, 2016 , and the accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q, as well as our Consolidated Financial Statements as of and for the year ended January 31, 2016 , the accompanying notes and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, contained in our Annual Report to Shareholders for the year ended January 31, 2016 , and incorporated by reference in, and included as Exhibit 13 to, our Annual Report on Form 10-K for the fiscal year ended January 31, 2016 .

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, we discuss segment operating income, comparable store and club sales and other measures. Management measures the results of the Company's segments using each segment's operating income, including certain corporate overhead allocations, as well as other measures. From time to time, we revise the measurement of each segment's operating income, including certain corporate overhead allocations, and other measures as determined by the information regularly reviewed by our chief operating decision maker. When we do so, the previous period amounts and balances are reclassified to conform to the current period's presentation.

Comparable store and club sales is a metric that indicates the performance of our existing U.S. stores and clubs by measuring the change in sales for such stores and clubs, including e-commerce sales, for a particular period from the corresponding period in the previous year. Walmart's definition of comparable store and club sales includes sales from stores and clubs open for the previous 12 months, including remodels, relocations, expansions and conversions, as well as e-commerce sales. We measure the e-commerce sales impact by including those sales initiated through our websites and our mobile commerce applications and fulfilled through our e-commerce distribution facilities, as well as an estimate for sales initiated online and on our mobile commerce applications, but fulfilled through our stores and clubs. Sales of a store that has changed in format are excluded from comparable store and club sales when the conversion of that store is accompanied by a relocation or expansion that results in a change in the store's retail square feet of more than five percent. Comparable store and club sales are also referred to as "same-store" sales by others within the retail industry. The method of calculating comparable store and club sales varies across the retail industry. As a result, our calculation of comparable store and club sales is not necessarily comparable to similarly titled measures reported by other companies.

In discussing our operating results, we use the term "currency exchange rates" to refer 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 into U.S. dollars for financial reporting purposes. We calculate the effect of changes in currency exchange rates from the prior period to the current period as the difference between current period activity translated using the current period's currency exchange rates, and current period activity translated using 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. Volatility in currency exchange rates may impact the results, including net sales and operating income, of the Company and the Walmart International segment in the future.

The Retail Industry

We operate in the highly competitive retail industry in all of the markets we serve. We face strong sales competition from other discount, department, drug, dollar, variety and specialty stores, warehouse clubs and supermarkets, as well as e-commerce and catalog businesses. Many of these competitors are national, regional or international chains or have a national or international online presence. We compete with a number of companies for prime retail site locations, as well as in attracting and retaining quality employees (whom we call "associates"). We, along with other retail companies, are influenced by a number of factors including, but not limited to: catastrophic events, weather, competitive pressures, consumer disposable income, consumer debt levels and buying patterns, consumer credit availability, cost of goods, currency exchange rate fluctuations, customer preferences, deflation, inflation, fuel and energy prices, general economic conditions, insurance costs, interest rates, labor costs, tax rates, cybersecurity attacks and unemployment.

Company Performance Metrics

We are committed to helping customers save money and live better through everyday low prices, supported by everyday low costs. At times, we adjust our business strategies to ensure we maintain our strong leadership position around the world and in the countries in which we operate. For several years, our performance metrics emphasized three financial priorities: growth, leverage and returns. We are currently making strategic investments in our associates and in the integration of digital and physical retail. These investments support long-term growth while we maintain our heritage of everyday low prices which are supported by everyday low cost. During this time of increased investments, we have shifted our financial priorities to focus primarily on growth, balanced by the long-term health of the Company including returns. Although we will continue to grow through new stores and clubs, our growth going forward will rely more on increasing comparable store and club sales, as well as our investments to accelerate e-commerce sales growth. While leverage remains important to everyday low cost, during this time of increased investments, operating expenses may grow at a rate that is greater than or equal to the rate of our net sales growth, and operating income may grow at a rate that is equal to or less than the rate of our net sales growth.

Our objective of balancing growth with returns means that we are focused on efficiently employing assets for return on investment and more effectively managing working capital to deliver strong free cash flow. We will also continue to provide returns to our shareholders through share repurchases and dividends.

Growth

We measure our growth primarily by the amount of the period-over-period growth in our net sales and our comparable store and club sales. We also review the progress of our digital retail investments by measuring the impact e-commerce sales have on our comparable store and club sales. At times, we make strategic investments which are focused on the long-term growth of the Company. These strategic investments may not benefit net sales and comparable store and club sales in the near term.

Net Sales

	Three Months Ended October 31,					Nine Months Ended October 31,				
	2016			2015		2016			2015	
(Amounts in millions)	Net Sales	Percent of Total	Percent Change	Net Sales	Percent of Total	Net Sales	Percent of Total	Percent Change	Net Sales	Percent of Total
Walmart U.S.	$ 74,550	63.7%	2.5 %	$ 72,712	62.3%	$ 224,086	63.7%	3.3 %	$ 216,916	62.0%
Walmart International	28,390	24.2%	(4.8)%	29,811	25.6%	85,094	24.2%	(6.2)%	90,726	25.9%
Sam's Club	14,236	12.1%	1.1 %	14,075	12.1%	42,387	12.1%	0.2 %	42,288	12.1%
Net sales	$ 117,176	100.0%	0.5 %	$ 116,598	100.0%	$ 351,567	100.0%	0.5 %	$ 349,930	100.0%

Our consolidated net sales increased 0.5% for both the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The increases in net sales were primarily due to overall positive comparable sales and 1.0% year-over-year growth in consolidated retail square feet. The positive effect of such factors on our consolidated net sales was substantially offset by $2.1 billion and $8.3 billion of fluctuations in currency exchange rates and $73 million and $553 million of decreases in fuel sales due to lower fuel prices at the Sam's Club segment for the three and nine months ended October 31, 2016 , respectively.

Calendar Comparable Store and Club Sales

Comparable store and club sales is a metric which indicates the performance of our existing U.S. stores and clubs by measuring the change in sales for such stores and clubs, including e-commerce sales, for a particular period over the corresponding period in the previous year. The retail industry generally reports comparable store and club sales using the retail calendar (also known as the 4-5-4 calendar). To be consistent with the retail industry, we provide comparable store and club sales using the retail calendar in our quarterly earnings releases. However, when we discuss our comparable store and club sales below, we are referring to our calendar comparable store and club sales calculated using our fiscal calendar. As our fiscal calendar differs from the retail calendar, our calendar comparable store and club sales also differ from the retail calendar comparable store and club sales provided in our quarterly earnings releases. Calendar comparable store and club sales, as well as the impact of fuel, for the three and nine months ended October 31, 2016 and 2015 , were as follows:

	Three Months Ended October 31,				Nine Months Ended October 31,			
	2016	2015	2016	2015	2016	2015	2016	2015
	With Fuel		Fuel Impact		With Fuel		Fuel Impact	
Walmart U.S.	0.8%	1.4 %	0.0 %	0.0 %	1.7 %	1.3 %	0.0 %	0.0 %
Sam's Club	0.6%	(3.2)%	(0.7)%	(3.8)%	(0.3)%	(3.2)%	(1.4)%	(3.8)%
Total U.S.	0.8%	0.6 %	(0.1)%	(0.7)%	1.4 %	0.5 %	(0.2)%	(0.7)%

Comparable store and club sales in the U.S., including fu el, increased 0.8% and 1.4% for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The total U.S. comparable store and club sales were positively impacted by continued traffic improvement at the Walmart U.S. segment and higher e-commerce sales at both the Walmart U.S. and Sam's Club segments. The positive effect of such factors on our comparable store and club sales were partially offset by the negative impact of lower fuel sales due to lower fuel prices at the Sam's Club segment. E-commerce sales positively impacted comparable sales approximately 0.5% and 0.6% for the three months ended October 31, 2016 and approximately 0.3% and 0.5% for the nine months ended October 31, 2016 for Walmart U.S. and Sam's Club, respectively.

Returns

While we are focused primarily on growth, we also place a priority on generating returns to ensure our approach is appropriately balanced. We generate returns by efficiently deploying assets and effectively managing working capital. We monitor these efforts through our return on investment and free cash flow metrics, which we discuss below. In addition, we are focused on providing returns to our shareholders in the form of share repurchases and dividends, which are discussed in the Liquidity and Capital Resources section.

We include Return on Assets ("ROA"), which is based on financial statement line items from our financial statements presented in accordance with generally accepted accounting principles in the U.S. ("GAAP"), and Return on Investment ("ROI") as metrics to assess returns on assets.

Return on Assets and Return on Investment

Management believes 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 possible short-term impacts. We consider ROA to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to our calculation of ROI.

ROA was 7.3% and 7.5% for the trailing twelve months ended October 31, 2016 and 2015 , respectively. ROI was 15.0% and 15.9% for the trailing twelve months ended October 31, 2016 and 2015 , respectively. The declines in ROA and ROI were primarily due to our decrease in operating income over these periods.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the fiscal year or trailing 12 months 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 average accumulated depreciation and average accumulated amortization, less average accounts payable and average accrued liabilities for that period, plus a rent factor equal to the rent for the fiscal year or trailing 12 months multiplied by a factor of eight. When we have discontinued operations, we exclude the impact of the discontinued operations.

Our calculation of ROI is considered a non-GAAP financial measure because we calculate ROI using financial measures that exclude and include amounts that are included and excluded in the most directly comparable financial measure calculated and presented in accordance with GAAP. For example, we exclude the impact of depreciation and amortization from our reported operating income in calculating the numerator of our calculation of ROI. In addition, we include a factor of eight for rent expense that estimates the hypothetical capitalization of our operating leases. As mentioned above, we consider ROA to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to our calculation of ROI. 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. Because of the adjustments mentioned above, we believe ROI more accurately measures how we are deploying our key assets and is more meaningful to investors than ROA.

Although ROI is a standard financial metric, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI.

The calculation of ROI, along with a reconciliation to the calculation of ROA, the most comparable GAAP financial measure, is as follows:

	For the Trailing Twelve Months Ending October 31,	
(Amounts in millions)	**2016**	**2015**
CALCULATION OF RETURN ON INVESTMENT		
Numerator		
Operating income	$ 23,201	$ 25,412
+ Interest income	86	101
+ Depreciation and amortization	9,805	9,315
+ Rent	2,610	2,579
= Adjusted operating income	$ 35,702	$ 37,407
Denominator		
Average total assets [(1)]	$ 206,001	$ 206,406
+ Average accumulated depreciation and amortization [(1)]	73,357	68,143
- Average accounts payable [(1)]	41,772	40,105
- Average accrued liabilities [(1)]	20,371	19,136
+ Rent x 8	20,880	20,632
= Average invested capital	$ 238,095	$ 235,940
Return on investment (ROI)	15.0%	15.9%
CALCULATION OF RETURN ON ASSETS		
Numerator		
Consolidated net income	$ 15,055	$ 15,520
Denominator		
Average total assets [(1)]	$ 206,001	$ 206,406
Return on assets (ROA)	7.3%	7.5%

	As of October 31,		
	2016	**2015**	**2014**
Certain Balance Sheet Data			
Total assets	$ 206,857	$ 205,144	$ 207,668
Accumulated depreciation and amortization	76,061	70,652	65,634
Accounts payable	42,990	40,553	39,656
Accrued liabilities	21,243	19,499	18,773

(1) 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.

Free Cash Flow

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. See Liquidity and Capital Resources for discussions of GAAP metrics including net cash provided by operating activities, net cash used in investing activities, and net cash used in financing activities.

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 generated free cash flow of $12.2 billion for the nine months ended October 31, 2016 , compared to free cash flow of $6.8 billion for the nine months ended October 31, 2015. The increase in free cash flow was led by improved working capital management. Additionally, we benefited from the application of new tax guidelines related to the accelerated deduction of remodels and related expenses.

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 Condensed 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.

	Nine Months Ended October 31,	
(Amounts in millions)	**2016**	**2015**
Net cash provided by operating activities	$ 19,644	$ 15,005
Payments for property and equipment	(7,459)	(8,223)
Free cash flow	$ 12,185	$ 6,782
Net cash used in investing activities [1]	$ (11,050)	$ (7,567)
Net cash used in financing activities	(11,135)	(9,259)

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

Results of Operations

Consolidated Results of Operations

	Three Months Ended October 31,		Nine Months Ended October 31,	
(Amounts in millions, except unit counts)	2016	2015	2016	2015
Total revenues	$ 118,179	$ 117,408	$ 354,937	$ 352,463
Percentage change from comparable period	0.7%	(1.3)%	0.7%	(0.5)%
Net sales	$ 117,176	$ 116,598	$ 351,567	$ 349,930
Percentage change from comparable period	0.5%	(1.3)%	0.5%	(0.5)%
Total U.S. calendar comparable store and club sales increase	0.8%	0.6 %	1.4%	0.5 %
Gross profit margin as a percentage of net sales	25.3%	25.0 %	25.1%	24.6 %
Operating income	$ 5,119	$ 5,714	$ 16,559	$ 17,463
Operating income as a percentage of net sales	4.4%	4.9 %	4.7%	5.0 %
Consolidated net income	$ 3,202	$ 3,414	$ 10,307	$ 10,332
Unit counts at period end	11,593	11,554	11,593	11,554
Retail square feet at period end	1,157	1,145	1,157	1,145

Our total revenues, which are mostly comprised of net sales, but also include membership and other income, increased $771 million or 0.7% and $2.5 billion or 0.7% for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. Net sales increased 0.5% for both the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. Net sales were positively impacted by overall positive comparable sales and the 1.0% year-over-year growth in consolidated retail square feet. The positive effect of such factors on our consolidated net sales was substantially offset by $2.1 billion and $8.3 billion of fluctuations in currency exchange rates and $73 million and $553 million of decreases in fuel sales due to lower fuel prices at the Sam's Club segment for the three and nine months ended October 31, 2016 , respectively.

Our gross profit rate increased 34 and 49 basis points for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. Improved margin in general merchandise, consumables and food, including savings in procuring merchandise and lower transportation expense from lower fuel costs in the Walmart U.S. segment, positively impacted our gross profit rate. Improved inventory management and our cost analytics program in certain markets in the Walmart International segment also positively impacted our gross profit rate.

For the three and nine months ended October 31, 2016 , operating expenses as a percentage of net sales increased 103 and 100 basis points, respectively, when compared to the same periods in the previous fiscal year, primarily due to an increase in wage expense at the Walmart U.S. and Sam's Club segments resulting from the continued investment in associate wage structure; and our continued investment in digital retail and information technology.

Membership and other income increased $193 million and $837 million for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The increase in membership and other income for the three months ended October 31, 2016 was primarily due to an $86 million gain from the sale of certain shopping malls in Chile. The increase in membership and other income for the nine months ended October 31, 2016 was primarily due to the recognition of a $535 million gain from the sale of certain assets relating to Yihaodian, our e-commerce operations in China, including the Yihaodian brand, website and application, to JD, and an $86 million gain from the sale of certain shopping malls in Chile.

Our effective income tax rate was 29.4% and 30.6% for the three and nine months ended October 31, 2016 , respectively, compared to 33.9% and 33.5% for the same periods in the previous fiscal year. Our effective income tax rate may fluctuate from quarter to quarter as a result of factors including changes in our assessment of certain tax contingencies, valuation allowances, changes in tax law, outcomes of administrative audits, the impact of discrete items and the mix of earnings among our U.S. operations and international operations, which are subject to statutory rates that are generally lower than the U.S. statutory rate.

As a result of the factors discussed above, we reported $3.2 billion and $10.3 billion of consolidated net income for the three and nine months ended October 31, 2016 , respectively, a decrease of $212 million and $25 million , respectively, when compared to the same periods in the previous fiscal year. Diluted net income per common share attributable to Walmart ("EPS") was $0.98 and $3.16 for the three and nine months ended October 31, 2016 , respectively, a decrease of $0.05 and an increase of $0.03 , respectively, when compared to the same periods in the previous fiscal year.

Walmart U.S. Segment

(Amounts in millions, except unit counts)	Three Months Ended October 31, 2016	2015	Nine Months Ended October 31, 2016	2015
Net sales	$ 74,550	$ 72,712	$ 224,086	$ 216,916
Percentage change from comparable period	2.5%	3.8%	3.3%	4.0%
Calendar comparable store sales increase	0.8%	1.4%	1.7%	1.3%
Operating income	$ 3,999	$ 4,506	$ 12,750	$ 13,964
Operating income as a percentage of net sales	5.4%	6.2%	5.7%	6.4%
Unit counts at period end	4,648	4,631	4,648	4,631
Retail square feet at period end	697	688	697	688

Net sales for the Walmart U.S. segment increased $1.8 billion or 2.5% and $7.2 billion or 3.3% for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The increases in net sales were primarily due to year-over-year growth in retail square feet of 1.2% , as well as increases in comparable store sales of 0.8% and 1.7% for the three and nine months ended October 31, 2016 , respectively, driven primarily by positive customer traffic. Additionally, e-commerce sales contributed 0.5% and 0.3% to comparable store sales for the three and nine months ended October 31, 2016 , respectively.

Gross profit rate increased 32 and 36 basis points for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year, primarily due to improved margin in general merchandise, consumables and food, including the impact of savings in procuring merchandise and lower transportation expense from lower fuel costs.

For the three and nine months ended October 31, 2016 , operating expenses as a percentage of segment net sales increased 130 and 125 basis points, respectively, when compared to the same periods in the previous fiscal year. The increase in operating expenses as a percentage of segment net sales for the three months ended October 31, 2016 was primarily driven by an increase in wage expense due to the continued investment in the associate wage structure; as well as our continued investments in information technology. The increase in operating expenses as a percentage of segment net sales for the nine months ended October 31, 2016 was primarily driven by an increase in wage expense due to the continued investment in the associate wage structure; higher associate incentive compensation; and our continued investment in digital retail and information technology.

As a result of the factors discussed above, segment operating income decreased $507 million and $1.2 billion for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year.

Walmart International Segment

(Amounts in millions, except unit counts)	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Net sales	$ 28,390	$ 29,811	$ 85,094	$ 90,726
Percentage change from comparable period	(4.8)%	(11.4)%	(6.2)%	(9.2)%
Operating income	$ 1,354	$ 1,338	$ 4,245	$ 3,685
Operating income as a percentage of net sales	4.8 %	4.5 %	5.0 %	4.1 %
Unit counts at period end	6,289	6,271	6,289	6,271
Retail square feet at period end	372	370	372	370

Net sales for the Walmart International segment decreased $1.4 billion or 4.8% and $5.6 billion or 6.2% for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The decreases in net sales for the three and nine months ended October 31, 2016 were due to $2.1 billion and $8.3 billion , respectively, of negative impacts from fluctuations in currency exchange rates. Additionally, net sales for both comparable periods were impacted by positive comparable store sales in the majority of our markets, except in the United Kingdom, and year-over-year growth in retail square feet of 0.7% .

Gross profit r ate increased 49 and 55 basis points for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The increase in the gross profit rate was primarily due to improved inventory management and the impact of our cost analytics program in certain markets.

Operating expenses as a percentage of segment net sales increased 69 and 45 basis points for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The increases in operating expenses as a percentage of segment net sales were primarily due to declining sales on relatively flat fixed costs in the United Kingdom and the benefit of the cumulative lease adjustment in the prior year.

Membership and other income increased $124 million and $654 million for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The increase in membership and other income for the three months ended October 31, 2016 was primarily due to an $86 million gain from the sale of certain shopping malls in Chile. The increase in membership and other income for the nine months ended October 31, 2016 was primarily due to the recognition of a $535 million gain from the sale of certain assets relating to Yihaodian, our e-commerce operations in China, including the Yihaodian brand, website and application, to JD, and an $86 million gain from the sale of certain shopping malls in Chile.

As a result of the factors discussed above, segment operating income increased $16 million and $560 million for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year.

Sam's Club Segment

We believe the information in the following table under the caption "Excluding Fuel" is useful to investors because it permits investors to understand the effect of the Sam's Club segment's fuel sales on its results of operations, which are impacted by the volatility of fuel prices. Volatility in fuel prices may continue to impact the operating results of the Sam's Club segment in the future.

	Three Months Ended October 31,		Nine Months Ended October 31,	
(Amounts in millions, except unit counts)	**2016**	**2015**	**2016**	**2015**
Including Fuel				
Net sales	$ 14,236	$ 14,075	$ 42,387	$ 42,288
Percentage change from comparable period	1.1%	(2.2)%	0.2 %	(2.0)%
Calendar comparable club sales increase (decrease)	0.6%	(3.2)%	(0.3)%	(3.2)%
Operating income	$ 396	$ 539	$ 1,281	$ 1,394
Operating income as a percentage of net sales	2.8%	3.8 %	3.0 %	3.3 %
Unit counts at period end	656	652	656	652
Retail square feet at period end	88	87	88	87
Excluding Fuel				
Net sales	$ 13,169	$ 12,935	$ 39,345	$ 38,693
Percentage change from comparable period	1.8%	1.6 %	1.7 %	1.9 %
Operating income	$ 381	$ 493	$ 1,243	$ 1,350
Operating income as a percentage of net sales	2.9%	3.8 %	3.2 %	3.5 %

Net sales for the Sam's Club segment increased $161 million or 1.1% and $99 million or 0.2% for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The increases in net sales for the three and nine months ended October 31, 2016 were primarily due to increases in comparable club sales without fuel and increases in year-over-year growth in retail square feet of 0.7% , partially offset by decreases of $73 million and $553 million in fuel sales from lower fuel prices, respectively. Comparable club sales were significantly benefited by higher e-commerce sales in both periods.

Gross profit r ate decreased 26 points for the three months ended October 31, 2016 , when compared to the same period in the previous fiscal year, primarily due to changes in merchandise mix. Gross profit rate increased 42 basis points for the nine months ended October 31, 2016 , when compared to the same period in the previous fiscal year, primarily due to margin rate improvement in home and apparel and in grocery, partially offset by changes in merchandise mix. Continued investments in price and the growth of the cash rewards program negatively impacted our gross profit rates for both the three and nine months ended October 31, 2016 .

Membership and other incom e decreased 4.0% and 3.8% for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year. The decreases were due to a reduction in other income partially offset by increases of 2.3% and 3.0% in membership income as a result of new club member counts for the three and nine months ended October 31, 2016 , respectively.

For the three and nine months ended October 31, 2016 , operating expenses as a percentage of segment net sal es increased 66 and 59 basis points compared to the same periods in the previous fiscal year. The increases in operating expenses as a percentage of segment net sales were primarily due to an increase in wage and benefit expense due to the continued investment in the associate wage structure, the benefit of the cumulative lease adjustment in the prior year, our continued investment in digital retail and information technology, and increased advertising expense.

As a result of the factors discussed above, segment operating inco me decreased $143 million and $113 million for the three and nine months ended October 31, 2016 , respectively, when compared to the same periods in the previous fiscal year.

Liquidity and Capital Resources

Liquidity

The strength and stability of our operations have historically supplied us with a significant source of liquidity. Our cash flows provided by operating activities, supplemented with our long-term debt and short-term borrowings, have been sufficient to fund our operations while allowing us to invest in activities that support the long-term growth of our operations. Generally, some or all of the remaining available cash flow has been used to fund the dividends on our common stock and share repurchases. We believe our sources of liquidity will continue to be adequate to fund operations, finance our global investment and expansion activities, pay dividends and fund our share repurchases for the foreseeable future.

Net Cash Provided by Operating Activities

	Nine Months Ended October 31,	
(Amounts in millions)	2016	2015
Net cash provided by operating activities	$ 19,644	$ 15,005

Net cash provided by operating activities was $19.6 billion and $15.0 billion for the nine months ended October 31, 2016 and 2015 , respectively. The increase in net cash provided by operating activities was led by improved working capital management. Additionally, we benefited from the application of new tax guidelines related to the accelerated deduction of remodels and related expenses.

Cash Equivalents and Working Capital

Cash and cash equivalents were $5.9 billion and $7.0 billion at October 31, 2016 and 2015 , respectively. Our working capital deficit was $10.7 billion and $5.4 billion at October 31, 2016 and 2015 , respectively. We generally operate with a working capital deficit due to our efficient use of cash in funding operations, consistent access to the capital markets and returns provided to our shareholders in the form of payments of cash dividends and share repurchases.

We use intercompany financing arrangements in an effort to ensure cash can be made available in the country in which it is needed with the minimum cost possible. We do not believe it will be necessary to repatriate earnings held outside of the U.S. and anticipate our domestic liquidity needs will be met through cash flows provided by operating activities, supplemented with long-term debt and short-term borrowings. Accordingly, we intend, with only certain exceptions, to continue to indefinitely reinvest our earnings held outside of the U.S. in our foreign operations. When the income is earned, either from operations or through intercompany financing arrangements, and indefinitely reinvested outside of the U.S. is taxed at local country tax rates, which are generally lower than the U.S. statutory rate, we realize an effective tax rate benefit. If our intentions with respect to reinvestment were to change, most of the amounts held within our foreign operations could be repatriated to the U.S., although any repatriation under current U.S. tax laws would be subject to U.S. federal income taxes, less applicable foreign tax credits. We do not expect local laws, other limitations or potential taxes on anticipated future repatriations of cash amounts held outside of the U.S. to have a material effect on our overall liquidity, financial condition or results of operations.

As of October 31, 2016 and January 31, 2016 , cash and cash equivalents of approximately $1.0 billion and $1.1 billion , respectively, may not be freely transferable to the U.S. due to local laws or other restrictions.

Net Cash Used in Investing Activities

	Nine Months Ended October 31,	
(Amounts in millions)	2016	2015
Net cash used in investing activities	$ (11,050)	$ (7,567)

Net cash used in investing activities was $11.1 billion and $7.6 billion for the nine months ended October 31, 2016 and 2015 , respectively, and generally consisted of payments to add stores and clubs, remodel existing stores and clubs, expand our digital retail capabilities and invest in other technologies.

As discussed in Footnote 10 to the Condensed Consolidated Financial Statements, on September 19, 2016, we completed our acquisition of Jet.com, Inc. for approximately $2.4 billion in cash, net of cash acquired. Additionally, during the quarter ended October 31, 2016, we purchased $1.9 billion of available for sale securities in JD.

Net Cash Used in Financing Activities

	Nine Months Ended October 31,	
(Amounts in millions)	2016	2015
Net cash used in financing activities	(11,135)	(9,259)

Net cash flows used in financing activities generally consist of transactions related to our short-term and long-term debt, financing obligations, dividends paid and the repurchase of Company stock. Transactions with noncontrolling interest shareholders are also classified as cash flows from financing activities. Net cash used in financing activities increased $1.9 billion for the nine months ended October 31, 2016 , when compared to the same period in the previous fiscal year, primarily due to an increase in share repurchases.

Long-term Debt

The following table provides the changes in our long-term debt for the nine months ended October 31, 2016 :

(Amounts in millions)	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2016	$ 2,745	$ 38,214	$ 40,959
Proceeds from issuance of long-term debt	—	134	134
Payments of long-term debt	(2,040)	—	(2,040)
Reclassifications of long-term debt	1,500	(1,500)	—
Other	61	(670)	(609)
Balances as of October 31, 2016	$ 2,266	$ 36,178	$ 38,444

Our total outstanding long-term debt balance decreased $2.5 billion for the nine months ended October 31, 2016 , primarily due to maturities of long-term debt in the current year.

Dividends

On February 18, 2016 , the Board of Directors approved the fiscal 2017 annual dividend of $ 2.00 per share, an increase over the fiscal 2016 annual dividend of $1.96 per share. For fiscal 2017 , the annual dividend will be paid in four quarterly installments of $0.50 per share, according to the following record and payable dates:

Record Date	Payable Date
March 11, 2016	April 4, 2016
May 13, 2016	June 6, 2016
August 12, 2016	September 6, 2016
December 9, 2016	January 3, 2017

The dividend installments payable on April 4, 2016 , June 6, 2016 and September 6, 2016 were paid as scheduled.

Company Share Repurchase Program

From time to time, we repurchase shares of our common stock under share repurchase programs authorized by the Company's Board of Directors. The current $20.0 billion share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At October 31, 2016 , authorization for $11.3 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

We regularly review share repurchase activity and consider several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings, our results of operations and the market price of our common stock. The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total amount paid for share repurchases for the nine months ended October 31, 2016 and 2015 :

	Nine Months Ended October 31,	
(Amounts in millions, except per share data)	2016	2015
Total number of shares repurchased	90.6	23.2
Average price paid per share	$ 69.04	$ 74.20
Total amount paid for share repurchases	$ 6,254	$ 1,720

Share repurchases increased $4.5 billion for the nine months ended October 31, 2016 , when compared to the same period in the previous year. The increase in share repurchases resulted from our intention to utilize the current share repurchase authorization over a two-year period.

Transactions with Noncontrolling Interests

As described in Note 10 to our Condensed Consolidated Financial Statements, in July 2015, we completed the purchase of all of the remaining noncontrolling interest in Yihaodian, our e-commerce operations in China, for approximately $760 million, using existing cash to complete this transaction.

Capital Resources

We believe cash flows from operations, our current cash position and access to capital markets will continue to be sufficient to meet our anticipated operating cash needs, which include funding seasonal buildups in merchandise inventories and funding our capital expenditures, dividend payments and share repurchases.

We have strong commercial paper and long-term debt ratings that have enabled and should continue to enable us to refinance our debt as it becomes due at favorable rates in capital markets. At October 31, 2016 , the ratings assigned to our commercial paper and rated series of our outstanding long-term debt were as follows:

Rating agency	Commercial paper	Long-term debt
Standard & Poor's	A-1+	AA
Moody's Investors Service	P-1	Aa2
Fitch Ratings	F1+	AA

Credit rating agencies review their ratings periodically and, therefore, the credit ratings assigned to us by each agency may be subject to revision at any time. Accordingly, we are not able to predict whether our current credit ratings will remain consistent over time. Factors that could affect our credit ratings include changes in our operating performance, the general economic environment, conditions in the retail industry, our financial position, including our total debt and capitalization, and changes in our business strategy. Any downgrade of our credit ratings by a credit rating agency could increase our future borrowing costs or impair our ability to access capital and credit markets on terms commercially acceptable to us. In addition, any downgrade of our current short-term credit ratings could impair our ability to access the commercial paper markets with the same flexibility that we have experienced historically, potentially requiring us to rely more heavily on more expensive types of debt financing. The credit rating agency ratings are not recommendations to buy, sell or hold our commercial paper or debt securities. Each rating may be subject to revision or withdrawal at any time by the assigning rating organization and should be evaluated independently of any other rating. Moreover, each credit rating is specific to the security to which it applies.

Other Matters

In Note 9 to our Condensed Consolidated Financial Statements, which is captioned "Contingencies" and appears in Part I of this Quarterly Report on Form 10-Q under the caption "Item 1. Financial Statements," we discuss, under the sub-caption "FCPA Investigation and Related Matters," our existing FCPA investigation and related matters and possible effects of those matters on Walmart's business. In that Note 9, we also discuss, under the sub-caption "Legal Proceedings-ASDA Equal Value Claims," certain existing employment claims against ASDA. We also discuss various legal proceedings related to the FCPA investigation in Part II of this Quarterly Report on Form 10-Q under the caption "Item 1. Legal Proceedings," under the sub-caption "II. Certain Other Proceedings." The foregoing matters and other matters described elsewhere in this Quarterly Report on Form 10-Q represent contingent liabilities of the Company that may or may not result in the incurrence of a material liability by the Company upon their final resolution.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risks relating to our operations result primarily from changes in interest rates and changes in currency exchange rates. Our market risks at October 31, 2016 are similar to those disclosed in our Form 10-K for the fiscal year ended January 31, 2016 . At October 31, 2016 , the fair value of our derivative instruments had decreased approximately $16 million since January 31, 2016 , primarily due to fluctuations in market interest rates during the nine months ended October 31, 2016 . In addition, movements in currency exchange rates and the related impact on the translation of the balance sheets of the Company's subsidiaries in the United Kingdom, Japan, Mexico and Brazil were the primary cause of the $994 million net loss for the nine months ended October 31, 2016 , in the currency translation and other category of accumulated other comprehensive loss.

The information concerning market risk under the sub-caption "Market Risk" of the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 19 and 20 of the parts of our Annual Report to Shareholders for the fiscal year ended January 31, 2016 , included as Exhibit 13 to our Annual Report on Form 10-K for the fiscal year ended January 31, 2016 , is hereby incorporated by reference into this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. In designing and evaluating such controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management is necessarily required to use judgment in evaluating controls and procedures. Also, we have investments in unconsolidated entities. Since we do not control or manage those entities, our controls and procedures with respect to those entities are substantially more limited than those we maintain with respect to our consolidated subsidiaries.

In the ordinary course of business, we review our internal control over financial reporting and make changes to our systems and processes to improve such controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, updating existing systems, automating manual processes, migrating certain processes to our shared services organizations and increasing monitoring controls. These changes have not materially affected, and are not reasonably likely to materially affect, the Company's internal control over financial reporting. However, they allow us to continue to enhance our internal controls over financial reporting and ensure that they remain effective.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

There has been no change in the Company's internal control over financial reporting as of October 31, 2016 , that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

I. SUPPLEMENTAL INFORMATION: We discuss certain legal proceedings in Part I of this Quarterly Report on Form 10-Q under the caption "Item 1. Financial Statements," in Note 9 to our Condensed Consolidated Financial Statements, which is captioned "Contingencies," under the sub-caption "Legal Proceedings," and refer you to that discussion, which is incorporated herein by reference to that Note 9, for important information concerning those legal proceedings, including the basis for such actions and, where known, the relief sought. We provide the following additional information concerning those legal proceedings, including the name of the lawsuit, the court in which the lawsuit is pending, and the date on which the petition commencing the lawsuit was filed.

ASDA Equal Value Claims: Ms S Brierley & Others v ASDA Stores Ltd (2406372/2008 & Others-Manchester Employment Tribunal); ASDA Stores Ltd v Brierley & Ors (A2/2016/0973 - United Kingdom Court of Appeal); ASDA Stores Ltd v Ms S Brierley & Others (UKEAT/0059/16/DM - United Kingdom Employment Appeal Tribunal); ASDA Stores Ltd v Ms S Brierley & Others (UKEAT/0009/16/JOJ - United Kingdom Employment Appeal Tribunal).

II. CERTAIN OTHER PROCEEDINGS: The Company is a defendant in several lawsuits in which the complaints closely track the allegations set forth in a news story that appeared in *The New York Times (* the " *Times* " *)* on April 21, 2012. One of these is a securities lawsuit that was filed on May 7, 2012, in the United States District Court for the Middle District of Tennessee, and subsequently transferred to the Western District of Arkansas, in which the plaintiff alleges various violations of the U.S. Foreign Corrupt Practices Act (the "FCPA") beginning in 2005, and asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, relating to certain prior disclosures of the Company. The plaintiff seeks to represent a class of shareholders who purchased or acquired stock of the Company between December 8, 2011, and April 20, 2012, and seeks damages and other relief based on allegations that the defendants' conduct affected the value of such stock. On September 20, 2016, the court granted plaintiff's motion for class certification. On October 6, 2016, the defendants filed a petition to appeal the class certification ruling to the U.S. Court of Appeals for the Eighth Circuit. On November 7, 2016, the U.S. Court of Appeals for the Eighth Circuit denied the Company's petition. In addition, a number of derivative complaints have been filed in Delaware and Arkansas, also tracking the allegations of the *Times* story, and naming various current and former officers and directors as additional defendants. The plaintiffs in the derivative suits (in which the Company is a nominal defendant) allege, among other things, that the defendants who are or were directors or officers of the Company breached their fiduciary duties in connection with their oversight of FCPA compliance. All of the derivative suits have been combined into two consolidated proceedings, one of which was consolidated in the United States District Court for the Western District of Arkansas and the other in the Delaware Court of Chancery. On March 31, 2015, the Western District of Arkansas granted the defendants' motion to dismiss the consolidated derivative proceedings in that court. On April 15, 2015, plaintiffs filed their notice of appeal with the United States Court of Appeals for the Eighth Circuit. On July 22, 2016, the United States Court of Appeals for the Eighth Circuit affirmed the dismissal of the consolidated derivative proceedings in Arkansas. On May 13, 2016, the Delaware Court of Chancery granted the defendants' motion to dismiss the consolidated derivative proceedings in that court. On June 10, 2016, plaintiffs in the Delaware consolidated derivative proceedings filed their notice of appeal to the Delaware Supreme Court. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with these proceedings will be material to the Company's financial condition or results of operations.

Securities Class Action: *City of Pontiac General Employees Retirement System v. Wal-Mart Stores, Inc.,* USDC, Western Dist. of AR, 5/7/12.

Derivative Lawsuits: *In re Wal-Mart Stores, Inc. Shareholder Derivative Litigation* , USDC, Western Dist. of AR, 5/31/12; 8 th Circuit Ct. of Appeals, St. Louis, MO; 4/15/15; *In re Wal-Mart Stores, Inc. Delaware Derivative Litigation,* Delaware Ct. of Chancery, 4/25/12; Delaware Supreme Court, Dover, DE; 6/10/16.

III. ENVIRONMENTAL MATTERS: Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters. The following matters are disclosed in accordance with that requirement. For the matters listed below, management does not believe any possible loss or the range of any possible loss that may be incurred in connection with each matter, individually or in the aggregate, will be material to the Company's financial condition or results of operations.

In February 2016, Sam's West, Inc., a subsidiary of the Company, received notice from the Riverside County Certified Unified Program Agency (CUPA) inspector alleging violations at the fuel station at Sam's Club #4822 in Murrieta, California related to placement of sensors in underground storage tanks (USTs). The Company cooperated with the CUPA investigation and in September 2016 entered into a settlement agreement under which it would pay a penalty of $400,000 and abide by a 5-year injunction requiring compliance with California's UST laws and regulations.

During fiscal year 2015, a California Greenwashing Task Force informed the Company (including one of its subsidiaries) that it was investigating whether the Company and its subsidiary had violated a California statute that prohibits the sale of plastic products labeled by the Company's and its subsidiary's suppliers as "biodegradable" or "compostable." On January 13, 2016, the Task Force sent the Company and its subsidiary a settlement demand with the following terms: a $1.5 million civil penalty; a restitution program; a compliance program; and investigative costs. On March 7, 2016, the Company and its subsidiary responded to the offer and are continuing to work with the Task Force towards a resolution.

On April 23, 2015, Wal-Mart Transportation LLC, a subsidiary of the Company, received a Finding and Notice of Violation from the Environmental Protection Agency alleging that Walmart Transportation violated the California Air Resources Board's Truck and Bus regulations by failing to install particulate matter filters on some diesel fueled vehicles. The Company is responding to the allegations and is cooperating with the agency.

On April 6, 2015, representatives for the Brazilian Institute of the Environment alleged that WMS Supermercados do Brasil Ltda ("Walmart Brazil") had failed to file required reports documenting the number of tires imported, sold and recycled. The agency proposed a penalty of approximately $857,000, which may be doubled and excludes additional amounts in respect of inflation and interest, and prohibited Walmart Brazil from selling or importing tires until the matter is resolved. In October 2015, Walmart Brazil filed its defense with the agency against the imposition of this penalty.

In April 2013, a subsidiary of the Company, Corporacion de Compañias Agroindustriales, operating in Costa Rica, became aware that the Municipality of Curridabat is seeking a penalty of approximately $380,000 in connection with the construction of a retaining wall seventeen years ago for a perishables distribution center that is situated along a protected river bank. The subsidiary obtained permits from the Municipality and the Secretaria Técnica Nacional Ambiental at the time of construction, but the Municipality now alleges that the wall is non-conforming.

In April and May 2011, the Environmental and Natural History Ministry of Chiapas, Mexico ("Ministry") notified a subsidiary of the Company, Arrendadora de Centros Comerciales, S. de R.L. de C.V. ("Arrendadora"), that five stores may have been constructed without first obtaining an environmental impact license as required, and for failing to comply with conditions required by those licenses. The Ministry proposed a penalty of approximately $178,000 related to such stores. In September 2016, the Ministry closed the cases for three of the stores without imposition of any penalty, and in October 2016, Arrendadora paid an aggregate penalty of approximately $35,000 to settle the cases for the two remaining stores. In 2014, the Ministry informed Arrendadora it believed that four additional stores may have been constructed with the same deficiencies. The Ministry proposed a penalty of approximately $640,000 in respect to such additional stores and also required Arrendadora to obtain the licenses and comply with the required conditions. Arrendadora was subsequently released by an administrative court from the payment of such penalty. Arrendadora is in compliance with the conditions required for the licenses of all the foregoing stores.

In January 2011, the Environmental Department of Porto Alegre Municipality formally notified Walmart Brazil of soil inspection reports indicating soil contamination due to leakage of oil from power generating equipment at nine store locations in Brazil. Walmart Brazil is cooperating with the agency as well as the District Attorney's Office for the State of Rio Grande do Sul and has filed a mitigation plan to address the situation.

Item 1A. Risk Factors

The risks described in Item 1A. Risk Factors, in our Annual Report on Form 10-K for the year ended January 31, 2016 , could materially and adversely affect Wal-Mart Stores, Inc.'s (the "Company" or "our" or "we") business, financial condition and results of operations. The risk factors discussed in that Form 10-K do not identify all risks that we face because our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Although no material change in the risk factors discussed in that Form 10-K has occurred, we note that certain of such risks may be raised as a consequence of the recent decision by the United Kingdom to leave the European Union ("Brexit"). In particular, our business and results of operations in the United Kingdom may be impacted by fluctuations in currency exchange rates, increases in food costs, changes in trade policies, or changes in labor, immigration, tax or other laws. We are actively monitoring the situation and the potential impact of Brexit on our business and operations, though it is currently too early in the process for such impact to be reasonably assessed.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. The current $20.0 billion share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At October 31, 2016 , authorization for $11.3 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company regularly reviews its share repurchase activity and considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings and the market price of its common stock. Share repurchase activity under our share repurchase program, on a trade date basis, for the three months ended October 31, 2016 , was as follows:

Fiscal Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (billions)
August 1-31, 2016	6,387,184	$ 72.87	6,387,184	$ 12.2
September 1-30, 2016	6,068,804	72.03	6,068,804	11.8
October 1-31, 2016	7,372,047	69.20	7,372,047	11.3
Total	19,828,035		19,828,035	

Item 5. Other Information

Departure of Certain Officers

On November 29, 2016, Neil M. Ashe, age 48, notified the Company of his intent to separate from employment with the Company effective January 31, 2017. Mr. Ashe served as the Company's Executive Vice President, President and Chief Executive Officer, Global eCommerce since joining the Company in January 2012 until September 19, 2016, and currently serves as Executive Vice President of the Company. Mr. Ashe was a "named executive officer" in the Company's most recent proxy statement filed on Schedule 14A for its Annual Meeting of Shareholders held on June 3, 2016.

In connection with his separation from employment, on November 29, 2016, the Company entered into a separation agreement with Mr. Ashe, whereupon Mr. Ashe's employment with the Company will end on January 31, 2017 (the "Separation Agreement"), which is attached as Exhibit 10.(b) and is incorporated herein by reference. Under the terms of the Separation Agreement, Mr. Ashe will receive payments totaling approximately $2.1 million in multiple installments through January 2019. In addition, 22,602 restricted shares of Common Stock originally scheduled to vest between January 26, 2018 and January 25, 2019 will be accelerated to vest on the date of Mr. Ashe's separation from employment. Mr. Ashe will forfeit 24,724 shares of restricted stock, as well as 141,977 performance share units in connection with his separation, which constitutes all of his outstanding performance share units. The Separation Agreement also prohibits Mr. Ashe, for a period of two years following his separation, from participating in a business that competes with the Company and from soliciting the Company's associates for employment.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that Walmart believes are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act.

Forward-looking Statements

The forward-looking statements in this report include:

- statements in Note 1 to Walmart's Condensed Consolidated Financial Statements as of and for the three and nine months ended October 31, 2016, regarding management's expectations of or determinations regarding the materiality of any impact of certain ASUs issued by the FASB in 2016; statements in Note 6 to those Condensed Consolidated Financial Statements regarding the expected insignificance of any ineffective portion of certain net investment and cash flow derivative financial instruments to which Walmart is a party and of the amounts relating to such derivative financial instruments expected to be reclassified from accumulated other comprehensive loss to net income in the next 12 months; a statement in Note 8 to those Condensed Consolidated Financial Statements regarding the payment of dividends in the remainder of fiscal 2017; statements in Note 9 to those Condensed Consolidated Financial Statements regarding the possible outcome of, and future effect on Walmart's financial condition and results of operations of, certain litigation and other proceedings to which Walmart is a party, the possible outcome of, and future effect on Walmart's business of, certain other matters to which Walmart is subject, including Walmart's existing FCPA matters, and the liabilities, losses, expenses and costs that Walmart may incur in connection with such matters; and statements in Note 10 to those Condensed Consolidated Financial Statements regarding the expected closing date for the sale of the Suburbia apparel retail division and the anticipated benefits of the recent acquisition of Jet.com, Inc.;
- in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations": statements under the caption "Overview" relating to the possible impact of volatility in currency exchange rates on the results, including net sales and operating income, of Walmart and the Walmart International segment; statements under the caption "Company Performance Metrics" regarding the impact of Walmart's strategic investments on long-term growth, continuing to grow through new stores and clubs and our focus on growth going forward through increasing comparable store and club sales and investments to accelerate e-commerce sales growth, Walmart's operating expenses potentially growing at a rate greater than or equal to the rate of Walmart's sales growth and Walmart's operating income potentially growing at a rate equal to or less than the rate of Walmart's net sales growth, Walmart's objective of balancing growth with returns, and Walmart continuing to provide returns to shareholders through share repurchases and dividends; a statement under the caption "Company Performance Metrics - Growth" regarding Walmart's strategic investments potentially not benefiting net sales and comparable store and club sales in the near term; statements under the caption "Results of Operations - Consolidated Results of Operations" regarding the possibility of fluctuations in Walmart's effective income tax rate from quarter to quarter and the factors that may cause those fluctuations; a statement under the caption "Results of Operations - Sam's Club Segment" relating to the possible continuing impact of volatility in fuel prices on the future operating results of the Sam's Club segment; a statement under the caption "Liquidity and Capital Resources - Liquidity" that Walmart's sources of liquidity will be adequate to fund its operations, finance its global investment and expansion activities, pay dividends and fund share repurchases; statements under the caption "Liquidity and Capital Resources - Liquidity - Net Cash Provided by Operating Activities

- Cash Equivalents and Working Capital" regarding management's expectation that domestic liquidity needs will be met through funding sources other than earnings held outside of the United States, Walmart's intent with respect to its reinvestment of such earnings in its foreign operations, its need to repatriate such earnings and management's expectations with respect to the effect on Walmart's overall liquidity, financial condition and results of operations of local laws, other limitations or potential taxes on repatriation of such cash; a statement under the caption "Liquidity and Capital Resources Liquidity - Net Cash Used in Financing Activities - Dividends" regarding the payment of dividends in the remainder of fiscal 2017; and statements under the caption "Liquidity and Capital Resources - Capital Resources" regarding management's expectations regarding the Company's cash flows from operations, current cash position and access to capital markets continuing to be sufficient to meet its anticipated operating cash needs, the Company's commercial paper and long-term debt ratings continuing to enable it to refinance its debts at favorable rates, factors that could affect its credit ratings, and the effect that lower credit ratings would have on its access to capital and credit markets and borrowing costs;

- in Part I, Item 4 "Controls and Procedures": the statements regarding the effect of changes to systems and processes on our internal control over financial reporting; and
- statements in Part II, Item 1 "Legal Proceedings" regarding the effect that possible losses or the range of possible losses that might be incurred in connection with the legal proceedings and other matters discussed therein may have on our financial condition or results of operations.

Risks, Factors and Uncertainties Regarding our Business

These forward-looking statements are subject to risks, uncertainties and other factors, domestically and internationally, including:

Economic Factors

- 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 rates of interest;
- changes in market levels of wages;
- changes in the size of various markets, including e-commerce markets;
- unemployment levels;
- inflation or deflation, generally and in certain product categories;
- transportation, energy and utility costs;
- commodity prices, including the prices of oil and natural gas;
- consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels, and demand for certain merchandise;
- trends in consumer shopping habits around the world and in the markets in which Walmart operates;
- consumer enrollment in health and drug insurance programs and such programs' reimbursement rates; and
- initiatives of competitors, competitors' entry into and expansion in Walmart's markets, and competitive pressures;

Operating Factors

- the amount of Walmart's net sales and operating expenses denominated in U.S. dollar and various foreign currencies;
- the financial performance of Walmart and each of its segments, including the amounts of Walmart's cash flow during various periods;
- the Company's need to repatriate earnings held outside of the U.S.;
- customer traffic and average ticket in Walmart's stores and clubs and on its e-commerce websites;
- the mix of merchandise Walmart sells;
- the availability of goods from suppliers and the cost of goods acquired from suppliers;
- the effectiveness of the implementation and operation of Walmart's strategies, plans, programs and initiatives;
- Walmart's ability to successfully integrate acquired businesses, including Jet.com, Inc.;
- the amount of shrinkage Walmart experiences;
- consumer acceptance of and response to Walmart's stores and clubs, e-commerce websites, mobile apps, programs and merchandise offerings, including the Walmart U.S. segment's Grocery Pickup program;
- Walmart's gross profit margins, including pharmacy margins and margins of other product categories;
- the selling prices of gasoline and diesel fuel;
- disruption of seasonal buying patterns in Walmart's markets;
- Walmart's expenditures for FCPA and other compliance-related matters;
- disruptions in Walmart's supply chain;
- cybersecurity events affecting Walmart and related costs;
- Walmart's labor costs, including healthcare and other benefit costs;

- Walmart's casualty and accident-related costs and insurance costs;
- the size of and turnover in Walmart's workforce and the number of associates at various pay levels within that workforce;
- unexpected changes in Walmart's objectives and plans;
- the availability of necessary personnel to staff Walmart's stores, clubs and other facilities;
  the availability of skilled labor in areas in which new units are to be constructed or existing units are to be relocated, expanded or remodeled;
- delays in the opening of new, expanded or relocated units;
- developments in, and the outcome of, legal and regulatory proceedings and investigations to which Walmart is a party or is subject, and the liabilities, obligations and expenses, if any, that Walmart may incur in connection therewith;
- changes in the credit ratings assigned to the Company's commercial paper and debt securities by credit rating agencies;
- Walmart's effective tax rate; and
- unanticipated changes in accounting judgments and estimates;

Regulatory and Other Factors

- changes in existing, tax, labor and other laws and changes in tax rates, including the enactment of laws and the adoption and interpretation of administrative rules and regulations;
- governmental policies, programs, initiatives and actions in the markets in which Walmart operates and elsewhere;
- tariff rates and trade restrictions;
- changes in currency control laws;
- the level of public assistance payments;
- natural disasters, public health emergencies, civil disturbances, and terrorist attacks; and
- changes in generally accepted accounting principles in the United States.

Other Risks Factors; No Duty to Update

This Quarterly Report on Form 10-Q should be read in conjunction with Walmart's Annual Report on Form 10-K for the fiscal year ended January 31, 2016 and all of Walmart's subsequent other filings, including Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, made with the SEC. Walmart urges the reader to consider all of these risks, uncertainties and other factors, including the discussion of the potential impact of Brexit described in Item 1A above, carefully in evaluating the forward-looking statements contained in this Quarterly Report on Form 10-Q. The Company cannot assure you that the results or developments anticipated by the Company and reflected or implied by any forward-looking statement contained in this Quarterly Report on Form 10-Q will be realized or, even if substantially realized, that those results or developments will result in the forecasted or expected consequences for the Company or affect the Company, its operations or its financial performance as the Company has forecasted or expected. As a result of the matters discussed above and other matters, including changes in facts, assumptions not being realized or other factors, the actual results relating to the subject matter of any forward-looking statement in this Quarterly Report on Form 10-Q may differ materially from the anticipated results expressed or implied in that forward-looking statement. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this report, and Walmart undertakes no obligation to update any of these forward-looking statements to reflect subsequent events or circumstances.

Item 6. Exhibits

The required exhibits are included at the end of the Form 10-Q or are incorporated herein by reference and are described in the Index to Exhibits immediately following the signatures page.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WAL-MART STORES, INC.

Date: December 1, 2016	By:	/s/ C. Douglas McMillon **C. Douglas McMillon** **President and Chief Executive Officer** **(Principal Executive Officer)**
Date: December 1, 2016	By:	/s/ M. Brett Biggs **M. Brett Biggs** **Executive Vice President and Chief Financial Officer** **(Principal Financial Officer)**
Date: December 1, 2016	By:	/s/ Steven P. Whaley **Steven P. Whaley** **Senior Vice President and Controller** **(Principal Accounting Officer)**

Index to Exhibits

The following documents are filed as an exhibit to this Quarterly Report on Form 10-Q:

Exhibit 3.1	Restated Certificate of Incorporation of the Company, the Certificate of Amendment to the Restated Certificate of Incorporation executed August 19, 1991, and the Certificate of Amendment to the Restated Certificate of Incorporation executed July 27, 1999 are incorporated herein by reference to Exhibits 4.1, 4.2 and 4.3, respectively, to the Registration Statement on Form S-3 of the Company (File Number 333-178385) filed with the SEC on December 8, 2011.
Exhibit 3.2	Amended and Restated Bylaws of Wal-Mart Stores, Inc., effective as of June 5, 2014, are incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 2014 as filed with the SEC on June 6, 2014.
Exhibit 10.(a)*	Share-Settled Restricted Stock Unit Notification and Terms and Conditions dated September 19, 2016, evidencing grant of Restricted Stock Units to Marc Lore, President and Chief Executive Officer, Walmart eCommerce US.
Exhibit 10.(b)*	Separation Agreement by and between Wal-Mart Stores, Inc. and Neil Ashe, dated November 29, 2016.
Exhibit 12.1*	Ratio of Earnings to Fixed Charges
Exhibit 31.1*	Chief Executive Officer Section 302 Certification
Exhibit 31.2*	Chief Financial Officer Section 302 Certification
Exhibit 32.1**	Chief Executive Officer Section 906 Certification
Exhibit 32.2**	Chief Financial Officer Section 906 Certification
Exhibit 99	The information incorporated by reference in Part I, Item 3 of this Quarterly Report on Form 10-Q is incorporated herein by reference to the material set forth under the sub-caption "Market Risk" in Management's Discussion and Analysis of Financial Condition and Results of Operations, which is contained in Exhibit 13 to the Company's Annual Report on Form 10-K for the year ended January 31, 2016, as filed with the SEC.
Exhibit 101.INS*	XBRL Instance Document
Exhibit 101.SCH*	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith as an Exhibit.

** Furnished herewith as an Exhibit.

Name of Grantee:	Marc Lore
Grant Date:	September 19, 2016
Number of Restricted Stock Units:	3,554,093

WAL-MART STORES, INC.

SHARE-SETTLED RESTRICTED STOCK UNIT
NOTIFICATION AND TERMS AND CONDITIONS

These Share-Settled Restricted Stock Unit Notification and Terms and Conditions (the “Agreement”), contain the terms and conditions of the rights, denominated in shares of common stock, $0.10 par value per share (“Shares”) of Wal-Mart Stores, Inc. (“Walmart”), that may result in payment of Shares to the grantee named above (the “Grantee”) upon and not before the lapse of the restrictions stated herein (“Restricted Stock Units” or “RSUs”).

BY SIGNING OR ELECTRONICALLY ACCEPTING THIS AGREEMENT, YOU HEREBY ACKNOWLEDGE, UNDERSTAND, AGREE TO BE BOUND BY, AND ACCEPT THE FOLLOWING:

1. Grant of RSUs . Walmart has granted to you, effective on the Grant Date, the RSUs, which consist of the right to receive the number of Shares underlying the RSUs set forth above on the Vesting Date(s) as further set forth in Paragraph 5 below, subject to certain vesting conditions as stated herein.

2. Agreement Governs . You are accepting the RSUs and acknowledging that the RSUs are subject to all the terms and conditions of this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Compensation, Nominating and Governance Committee of the Board of Directors of Walmart or such committee’s authorized duly delegate (collectively referred to herein as the “Committee”) upon any disputes or questions arising under this Agreement.

3. Payment . You are not required to pay for the RSUs or the Shares underlying the RSUs granted to you pursuant to this Agreement.

4. Stockholder Rights . Unless and until your RSUs vest and the underlying Shares have been delivered to you:

   A. You do not have the right to vote the Shares underlying your RSUs;

   B. You will not receive, or be entitled to receive, cash or any non-cash dividends on the Shares underlying your RSUs; and

   C. You will not have any other beneficial rights as a shareholder of Walmart due to the RSUs. Upon receipt of the Shares, however, you will be accorded the same rights and responsibilities as any shareholder of Walmart, and will be provided with information regarding Walmart that is provided to all other shareholders of Walmart.

Subject to any required action by Walmart’s stockholders, the number of unvested RSUs covered by this Agreement shall be proportionately adjusted to reflect a stock split, reverse stock split, merger, reorganization, subdivision, consolidation or reduction of capital, recapitalization, consolidation, split-up, spin-off, combination or reclassification of the Shares underlying the unvested RSUs, or any other increase or decrease in the number of outstanding Shares effected without receipt of consideration by Walmart, issuance or warrants or other rights to purchase Shares or other securities of Walmart or other similar corporate transaction or event that affects the Shares underlying the unvested RSUs such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available to the Grantee under this Agreement. That adjustment shall be made by the Committee, whose determination shall be final, binding and conclusive as to the Grantee. Except as expressly provided herein, no issuance by Walmart of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares underlying any unvested RSUs subject to this Agreement.

5. Vesting of the RSUs and Delivery of Shares . Your RSUs will vest as follows, provided you have not incurred a Forfeiture Situation (as defined in Paragraph 6 below):

Percentage of RSUs Vesting	**Vesting Dates**
10%	1 st anniversary of the Grant Date
1.25%	Per month for the 12 months between the 1 st and 2 nd anniversary of the Grant Date
1.67%	Per month for the 12 months between the 2 nd and 3 rd anniversary of the Grant Date
2.08%	Per month for the 12 months between the 3 rd and 4 th anniversary of the Grant Date
2.5%	Per month for the 12 months between the 4 th and 5 th anniversary of the Grant Date

Upon the vesting of your RSUs, you shall be entitled to receive a number of Shares equal to the number of vested RSUs, less any Shares withheld or sold to satisfy tax withholding obligations as set forth in Paragraph 8 below. The Shares shall be delivered to you as soon as administratively feasible, but in any event within 30 days of the applicable Vesting Date. Such Shares will be delivered via book-entry and deposited into an account in your name with a broker or other third party designated by Walmart. You will be responsible for all fees imposed by such designated broker or other third party designated by Walmart.

6. Forfeiture Situation . Except as provided in Paragraph 7 below, the RSUs that would otherwise vest in whole or in part on the applicable Vesting Date will not vest and will be immediately forfeited if, prior to the applicable Vesting Date, your employment with the Company ends or is terminated, whether on a voluntary basis or for any other reason (a "Forfeiture Situation"). Upon the occurrence of a Forfeiture Situation, you shall have no further rights with respect to such RSUs or the underlying Shares.

7. Vesting Notwithstanding Termination of Employment . Your RSUs will continue to vest in accordance with the provisions of Paragraph 5 above if Walmart terminates your employment without Cause (defined below) or if you resign for Good Reason (defined below), in each event subject to your execution (and nonrevocation) of Walmart's standard release of claims.

For purposes of this Paragraph 7, (A) "Cause" means your termination of employment by Walmart or an affiliate thereof due to: (a) your intentional or grossly negligent unauthorized misuse of any trade secrets or proprietary information of Walmart or an affiliate thereof, (b) your conviction of or plea of nolo contendere to a felony or a crime involving moral turpitude, (c) your committing an act of fraud against Walmart or an affiliate thereof, (d) your gross negligence or willful misconduct that has had, will have or would reasonably be expected to have an adverse effect on Walmart's or any of its affiliates' reputation or business, (e) your violation of any written Walmart policy that has been provided to you (whether in hard copy, electronically or through the Walmart WIRE), including without limitation its (i) Global Statement of Ethics or (ii) Code of Ethics for the CEO and Senior Financial Officers, in each case in this clause (e) if such violation is not cured (to the extent curable) within 30 days following written notification by Walmart of such violation, (f) your willful and repeated failure or refusal to attempt to perform your duties to Walmart if such failure is not cured (to the extent curable) within 30 days following written notification by Walmart of such failure, or (g) your material breach of that certain Non-Competition, Non-Solicitation and No Hire Agreement dated August 7, 2016, that certain Nondisclosure and Restricted Use Agreement dated August 7, 2016 between you and Walmart, or that certain Employee Invention Assignment and Confidentiality Agreement between you and Jet.com, Inc. dated April 16, 2014, if such breach is not cured (to the extent curable) within 30 days following written notification by Walmart or an affiliate thereof of such breach; and (B) "Good Reason" means the occurrence of any of the following: (a) a material reduction in your base salary, or (b) a required relocation of your principal place of employment by more than 75 miles; provided, that you shall have grounds for a Good Reason resignation only if (i) you notify Walmart in writing within 60 days of the occurrence of the circumstances constituting Good Reason, (ii) Walmart does not reasonably cure such circumstances within 15 days following its receipt of such notice, and (iii) you actually resign within 30 days following the end of such cure period.

8. Taxes and Tax Withholding .

A. You agree to consult with any tax advisors you think necessary in connection with your RSUs and acknowledge that you are not relying, and will not rely, on Walmart or any of its controlled affiliates for any tax advice.

B. You acknowledge that, regardless of any action taken by Walmart or, if different, the Walmart controlled affiliate that employs you (the "Employer"), the ultimate liability for all income tax, social insurance, pension, payroll tax, fringe benefits tax, payment on account or other tax-related items related to this Agreement and legally applicable to you ("Tax-Related Items") is and remains your responsibility and may exceed the amount actually withheld by Walmart or the Employer. You further acknowledge that Walmart and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the RSUs or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Walmart and/or the Employer (or your former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

C. Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to Walmart and the Employer to satisfy all Tax-Related Items. In this regard, you authorize Walmart and/or the Employer, or their respective agents, at their sole discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by withholding of Shares to be issued upon settlement of the vested RSUs. In the event that such withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the RSUs and this Agreement, you authorize and direct Walmart, and any broker or other third party designated by Walmart to sell on your behalf a whole number of Shares corresponding to the vested RSUs that Walmart or the Employer determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. However, Walmart may also require you to satisfy the Tax-Related Items by any other method of withholding it authorizes, in its sole discretion, including through withholding from your wages or other cash compensation paid to you by Walmart or any of its controlled affiliates.

D. Depending on the withholding method, Walmart or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates. Further, if the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are withheld solely for the purpose of paying the Tax-Related Items. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, you may be entitled to receive a refund of any overwithheld amount in the form of cash and will have no entitlement to the Share equivalent.

E. Finally, you agree to pay to Walmart or the Employer any amount of Tax-Related Items that Walmart or the Employer may be required to withhold or account for as a result of Shares released to you pursuant to this Agreement that cannot be satisfied by the means previously described. Walmart may refuse to deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

9. RSUs Not Transferable . The RSUs may not be sold, conveyed, assigned, transferred, pledged, hypothecated, or otherwise disposed of or encumbered at any time prior to vesting of the RSUs and the issuance of the underlying Shares. Except as required by applicable law, no RSU nor any interest therein shall be subject to any sale, conveyance, assignment, transfer, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Grantee whether as a direct or indirect result of any action of the Grantee or any action taken in any proceeding, including, any proceeding under any bankruptcy or other creditors' rights law. Any attempted action in violation of this Paragraph 9 shall be null, void, and without effect.

10. Country-Specific Appendix . Unless you and Walmart agree otherwise, your principal place of employment with Walmart and its controlled affiliates is not expected to be relocated by more than 75 miles. In the event you and Walmart do agree to relocate your principal place of employment outside of the U.S., you understand, acknowledge, and agree that, this Agreement shall be amended to include Walmart's standard form of country-specific appendix to restricted stock unit awards in effect at such time with respect to certain applicable laws, rules, and regulations outside of the U.S. specific to equity or equity-based awards. If you relocate to one of the countries included in such appendix, the special terms and conditions provided for such country will apply to you and your RSUs to the extent Walmart, in its sole discretion, determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

11. Nature of RSU Award . You further acknowledge, understand and agree that:

A. the grant of RSUs does not create any contractual or other right to receive future grants of RSUs or other awards, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

B. all decisions with respect to future grants of RSUs or other awards, if any, will be at the sole discretion of the Committee;

C. this Agreement does not create any contract of employment with Walmart or its controlled affiliates, and nothing in this Agreement shall interfere with or limit in any way the right of Walmart or, if different, the Employer to terminate your employment at any time, nor confer upon you the right to continue in the employ of Walmart or any of its controlled affiliates;

D. the RSUs and the Shares underlying the RSUs, and the income and value of same, relate exclusively to your employment by Walmart or its controlled affiliates during the applicable vesting period;

E. nothing in this Agreement creates any fiduciary or other duty owed to you by Walmart, any of its controlled affiliates, or any member of the Committee, except as expressly stated in this Agreement ;

F. the RSUs and the Shares underlying the RSUs, and the income and value of same, are not intended to replace any pension rights or compensation;

G. Except as may be expressly stated otherwise herein, the RSUs and the Shares underlying the RSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

H. unless otherwise agreed with Walmart, the RSUs and the Shares underlying the RSUs, and the income and the value of same, are not granted as consideration for, or in connection with, the service (if any) you may provide as a director of any of Walmart's controlled affiliates;

I. the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty;

J. Except as set forth in Paragraph 7 above or unless otherwise agreed in writing with Walmart, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs and the Shares underlying the RSUs resulting from the termination of your employment by Walmart or its controlled affiliates;

K. unless otherwise provided by Walmart in its sole discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs, the Shares underlying the RSUs, or any such benefits transferred to, or assumed by, another company nor to be exchanged, or substituted for, in connection with any corporate transaction affecting the Shares underlying the RSUs; and

L. if you are providing services outside of the United States: neither Walmart nor any of its controlled affiliates shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

12. No Advice Regarding Award . Walmart and/or its controlled affiliates are not providing any tax, legal or financial advice, nor are Walmart or any of its controlled affiliates making any recommendation regarding the Shares underlying the RSUs acquired upon vesting. You are advised to consult with your personal tax, legal, and financial advisors regarding the decision to accept the terms, provisions, and conditions of this Agreement.

13. Data Privacy . *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other grant materials by and among, as applicable, Walmart and any of its controlled affiliates for the exclusive purpose of implementing, administering and managing the RSUs and underlying Shares granted herein. You understand that Walmart and its controlled affiliates may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance identification number or other identification number, salary, nationality, job title, any Shares or directorships held in Walmart or a controlled affiliate, details of all RSUs or any other awards granted, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering*

and managing the equity interests granted herein. You understand that Data may be transferred to Merrill Lynch, Pierce, Fenner & Smith and its affiliates or such other stock plan service provider as may be selected by Walmart in the future, which assists Walmart in the implementation, administration and management of equity awards, including equity awards under the Wal-Mart Stores, Inc. Stock Incentive Plan of 2015, as may be amended from time to time (the "Plan"). You understand that the recipients of the Data may be located in your country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize Walmart, Merrill Lynch, Pierce, Fenner & Smith and any other possible recipients which may assist Walmart (presently or in the future) with implementing, administering and managing equity awards and/or the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the equity interests granted herein, including any requisite transfer of Data as may be required to Walmart's designated broker or other third party. You understand that Data will be held only as long as is necessary to implement, administer and manage the equity interests granted herein. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment with Walmart or its controlled affiliates will not be adversely affected; the only consequence of refusing or withdrawing your consent is that Walmart may not be able to grant to you RSUs or other awards pursuant to the Plan or otherwise, or administer or maintain such awards granted herein. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

14. Other Provisions .

A. Determinations regarding this Agreement (including, but not limited to, whether an event has occurred resulting in the forfeiture of or accelerated vesting of the RSUs) shall be made by the Committee in its sole and exclusive discretion and in accordance with this Agreement, and all determinations of the Committee shall be final and conclusive and binding on you and your successors and heirs.

B. By accepting this Agreement, you agree to provide any information reasonably requested from time to time.

C. This Agreement shall be construed under the laws of the State of Delaware, without regard to its conflict of law provisions.

D. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

E. Walmart may, in its sole discretion, decide to deliver any documents related to the RSUs granted herein or future awards and participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree that your future participation in the Plan, if any, shall be through an online or electronic system established and maintained by Walmart or a third party designated by Walmart.

F. Walmart reserves the right to impose other requirements on the RSUs and the Shares underlying the RSUs, to the extent Walmart determines it is necessary or advisable for legal or administrative reasons and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

G. You acknowledge that a waiver by Walmart or any of its controlled affiliates of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provisions of the Plan or this Agreement, or of any subsequent breach by you.

H. You understand that your country may have insider trading and/or market abuse laws which may affect your ability to acquire or sell Shares during such times you are considered to have "inside information" (as defined in the laws in your country). The restrictions applicable under these laws may be the same or different from Walmart's insider trading policy. You acknowledge that it is your responsibility to be informed of and compliant with such regulations and any applicable Walmart insider trading policy, and are advised to speak to your personal legal advisor on this matter.

I. You understand that you may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash (including dividends and the proceeds arising from the sale of Shares) derived from your equity interests granted herein, to and/or from a brokerage/bank account or legal entity located outside your country. The applicable laws of the your country may require that you report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. You acknowledge that you are responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements, and you are advised to consult your personal legal advisor on this matter.

J. Notwithstanding any other provision of this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, Walmart shall not be required to deliver any Shares issuable upon vesting of the RSUs prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval Walmart shall, in its absolute discretion, deem necessary or advisable. You understand that Walmart is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Walmart may, without liability for its good faith actions, issue "stop transfer" instructions requiring compliance with applicable legend restrictions or U.S. or other securities laws and the terms of this Agreement. Further, you agree that Walmart shall have unilateral authority to amend this Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

K. In addition, you agree that all capitalized terms not defined herein shall have the meanings ascribed to such terms in the Plan, and the administrative provisions of the Plan governing restricted stock units shall apply to the RSUs. Accordingly, the Plan is also attached hereto and incorporated by reference as applicable, despite the fact that the RSUs are not granted under the Plan. Walmart reserves the right to amend, abandon or terminate the Plan, at any time subject to Committee approval. Nothing in the Plan should be construed as to create any expectations that the Plan will be in force and effect for an indefinite period of time nor shall give rise to any claims to acquired rights or similar legal theories. Furthermore, the Committee will administer the Plan. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among recipients and eligible Associates, whether or not such persons are similarly situated.

L. In connection with Walmart's grant to you and your acceptance of the RSUs and underlying Shares, you hereby make the following representations and warranties on which Walmart (including its directors, officers, and agents) are entitled to rely:

a. You are an " ***accredited investor*** " (within the meaning of Rule 501(a) of the Securities and Exchange Commission (the "Commission") promulgated under the Securities Act of 1933, as amended (the "Securities Act")), and have a net worth, either individually or upon a joint basis with your spouse, of at least $1,000,000 (within the meaning of such terms as used in the definition of accredited investor contained in Rule 501 under the Securities Act), *or* has had an individual income in excess of $200,000 for each of the two most recent years, or a joint income with your spouse in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year.

b. You are acquiring and receiving the RSUs and underlying Shares solely for investment purposes only for your own account and not directly or indirectly for the account of any other person whatsoever and not with a view to, or for sale in connection with, any distribution of the RSUs or the underlying Shares. You do not have any contract, undertaking or arrangement with any person to sell, transfer or grant a participation to any person with respect to the RSUs or the underlying Shares.

c. You are a sophisticated investor and have such knowledge and experience in financial and business matters and investments that you are capable of evaluating the merits and risks of the investment evidenced by this Agreement, and you are able to bear the economic risk and loss of such investment.

d. You have had access to such information, including review of the merits of an investment in the Company with tax and legal counsel and an investment advisor as you deem necessary to enable you to make an informed decision concerning the receipt of the RSUs and the underlying Shares. You have had access to the Board and the appropriate officers of the Company and the opportunity to ask questions of, and receive answers satisfactory to you from, such Board members and officers of the Company concerning the RSUs and underlying Shares and the Company generally. You have obtained all additional information requested by you to verify the accuracy of all information furnished in connection with the receipt of the RSUs and the underlying Shares.

e. You further acknowledge that you are receiving the RSUs and underlying Shares without being furnished any offering literature or prospectus other than this Agreement. You also understand and agree that: (1) neither the RSUs nor the underlying Shares nor the offer and sale of the RSUs and underlying Shares have been registered under the Securities Act or registered or qualified under the securities or "blue sky" laws of any state in reliance upon specific exemptions from registration thereunder; (2) any Shares delivered to you pursuant to this Agreement will be "restricted securities" (as that term is defined in Rule 144 of the Commission promulgated under the Securities Act) of the Company; (3) neither the Shares nor any interest therein may be sold, offered for sale, transferred, pledged, hypothecated or otherwise disposed of except in compliance with the Securities Act and applicable state securities or "blue sky" laws; (4) that the undersigned must bear the economic risk of the undersigned's investment in the Shares for an indefinite period of time; (5) any stock certificates, if any, representing the Shares and/or the book-entry Shares will bear the following restrictive legend: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER ANY APPLICABLE STATE LAW. THEY MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR

PLEDGED WITHOUT (1) REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE LAW, OR (2) AT HOLDER'S EXPENSE, AN OPINION (SATISFACTORY TO THE COMPANY) OF COUNSEL (SATISFACTORY TO THE COMPANY) THAT REGISTRATION IS NOT REQUIRED.); (6) the stock transfer records of the Company will contain a notation stopping transfer of the Shares unless the transfer of the Shares is made in a transaction that is the subject of such an effective registration or that is exempt from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws; (7) that no federal or state agency has made any finding or determination as to the fairness of an investment in, or any recommendation or endorsement of, the Shares; and (8) the undersigned must hold the Shares for a period of at least six months before making any resale of the Shares under Rule 144 of the Commission promulgated under the Securities Act.

f. You understand that the Company is under no obligation, and does not intend, to effect any registration under the Securities Act at any time or to comply with any exemption under the Securities Act, including by not limited to that set forth in Section 4(1) of the Securities Act and Rule 144 promulgated under the Securities Act, which would permit the Shares to be sold by the undersigned. You also understand that sales or transfers of the RSUs and the underlying Shares are further restricted by the provisions of this Agreement and, as applicable, securities laws of other jurisdictions and the states of the United States.

g. You understand and acknowledge that the RSUs are offered and issued in reliance on the exemption from the registration requirements of the Securities Act, provided by Section 4(a)(2) of the Securities Act, and shall be granted by the Company to you in reliance on the exemption from the shareholder approval requirements of Section 303A.08 of the New York Stock Exchange Listed Company Manual as a grant that is made as an inducement to your becoming an employee of the Company.

h. You agree to notify the Company immediately of any change in accuracy or completeness of any representation, warranty or other information relating to you as set forth herein this Paragraph 14.L.

M. This Agreement shall be governed by and construed under the laws of the State of Delaware, without regard to its conflict of law provisions, and any action relating to the interpretation, validity, or enforcement of this Agreement shall be brought in the courts of the State of Delaware, County of New Castle, or in the United States District Court of Delaware, and the parties hereby expressly consent to the jurisdiction of such courts and agree that venue is proper in such courts.

Grantee:

I acknowledge that the Share-Settled Restricted Stock Unit Notification and Terms and Conditions have been made available to me, that I have read and understood this Agreement. Furthermore, I hereby accept the terms, provisions, and conditions, and accordingly hereby provide the Company with any corresponding representations and warranties provided herein, applicable to the RSUs and any underlying Shares granted to me in accordance with this Agreement.

/s/ Marc Lore

Marc Lore

Agreed to and accepted this 19th day of September, 2016.

SEPARATION AGREEMENT

This Separation Agreement (this "Agreement") is made and entered into on **November 29, 2016** , between Neil M. Ashe (the "Associate") and Wal-Mart Stores, Inc., a Delaware corporation, and its affiliates and subsidiaries (collectively "Walmart").

RECITALS

WHEREAS, the Associate is separating from employment with Walmart; and

WHEREAS, the Associate and Walmart wish to express the understandings and agreements they have reached concerning the Associate's separation from employment and have set forth those understandings and agreements in this Agreement.

AGREEMENT

NOW, THEREFORE , for good and sufficient consideration, the sufficiency of which the parties acknowledge, the parties agree as follows:

1. **Separation Date.** The parties acknowledge that the Associate's employment with Walmart will terminate on **January 31, 2017** (the "Separation Date"). The Associate shall continue to receive his current annual base salary through the Separation Date, which will be paid through Walmart's regular payroll. During the remainder of his employment with Walmart, the Associate shall serve as an Executive Vice President reporting to Walmart's President and Chief Executive Officer, and shall be available on a full-time basis for consultation and advice to Walmart's President and Chief Executive officer and other members of management on a variety of strategic and transitional matters.

2. **Separation Benefits.**

a) **Separation Payments.** Subject to compliance with the terms and conditions of this Agreement, and specifically Sections 4(b)(iv), 5, 6, 7, 8, and 9, the Associate shall receive total separation payments of **$2,069,386** , less applicable withholding (the "Transition Payments"). As soon as practical after the Separation Date, but not to exceed 45 days after the Separation Date, the Associate will receive the first installment of the Transition Payments in a lump-sum payment in the amount of **$517,347** , less applicable withholding. Thereafter, the Associate shall receive the remaining **$1,552,039** of the Transition Payments, less applicable withholding, over an eighteen (18) month period in equal bi-weekly installments beginning at the end of the regularly scheduled pay period six (6) months after the Separation Date. Such amounts are inclusive of all amounts to which the Associate would have been entitled under the Post-Termination Agreement and Protective Covenants Agreement entered into as of January 16, 2012 between the Associate and Walmart (the "Non-Competition Agreement").

b) **Unvested Equity.** Walmart and the Associate acknowledge that the Associate currently has unvested restricted stock grants that have been granted to the Associate under the *Wal-Mart Stores, Inc. Stock Incentive Plan of 2015* and predecessor equity compensation plans of Walmart (collectively, the "Plan"), which such equity awards are subject to the award notices relating to such grants (the "Awards"). Subject to the approval of the appropriate committee of Walmart's Board of Directors, and subject to compliance with the terms and conditions of this Agreement, and specifically Sections 4(b)(iv), 5, 6, 7, 8, and 9, as consideration for the releases set forth in Section 4 of this Agreement and for other good and sufficient consideration, the vesting of certain shares of unvested restricted stock held by the Associate shall be accelerated to the Separation Date, as set forth in **Exhibit A** . All other terms of such restricted stock awards, including any deferral elections with respect to such awards, as set forth in the Plan and the Awards, shall continue in full force and effect. All other stock options, restricted stock awards, performance shares, and any other equity awards issued to the Associate under Walmart's equity compensation plans that are not vested as of the Separation Date shall be forfeited and cancelled as of the Separation Date.

3. **Other Benefits.** After the Separation Date, Walmart will provide the Associate certain benefits in accordance with the terms and conditions of the Walmart plan or program pursuant to which such benefits were issued:

a) **COBRA.** At the Associate's election and at the Associate's expense, the Associate may choose to continue the Associate's group medical and dental coverage for up to eighteen (18) months from the Separation Date under the Consolidated Omnibus Budget Reconciliation Act ("COBRA").

b) **Incentive Payments and Performance Shares.** The Associate must remain employed with Walmart through January 31, 2017 in order to be eligible for a cash incentive payment and performance share payout for the fiscal year ending January 31, 2017. The Associate must also remain employed through January 31, 2017 in order to be eligible for a payout of the portion of the Associate's special performance-based restricted stock award with a performance period ending January 31, 2017, assuming the performance goal established by the Compensation, Nominating and Governance Committee of Walmart's Board of Directors applicable to such award is satisfied. The Associate will not be eligible for a cash incentive payment or a performance share payout for the fiscal year ending January 31, 2018 or any subsequent fiscal year.

c) **Other Payments and Benefits.** The Associate is not entitled to any other payments or benefits not provided for in this Agreement, unless the payment or benefit is provided for through the Associate's participation in an established Walmart-sponsored plan or program. In addition, unless otherwise provided for in the plan, the Associate's participation in all Walmart-sponsored benefit plans or programs will end on the Separation Date.

d) **Section 409A.** Notwithstanding anything contained herein or in any Walmart-sponsored plan to the contrary, the Associate acknowledges that any and all distributions of benefits under any Walmart deferred compensation plan which is subject to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), shall not commence until six (6) months after the Associates incurs a "separation from service" as defined in Section 409A.

4. **Releases.**

a) **Release and Waiver of Claims.** In exchange for, and in consideration of, the payments, benefits, and other commitments described above, the Associate releases Walmart from any and all claims of any kind, whether known or unknown, that arose up to and including the date the Associate signs this Agreement (including claims arising out of or relating to the termination of the Associate's employment with Walmart). For illustration purposes and not as a limitation, the claims the Associate is releasing include any claims for damages, costs, attorneys' fees, expenses, compensation or any other monetary recovery. Further, the Associate specifically waives and releases all claims he may have that arose up to and including the date the Associate signs this Agreement (including claims arising out of or relating to the termination of the Associate's employment with Walmart) regarding veteran's status; Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Equal Pay Act; the Americans With Disabilities Act of 1990, as amended; the Rehabilitation Act of 1973, as amended; the Age Discrimination in Employment Act, as amended ("ADEA"); the Family and Medical Leave Act ("FMLA"), as amended; Sections 1981 through 1988 of Title 42 of the United States Code, as amended; the Genetic Information Non-Discrimination Act; the Immigration Reform and Control Act, as amended; the Workers Adjustment and Retraining Notification Act ("WARN"), as amended; any applicable state WARN-like statute; the Occupational Safety and Health Act, as amended; the Sarbanes-Oxley Act of 2002; the Consolidated Omnibus Budget Reconciliation Act (COBRA); the Employee Retirement Income Security Act of 1974, as amended; the National Labor Relations Act; the Fair Labor Standards Act (FLSA); the Massachusetts Overtime Law; the Massachusetts Payment of Wages Law; the Massachusetts Fair Employment Practices Act; the New Jersey Conscientious Employee Protection Act, N.J.S.A. 34:19-1, et seq.; the New Jersey Law Against Discrimination; the West Virginia Human Rights Act, W. Va. CSR §77-6-3; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; the Wage Orders of the California Industrial Welfare Commission; the California Unfair Business Practices law (Cal. Bus. and Prof. Code Sec. 17200, et seq.); California WARN (CA Labor Code Section 1400-1408); and all state or local statutes, ordinances, or regulations regarding anti-discrimination employment laws, as well as all matters arising under federal, state, or local law involving any tort, employment contract (express or implied), public policy, wrongful discharge, retaliation, and leaves of absence claims; and any claims related to emotional distress, mental anguish, benefits, or any other claim brought under local, state or federal law.

b) **Release of Age Discrimination Claims.** With respect to the Associate's release and waiver of claims under the ADEA as described in Section 4(a) above, the Associate agrees and acknowledges the following:

(i) The Associate has reviewed this Agreement carefully and understands its terms and conditions. The Associate has been advised, and by this Agreement is again advised, to consult with an attorney of the Associate's choice prior to entering into this Agreement.

(ii) The Associate shall have twenty-one (21) days from receipt of this Agreement to consider and execute the Agreement by fully executing it below and returning it to Walmart; otherwise, the terms and provisions of this Agreement become null and void. The Associate agrees that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner the original review period.

(iii) The Associate will have a period of seven (7) calendar days after Associate signs the Agreement during which to revoke the Agreement. The Associate must provide written notice of revocation during the seven (7) day period to Jackie Telfair, Senior Vice President, Global Compensation and Organizational Effectiveness. Any revocation within this period must expressly state, "I hereby revoke my Agreement." The written revocation must be delivered to Jackie Telfair, Senior Vice President, Global Compensation and Organizational Effectiveness, or to her successor, and be postmarked within seven (7) calendar days of the Associate's execution of this Agreement. This Agreement will not become effective or enforceable until the revocation period has expired. If the last day of the revocation period is a Saturday, Sunday, or legal holiday, then the revocation period will not expire until the next following day that is not a Saturday, Sunday, or legal holiday.

(iv) The Associate knows that he is waiving his rights under the ADEA and does so voluntarily. The Associate realizes the waiver does not include any ADEA rights which may arise after the Associate signs this Agreement. By signing this Agreement, the Associate acknowledges that he is receiving consideration that the Associate would not otherwise be entitled to receive.

(v) No payments or acceleration of equity pursuant to Section 2 of this Agreement shall occur or be effective until after the Associate has executed and delivered this Agreement to Walmart, the above-mentioned seven-day revocation period has expired, and the Associate has separated from employment as set forth in Section 1 of this Agreement.

c) **Limitation of Release.** Nothing in this Agreement releases claims for workers' compensation or unemployment benefits. Nothing in this Agreement prevents Associate from pursuing administrative claims with or otherwise assisting government agencies, including engaging in or participating in an investigation or proceeding conducted by, or providing information to, the EEOC, NLRB, the Securities and Exchange Commission, or any federal, state or local agency charged with the enforcement of employment or other laws. This release and waiver of claims will not apply to rights or claims that may arise after the effective date of this Agreement. This Agreement is not intended to release and does not release or include claims that the law states cannot be waived by private agreement, nor does it prevent the Associate from receiving any whistleblower or similar award. Nothing in this subparagraph or in this Agreement is intended to limit or restrict any rights the Associate may have to enforce this Agreement or challenge the Agreement's validity under the ADEA, or any other right that cannot, by express and unequivocal terms of law, be limited, waived, or extinguished by settlement. Further, nothing in this Agreement is intended to waive the Associate's right to vested benefits under any Walmart-sponsored benefit plan or program.

d) **Agreement not to File Suits.** By signing this Agreement, Associate agrees not to file a lawsuit to assert any claims released under this Section 4. Associate also agrees that if Associate breaches this provision, Associate will be liable for all costs and attorneys' fees incurred by any person against whom claims were released under Section 4(a) resulting from such action and shall pay all expenses incurred by such person in defending any proceeding pursuant to this Section 4(d) as they are incurred by such person in advance of the final disposition of such proceedings, together with any tax liability incurred by such person in connection with the receipt of such amounts; provided, however, that the payment of such expenses incurred in advance of the final disposition of such proceeding shall be made only upon delivery to Associate of an undertaking, by or on behalf of such person, to repay all amounts so advanced to the extent the court in such proceeding affirmatively determines that Associate is the prevailing party, taking into account all claims made by any party to such proceeding.

5. **Confidential Information.** The Associate agrees that he will not at any time, whether prior to or subsequent to the Separation Date, directly or indirectly use any Confidential Information (as defined below) obtained during the course of his employment with Walmart or otherwise, except as previously authorized by Walmart in writing. Additionally, the Associate shall not at any time, whether prior to or subsequent to the Separation Date, disclose any Confidential Information obtained during the course of his employment with Walmart or otherwise, unless such disclosure is (a) previously authorized by Walmart in writing, (b) required by applicable legal proceeding, or (c) as permitted by Section 18(a) of this Agreement. In addition, the Associate shall not disclose any information for which Walmart holds a legally recognized privilege against disclosure or discovery ("Privileged Information"), or take any other action that would cause such privilege to be waived by Walmart. With respect to (b) above only, in the event that the Associate is required by applicable legal proceeding (including, without limitation, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand, or other legal proceeding) to disclose any Confidential Information or Privileged Information, the Associate shall provide Walmart with prompt prior written notice of such requirement. The Associate shall also, to the extent legally permissible, provide Walmart as promptly as practicable with a description of the information that may be required to be disclosed (and, if applicable, the text of the disclosure itself) and cooperate with Walmart (at Walmart's expense) to the extent Walmart may seek to limit such disclosure, including, if requested, by taking all reasonable steps to resist or narrow any such disclosure or to obtain a protective order or other remedy with respect thereto. If a protective order or other remedy is not obtained and disclosure is legally required, the Associate shall (a) disclose such information only to the extent required in the written opinion of the Associate's legal counsel, and (b) give advance notice to Walmart of the information to be actually disclosed as far in advance as is reasonably possible. In any such event, the Associate and his legal counsel shall use reasonable commercial efforts to ensure that all Confidential Information or Privileged Information that is so disclosed is accorded confidential treatment by the recipient thereof.

"Confidential Information" means information pertaining to the business of Walmart, and includes, without limitation, information regarding processes, suppliers, consultants and service providers (including the terms, conditions, or other business arrangements with suppliers, consultants and service providers), advertising, marketing, and external and internal communications plans and strategies, labor matters and strategies, government relations plans and strategies, litigation matters and strategies, Foreign Corrupt Practices Act investigatory and compliance information and strategies, tax matters and strategies, community relations and public affairs plans and strategies, charitable giving plans and strategies, sustainability plans and strategies, profit margins, seasonal plans, goals, objectives, projections, compilations, and analyses regarding Walmart's business, salary, staffing, compensation, promotion, diversity objectives and other employment-related data, and any know-how, techniques, practices or non-public technical information regarding the business of Walmart. "Confidential Information" does not include information that is or becomes generally available to the public other than as a result of a disclosure by the Associate or any of the Associate's representatives or information that Walmart has authorized the Associate to disclose.

As requested by Walmart, the Associate shall return to Walmart all documents, programs, software, equipment, files, statistics, and other written or electronic business materials, including any and all copies both paper and electronic, concerning Walmart.

6. **Cooperation.**

a) **Cooperation with Walmart.** The Associate may from time to time after the Separation Date be called upon to testify or provide information to Walmart in connection with employment-related and other legal proceedings against Walmart. The Associate will provide reasonable assistance to, and will cooperate with, Walmart in connection with any litigation, arbitration, investigations, or judicial or non-judicial administrative proceedings that may exist or may subsequently arise regarding events about which the Associate has knowledge. If the assistance is at Walmart's request, Walmart will compensate the Associate for all reasonable costs and expenses.

b) **Cooperation with Governmental Authorities.** From time to time, Walmart may be under investigation by various governmental authorities. Walmart encourages the Associate to cooperate with all such investigations. If such assistance is requested by a governmental authority, Walmart shall reimburse the Associate for all reasonable costs and expenses.

c) **Board Membership.** Effective as of the Separation Date, the Associate hereby resigns from any boards of directors, boards of managers, and similar governing boards of any Walmart entities of which the Associate may be a member, resigns as an officer of any and all Walmart entities, resigns as Walmart's representative on any external trade, industry or similar associations, and agrees to sign any documents acknowledging such resignations, as may be requested by Walmart.

7. **Non-disclosure and Non-disparagement** . The Associate agrees, acknowledges and confirms that he has complied with and will continue to comply with the most recent Non-Disclosure and Restricted Use Agreement between the Associate and Walmart (the "Non-Disclosure Agreement"). The Associate further agrees, promises and covenants that he shall not directly or indirectly at any time, whether prior to or subsequent to the Separation Date: a) discuss or disclose the existence or terms of this Agreement with anyone, except as provided below; or b) make disparaging comments regarding Walmart, its business strategies and operations, and any of Walmart's officers, directors, associates, and shareholders, except that nothing herein shall prevent the Associate from providing truthful information and testimony to government authorities, nor shall in prevent the Associate from providing truthful information and testimony in any legal proceedings or as otherwise provided by law. The Associate agrees and understands that the terms of this Agreement are CONFIDENTIAL including the existence, fact and terms of this Agreement and the fact that money was paid to the Associate. Except as provided by Section 18(a) below, the Associate warrants to have not disclosed the above to anyone prior to signing and will not disclose to anyone the existence, fact and terms of this Agreement, except for the Associate's spouse, attorney, and financial advisor, all of whom shall be informed of the confidential nature of this Agreement and agree to abide by its terms.

8. **Statement of Ethics and Compliance with Laws.** The Associate has read and understands the provisions of Walmart's Statement of Ethics and agrees to abide by the provisions thereof to the extent applicable to former Walmart associates. The Associate further acknowledges that the Associate has complied with the applicable Statement of Ethics, as well as with all applicable laws, rules and regulations, during the Associate's employment with Walmart. The discovery of a failure to abide by the Statement of Ethics and/or comply with all applicable laws, rules or regulations, whenever discovered, shall, in addition to any other remedies under this Agreement, entitle Walmart to suspend and recoup any payments paid or due under this Agreement or any other agreements between the parties.

9. **Covenant not to Compete.** The Associate agrees, promises, and covenants that:

a) For a period of two (2) years from the Separation Date, the Associate will not directly or indirectly:

(i) own, manage, operate, finance, join, control, advise, consult, render services to, have a current or future interest in, or participate in the ownership, management, operation, financing, or control of, or be employed by or connected in any manner with, any Competing Business as defined below in Section 9.b(i), and/or any Global Retail Business as defined below in Section 9.b(ii); and/or

(ii) participate in any other activity that risks the use or disclosure of confidential Walmart information either overtly by the Associate or inevitably through the performance of such activity by the Associate; and/or

(iii) solicit for employment, hire or offer employment to, or otherwise aid or assist any person or entity other than Walmart in soliciting for employment, hiring, or offering employment to, any Officer, Officer Equivalent or Management Associate of Walmart, or any of its subsidiaries or affiliates.

b) For purposes of this Agreement:

(i) the term “Competing Business” shall include any general or specialty retail, grocery, wholesale membership club, or merchandising business, inclusive of its respective parent companies, subsidiaries and/or affiliates that: (a) sells goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined) or has plans to sell goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined) within twelve (12) months following Associate’s last day of employment with Walmart in the United States; and (b) has gross annual consolidated sales volume or revenues attributable to its retail operations (whether through physical locations, via the internet or combined) equal to or in excess of U.S.D. $5 billion.

(ii) the term “Global Retail Business” shall include any general or specialty retail, grocery, wholesale membership club, or merchandising business, inclusive of its respective parent companies, subsidiaries and/or affiliates, that: (a) in any country or countries outside of the United States in which Walmart conducts business or intends to conduct business in the twelve (12) months following Associate’s last day of employment with Walmart, sells goods or merchandise at retail to consumers and/or businesses (whether through physical locations, via the internet or combined); and (b) has gross annual consolidated sales volume or revenues attributable to its retail operations (whether through physical locations, via the internet or combined) equal to or in excess of U.S.D. $5 billion in any country pursuant to b(ii)(a) or in the aggregate equal to or in excess of U.S.D. $5 billion in any countries taken together pursuant to b(ii)(a) when no business in any one country has annual consolidated sales volume or revenues attributable to its retail operations equal to or in excess of U.S.D. $5 billion.

c) For purposes of this Agreement, the term “Management Associate” shall mean any domestic or international associate holding the title of “manager” or above.

d) For purposes of this Agreement, the term “Officer” shall mean any domestic Walmart associate who holds a title of Vice President or above.

e) For purposes of this Agreement, the term “Officer Equivalent” shall mean any non-U.S. Walmart associate who Walmart views as holding a position equivalent to an officer position, such as managers and directors in international markets, irrespective of whether such managers and directors are on assignment in the U.S.

f) Ownership of an investment of less than the greater of $25,000 or 1% of any class of equity or debt security of a Competing Business and/or a Global Retail Business will not be deemed ownership or participation in ownership of a Competing Business and/or a Global Retail Business for purposes of this Agreement.

10. **Affirmation.** Other than may be provided for in any class or collective action that was pending against Walmart as of the date of this Agreement, the Associate states and acknowledges that he has been paid and/or received all leave (paid or unpaid), compensation, wages, bonuses, commissions, and/or benefits to which he may be entitled and that no other leave (paid or unpaid), compensation, wages, bonuses, commissions, and/or benefits are due him, except as provided for in this Agreement. The Associate also states and confirms that he has reported to Walmart any and all work-related injuries incurred by him during his employment by Walmart. Further, Associate acknowledges that he has been properly provided any leave of absence because of the Associate’s or the Associate’s family member’s health condition and has not been subjected to any improper treatment, conduct, or actions due to a request for or taking such leave. Additionally, Associate specifically acknowledges that he has not made any request for leave pursuant to FMLA which was not granted; and, Walmart has not interfered in any way with Associate’s efforts to take leave pursuant to FMLA.

11. **Insider Trading Policy.** The Associate acknowledges that he is currently subject to Walmart’s Insider Trading Policy and subject to certain restrictions regarding the timing of his trades in Walmart securities, as set forth in the Insider Trading Policy (the “trading windows”). The Associate further acknowledges that the trading window is scheduled to be “closed” on the Separation Date, and is not scheduled to open until February 22, 2017. The Associate agrees not to buy or sell Walmart securities after the Separation Date prior to February 22, 2017 and to otherwise comply with the Insider Trading Policy until February 22, 2017.

12. **Advice of Counsel.** The Associate has been advised, and by this Agreement is again advised, to consider this Agreement carefully and to review it with legal counsel of the Associate's choice. The Associate understands the provisions of this Agreement and has been given the opportunity to seek independent legal advice before signing this Agreement.

13. **Non-Admission.** The parties acknowledge that the terms and execution of this Agreement are the result of negotiation and compromise, that this Agreement is entered into in good faith, and that this Agreement shall never be considered at any time or for any purpose as an admission of liability by Walmart or that Walmart acted wrongfully with respect to the Associate, or any other person, or that the Associate has any rights or claims whatsoever against Walmart arising out of or from the Associate's employment. Walmart specifically denies any liability to the Associate on the part of itself, its employees, its agents, and all other persons and entities released herein.

14. **Return of Company Property.** As soon as practical after the Separation Date, the Associate will return all Walmart-owned property including but not limited to computers, hand-held computing devices (e.g., Blackberry, iPhone, iPad, etc.), cell phones, videoconferencing equipment (e.g., Tandberg), documents, files, computer files, keys, ID's, credit cards, Associate Discount Card, and spouse card, if any.

15. **Taxes.** The Associate acknowledges and agrees that the Associate is responsible for paying all taxes and related penalties, and interest on the Associate's income. Walmart will withhold taxes, including from amounts or benefits payable under this Agreement, and report them to tax authorities, as it determines it is required to do. Although the payments under this Agreement are intended to comply with the requirements of Section 409A and Walmart intends to administer this Agreement so that it will comply with Section 409A, Walmart has not warranted to the Associate that taxes and penalties will not be imposed under Section 409A or any other provision of federal, state, local, or non-United States law. The Associate will indemnify Walmart and hold it harmless with respect to all such taxes, penalties, and interest (other than FICA taxes imposed on Walmart with respect to the Associate's income).

16. **Remedies for Breach.** The parties shall each be entitled to pursue all legal and equitable rights and remedies to secure performance of their respective obligations and duties under this Agreement, and enforcement of one or more of these rights and remedies will not preclude the parties from pursuing any other rights or remedies. Associate acknowledges that a breach of the provisions of Sections 5 through 9 above could result in substantial and irreparable damage to Walmart's business, and that the restrictions contained in Sections 5 through 9 are a reasonable attempt by Walmart to safeguard its rights and protect its confidential information. Associate expressly agrees that upon a breach or a threatened breach of the provisions of Sections 5 through 9, Walmart shall be entitled to injunctive relief to restrain such violation, and Associate hereby expressly consents to the entry of such temporary, preliminary, and/or permanent injunctive relief, as may be necessary to enjoin the violation or threatened violation of Sections 5 through 9. With respect to any breach of this Agreement by the Associate, the Associate agrees to indemnify and hold Walmart harmless from and against any and all loss, cost, damage, or expense, including, but not limited to, attorneys' fees incurred by Walmart and to return immediately to Walmart all of the monies previously paid to the Associate by Walmart under this Agreement; provided, however, that such repayment shall not constitute a waiver by Walmart of any other remedies available under this Agreement or by law, including injunctive relief. In addition to any other remedies at law or at equity, if at any time the Associate fails to comply with the terms, provisions or conditions of this Agreement, the Associate acknowledges that Walmart is not obligated to make any further Transition Payments to the Associate.

17. **Recoupment.** Notwithstanding any other provision of this Agreement to the contrary, Associate agrees and acknowledges that all amounts and benefits provided under this Agreement and all compensation paid during the course of Associate's employment with Walmart will be subject to the recoupment policies adopted by the Company from time to time, including any policy adopted or amended after the date of this Agreement, and including any policy adopted pursuant to the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other law or the listing requirements of any national securities exchange on which the common stock of Walmart may be listed.

18. **Miscellaneous.**

a) **Protected Rights.** Nothing in this Agreement is intended to prohibit the Associate from engaging in any legally protected communication or action. Nothing contained in this Agreement shall restrict, limit or otherwise modify Associate's rights under Walmart's Open Door Policy. Nothing contained in this Agreement is intended to discourage the Associate from reporting any activity or information under the Global Statement of Ethics or to a governmental agency as permitted by any "whistleblower" laws. Associate shall not be held liable under this Agreement or any other agreement or any federal or state trade secret law for making any confidential disclosure of a Walmart trade secret or other confidential information to a government official or an attorney for purposes of reporting or investigating a suspected violation of law or regulation, or in a court filing under seal, nor shall Associate be required to obtain approval or notify Walmart prior to making any such disclosure.

b) **Entire Agreement.** This Agreement, along with the Non-Disclosure Agreement, contains the entire agreement and understanding of the parties, and no prior statements by either party will be binding unless contained in this Agreement or incorporated by reference in this Agreement or the Non-Disclosure Agreement. The parties agree that no prior statements by either party will be binding unless contained in this Agreement or the Non-Disclosure Agreement. In addition, to be binding on the parties, any handwritten changes to this Agreement must be initialed and dated by the Associate and the authorized representative of Walmart whose signature appears below. This Agreement supercedes and specifically terminates all prior agreements between the Associate and Walmart with respect to the subject matter hereof, including the Non-Competition Agreement, including but not limited to the fact that no Transition Payments (as described in the Non-Competition Agreement) will be due and owing by Walmart to the Associate under or pursuant to the Non-Competition Agreement.

c) **Conflict with Exhibits.** If the terms and provisions of this Agreement conflict with the terms and provisions of any exhibit to this Agreement, the terms and provisions of this Agreement will govern.

d) **Severability.** If any portion or provision of this Agreement is found to be unenforceable or invalid, the parties agree that the remaining portions will remain in full force and effect. The parties will negotiate in good faith to give such unenforceable or invalid provisions the effect the parties intended.

e) **Section Titles.** Section titles are informational only and are not to be considered in construing this Agreement.

f) **Successors and Assigns.** The parties acknowledge that this Agreement will be binding on their respective successors, assigns, and heirs.

g) **Governing Law and Dispute Resolution.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to Delaware law concerning the conflicts of law. The Parties further agree that any action relating to the interpretation, validity, or enforcement of this Agreement shall be brought in the of the courts of the State of Delaware, County of New Castle, or in the United States District Court of Delaware, and the parties hereby expressly consent to the jurisdiction of such courts and agree that venue is proper in those courts. The parties do hereby irrevocably: (a) submit themselves to the personal jurisdiction of such courts; (b) agree to service of such courts' process upon them with respect to any such proceeding; (c) waive any objection to venue laid therein; and (d) consent to service of process by registered mail, return receipt requested. Associate further agrees that in any claim or action involving the execution, interpretation, validity, or enforcement of this Agreement, Associate will seek satisfaction exclusively from the assets of Walmart and will hold harmless all of Walmart's individual directors, officers, employees, and representatives.

IN WITNESS WHEREOF , the parties hereto have executed this Agreement on the date first above written.

NEIL M. ASHE	**WAL-MART STORES, INC.**
/s/Neil M. Ashe	**By:** /s/Jacquelin L. Telfair **Name:** Jacquelin L. Telfair **Title:** SVP, Global Compensation and Organizational Effectiveness

Exhibit A

Restricted Stock to be Accelerated:

Grant Date	Number of Shares to be Accelerated	Original Vesting Date
January 26, 2015	13,255	January 26, 2018
January 25, 2016	9,347	January 25, 2019

Exhibit 12.1

Wal-Mart Stores, Inc.
Ratio of Earnings to Fixed Charges

	Nine Months Ended October 31,		Fiscal Years Ended January 31,				
(Amounts in millions)	**2016**	**2015**	**2016**	**2015**	**2014**	**2013**	**2012**
Income from continuing operations before income taxes	$ 14,847	$ 15,544	$ 21,638	$ 24,799	$ 24,656	$ 25,662	$ 24,332
Capitalized interest	(27)	(28)	(39)	(59)	(78)	(74)	(60)
Consolidated net income attributable to the noncontrolling interest	(421)	(212)	(386)	(736)	(673)	(757)	(688)
Adjusted income before income taxes	14,399	15,304	21,213	24,004	23,905	24,831	23,584
Fixed charges:							
Interest [1]	1,809	2,011	2,587	2,520	2,413	2,325	2,382
Interest component of rent	632	606	836	916	933	859	790
Total fixed charges	2,441	2,617	3,423	3,436	3,346	3,184	3,172
Income before income taxes and fixed charges	$ 16,840	$ 17,921	$ 24,636	$ 27,440	$ 27,251	$ 28,015	$ 26,756
Ratio of earnings to fixed charges	6.9	6.8	7.2	8.0	8.1	8.8	8.4

(1) Includes interest on debt, capital leases and financing obligations, amortization of debt issuance costs and capitalized interest.

Exhibit 31.1

I, C. Douglas McMillon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wal-Mart Stores, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 1, 2016

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

Exhibit 31.2

I, M. Brett Biggs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wal-Mart Stores, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 1, 2016

/s/ M. Brett Biggs

M. Brett Biggs
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report of Wal-Mart Stores, Inc. (the "Company") on Form 10-Q for the period ending October 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Douglas McMillon, President and Chief Executive Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of December 1, 2016 .

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Quarterly Report of Wal-Mart Stores, Inc. (the "Company") on Form 10-Q for the period ending October 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Brett Biggs, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of December 1, 2016 .

/s/ M. Brett Biggs

M. Brett Biggs
Executive Vice President and Chief Financial Officer