

WAL MART STORES INC

FORM 10-Q (Quarterly Report)

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Address	702 SOUTHWEST 8TH ST BENTONVILLE, AR 72716
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Sector	Services
Fiscal Year	01/31

**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 April 30, 2014 .
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
(State or other jurisdiction of
incorporation or organization)

71-0415188
(I.R.S. Employer
Identification No.)

702 S.W. 8th Street
Bentonville, Arkansas
(Address of principal executive offices)

72716
(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	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>

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 3,223,604,679 shares of common stock outstanding as of June 4, 2014.

Wal-Mart Stores, Inc.
Form 10-Q
For the Quarterly Period Ended April 30, 2014

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended	
	April 30,	
	2014	2013
<i>(Amounts in millions, except per share data)</i>		
Revenues:		
Net sales	\$ 114,167	\$ 113,313
Membership and other income	793	757
Total revenues	114,960	114,070
Costs and expenses:		
Cost of sales	86,714	85,991
Operating, selling, general and administrative expenses	22,053	21,641
Operating income	6,193	6,438
Interest:		
Debt	531	507
Capital leases	61	66
Interest income	(24)	(43)
Interest, net	568	530
Income from continuing operations before income taxes	5,625	5,908
Provision for income taxes	1,914	1,976
Income from continuing operations	3,711	3,932
Income from discontinued operations, net of income taxes	15	13
Consolidated net income	3,726	3,945
Less consolidated net income attributable to noncontrolling interest	(133)	(161)
Consolidated net income attributable to Walmart	\$ 3,593	\$ 3,784
Basic net income per common share:		
Basic income per common share from continuing operations attributable to Walmart	\$ 1.10	\$ 1.14
Basic income per common share from discontinued operations attributable to Walmart	0.01	0.01
Basic net income per common share attributable to Walmart	\$ 1.11	\$ 1.15
Diluted net income per common share:		
Diluted income per common share from continuing operations attributable to Walmart	\$ 1.10	\$ 1.14
Diluted income per common share from discontinued operations attributable to Walmart	0.01	—
Diluted net income per common share attributable to Walmart	\$ 1.11	\$ 1.14
Weighted-average common shares outstanding:		
Basic	3,233	3,301
Diluted	3,248	3,318
Dividends declared per common share	\$ 1.92	\$ 1.88

See accompanying notes.

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

	Three Months Ended	
	April 30,	
	2014	2013
<i>(Amounts in millions)</i>		
Consolidated net income	\$ 3,726	\$ 3,945
Less consolidated net income attributable to nonredeemable noncontrolling interest	(133)	(144)
Less consolidated net income attributable to redeemable noncontrolling interest	—	(17)
Consolidated net income attributable to Walmart	3,593	3,784
Other comprehensive income (loss), net of income taxes		
Currency translation and other	234	(1,392)
Derivative instruments	4	(81)
Minimum pension liability	4	108
Other comprehensive income (loss), net of income taxes	242	(1,365)
Less other comprehensive income (loss) attributable to nonredeemable noncontrolling interest	42	(9)
Less other comprehensive income (loss) attributable to redeemable noncontrolling interest	—	(7)
Other comprehensive income (loss) attributable to Walmart	284	(1,381)
Comprehensive income, net of income taxes	3,968	2,580
Less comprehensive income attributable to nonredeemable noncontrolling interest	(91)	(153)
Less comprehensive income attributable to redeemable noncontrolling interest	—	(24)
Comprehensive income attributable to Walmart	\$ 3,877	\$ 2,403

See accompanying notes.

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

<i>(Amounts in millions)</i>	<u>April 30,</u> <u>2014</u>	<u>January 31,</u> <u>2014</u>	<u>April 30,</u> <u>2013</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,012	\$ 7,281	\$ 8,855
Receivables, net	6,096	6,677	6,191
Inventories	45,315	44,858	43,138
Prepaid expenses and other	1,811	1,909	1,992
Current assets of discontinued operations	453	460	—
Total current assets	<u>59,687</u>	<u>61,185</u>	<u>60,176</u>
Property and equipment:			
Property and equipment	174,731	173,089	167,087
Less accumulated depreciation	<u>(59,585)</u>	<u>(57,725)</u>	<u>(53,395)</u>
Property and equipment, net	115,146	115,364	113,692
Property under capital leases:			
Property under capital leases	5,529	5,589	5,893
Less accumulated amortization	<u>(3,032)</u>	<u>(3,046)</u>	<u>(3,154)</u>
Property under capital leases, net	2,497	2,543	2,739
Goodwill	19,515	19,510	19,734
Other assets and deferred charges	<u>5,901</u>	<u>6,149</u>	<u>5,846</u>
Total assets	<u>\$ 202,746</u>	<u>\$ 204,751</u>	<u>\$ 202,187</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY			
Current liabilities:			
Short-term borrowings	\$ 3,517	\$ 7,670	\$ 6,255
Accounts payable	36,347	37,415	36,770
Dividends payable	4,648	—	4,649
Accrued liabilities	17,807	18,793	17,282
Accrued income taxes	1,966	966	2,318
Long-term debt due within one year	3,287	4,103	5,967
Obligations under capital leases due within one year	300	309	311
Current liabilities of discontinued operations	70	89	—
Total current liabilities	<u>67,942</u>	<u>69,345</u>	<u>73,552</u>
Long-term debt	45,699	41,771	41,536
Long-term obligations under capital leases	2,742	2,788	3,015
Deferred income taxes and other	8,164	8,017	7,694
Redeemable noncontrolling interest	—	1,491	549
Commitments and contingencies			
Equity:			
Common stock	323	323	329
Capital in excess of par value	2,111	2,362	3,399
Retained earnings	73,366	76,566	68,489
Accumulated other comprehensive income (loss)	<u>(2,712)</u>	<u>(2,996)</u>	<u>(1,968)</u>

Total Walmart shareholders' equity	73,088	76,255	70,249
Nonredeemable noncontrolling interest	5,111	5,084	5,592
Total equity	78,199	81,339	75,841
Total liabilities, redeemable noncontrolling interest, and equity	\$ 202,746	\$ 204,751	\$ 202,187

See accompanying notes.

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

<i>(Amounts in millions)</i>	Common Stock		Capital in	Retained	Accumulated	Total	Nonredeemable	Total	Redeemable
	Shares	Amount	Excess of		Other				
			Par Value	Earnings	Income (Loss)	Equity	Interest	Equity	Interest
Balances as of February 1, 2014	3,233	\$ 323	\$ 2,362	\$ 76,566	\$ (2,996)	\$ 76,255	\$ 5,084	\$ 81,339	\$ 1,491
Consolidated net income	—	—	—	3,593	—	3,593	133	3,726	—
Other comprehensive income, net of income taxes	—	—	—	—	284	284	(42)	242	—
Cash dividends declared (\$1.92 per share)	—	—	—	(6,189)	—	(6,189)	—	(6,189)	—
Purchase of Company stock	(8)	(1)	(18)	(596)	—	(615)	—	(615)	—
Purchase of redeemable noncontrolling interest	—	—	—	—	—	—	—	—	(1,491)
Other	5	1	(233)	(8)	—	(240)	(64)	(304)	—
Balances as of April 30, 2014	<u>3,230</u>	<u>\$ 323</u>	<u>\$ 2,111</u>	<u>\$ 73,366</u>	<u>\$ (2,712)</u>	<u>\$ 73,088</u>	<u>\$ 5,111</u>	<u>\$ 78,199</u>	<u>\$ —</u>

See accompanying notes.

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

<i>(Amounts in millions)</i>	Three Months Ended	
	April 30,	
	2014	2013
Cash flows from operating activities:		
Consolidated net income	\$ 3,726	\$ 3,945
Income from discontinued operations, net of income taxes	(15)	(13)
Income from continuing operations	3,711	3,932
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	2,250	2,187
Deferred income taxes	26	128
Other operating activities	543	(350)
Changes in certain assets and liabilities:		
Receivables, net	613	567
Inventories	(423)	584
Accounts payable	(831)	(743)
Accrued liabilities	(942)	(1,527)
Accrued income taxes	992	116
Net cash provided by operating activities	5,939	4,894
Cash flows from investing activities:		
Payments for property and equipment	(2,157)	(2,968)
Proceeds from the disposal of property and equipment	48	35
Other investing activities	(12)	(49)
Net cash used in investing activities	(2,121)	(2,982)
Cash flows from financing activities:		
Net change in short-term borrowings	(4,129)	(551)
Proceeds from issuance of long-term debt	4,519	4,977
Payments of long-term debt	(1,574)	(1,088)
Dividends paid	(1,547)	(1,549)
Purchase of Company stock	(626)	(2,246)
Dividends paid to noncontrolling interest	(28)	—
Purchase of noncontrolling interest	(1,626)	(81)
Other financing activities	(166)	(217)
Net cash used in financing activities	(5,177)	(755)
Effect of exchange rates on cash and cash equivalents	90	(83)
Net increase (decrease) in cash and cash equivalents	(1,269)	1,074
Cash and cash equivalents at beginning of year	7,281	7,781
Cash and cash equivalents at end of period	\$ 6,012	\$ 8,855

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, 2014. 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 April 2014 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.

Certain prior period amounts have been reclassified to conform to the current period's presentation. These reclassifications did not impact the Company's operating income or consolidated net income.

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 select countries. The receivable balance from consumer credit products was \$ 1.2 billion, net of a reserve for doubtful accounts of \$ 98 million at April 30, 2014, compared to a receivable balance of \$ 1.3 billion, net of a reserve for doubtful accounts of \$ 119 million at January 31, 2014. 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 method of accounting, using the last-in, first-out ("LIFO") method for substantially all of the Walmart U.S. segment's inventories. The Walmart International segment's inventories are primarily valued by the retail method of accounting, using the first-in, first-out ("FIFO") method. The retail 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 Sam's Club segment's inventories are valued based on the weighted-average cost using the LIFO method. At April 30, 2014 and January 31, 2014, the Company's inventories valued at LIFO approximate those inventories as if they were valued at FIFO.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. 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. This ASU is effective for annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. Accordingly, the Company will adopt this ASU on February 1, 2017. Companies may use either a full retrospective or a modified retrospective approach to adopt this ASU and management is currently evaluating which transition approach to use. Management does not expect this ASU to materially impact the Company's consolidated net income, financial position or cash flows.

Note 2. Net Income Per Common Share

Basic income per common share from continuing operations attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period. Diluted income per common share from continuing operations attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of outstanding stock options and other share-based awards. The Company did not have significant stock options or other share-based awards outstanding that were antidilutive and not included in the calculation of diluted income per common share from continuing operations attributable to Walmart for the three months ended April 30, 2014 and 2013 .

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

	Three Months Ended	
	April 30,	
	2014	2013
<i>(Amounts in millions, except per share data)</i>		
Numerator		
Income from continuing operations	\$ 3,711	\$ 3,932
Less income from continuing operations attributable to noncontrolling interest	(129)	(157)
Income from continuing operations attributable to Walmart	<u>\$ 3,582</u>	<u>\$ 3,775</u>
Denominator		
Weighted-average common shares outstanding, basic	3,233	3,301
Dilutive impact of stock options and other share-based awards	15	17
Weighted-average common shares outstanding, diluted	<u>3,248</u>	<u>3,318</u>
Income per common share from continuing operations attributable to Walmart		
Basic	\$ 1.10	\$ 1.14
Diluted	1.10	1.14

Note 3. Accumulated Other Comprehensive Income (Loss)

The following table provides the changes in the composition of total Walmart accumulated other comprehensive income (loss) for the three months ended April 30, 2014 :

<i>(Amounts in millions and net of income taxes)</i>	Currency Translation and Other	Derivative Instruments	Minimum Pension Liability	Total
Balances as of February 1, 2014	\$ (2,722)	\$ 336	\$ (610)	\$ (2,996)
Other comprehensive income (loss) before reclassifications	276	2	6	284
Amounts reclassified from accumulated other comprehensive income (loss)	—	2	(2)	—
Balances as of April 30, 2014	<u>\$ (2,446)</u>	<u>\$ 340</u>	<u>\$ (606)</u>	<u>\$ (2,712)</u>

Amounts reclassified from accumulated other comprehensive income (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.

The Company's unrealized net gains and losses on net investment hedges, included in the currency translation and other category of accumulated other comprehensive income (loss), were not significant as of April 30, 2014 and January 31, 2014 .

Note 4. Long-term Debt

The following table provides the changes in the Company's long-term debt for the three months ended April 30, 2014 :

<i>(Amounts in millions)</i>	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2014	\$ 4,103	\$ 41,771	\$ 45,874
Proceeds from long-term debt	—	4,519	4,519
Repayments of long-term debt	(1,574)	—	(1,574)
Reclassifications of long-term debt	750	(750)	—
Other	8	159	167
Balances as of April 30, 2014	<u>\$ 3,287</u>	<u>\$ 45,699</u>	<u>\$ 48,986</u>

Issuances

On April 8, 2014 , the Company issued €1.5 billion aggregate principal amount of fixed rate notes resulting in cash proceeds that were the equivalent of approximately \$2.0 billion , net of discounts and issuance costs. The issuances consisted of €850 million aggregate principal amount of 1.900% Notes due 2022 and €650 million aggregate principal amount of 2.550% Notes due 2026 . The proceeds were used to pay down and refinance existing debt and for other general corporate purposes.

On April 22, 2014 , the Company issued \$2.5 billion aggregate principal amount of fixed rate notes resulting in cash proceeds of approximately \$2.5 billion , net of discounts and issuance costs. The issuances consisted of \$500 million aggregate principal amount of 1.000% Notes due 2017 , \$1.0 billion aggregate principal amount of 3.300% Notes due 2024 and \$1.0 billion aggregate principal amount of 4.300% Notes due 2044 . The proceeds were used to pay down and refinance existing debt and for other general corporate purposes.

The Company also received additional proceeds from other, smaller long-term debt issuances by several of its international operations.

Maturities

On February 3, 2014 , \$500 million of 3.000% Notes matured and were repaid and on April 14, 2014 , \$1.0 billion of 1.625% Notes matured and were repaid.

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

Note 5. Fair Value Measurements

The Company records and discloses certain financial and non-financial assets and liabilities at their 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. A liability's fair value is defined as 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 April 30, 2014 and January 31, 2014, the notional amounts and fair values of these derivatives are as follows:

	April 30, 2014		January 31, 2014	
	Notional Amount	Fair Value	Notional Amount	Fair Value
<i>(Amounts in millions)</i>				
Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges	\$ 500	\$ —	\$ 1,000	\$ 5
Receive fixed-rate, pay fixed-rate cross-currency interest rate swaps designated as net investment hedges	1,250	78	1,250	97
Receive fixed-rate, pay fixed-rate cross-currency interest rate swaps designated as cash flow hedges	5,154	513	3,004	453
Receive variable-rate, pay fixed-rate interest rate swaps designated as cash flow hedges	459	(1)	457	(2)
Receive variable-rate, pay fixed-rate forward starting interest rate swaps designated as cash flow hedges	500	6	2,500	166
Total	\$ 7,863	\$ 596	\$ 8,211	\$ 719

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 for the three months ended April 30, 2014, or for the fiscal year ended January 31, 2014.

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 April 30, 2014 and January 31, 2014, are as follows:

	April 30, 2014		January 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<i>(Amounts in millions)</i>				
Long-term debt, including amounts due within one year	\$ 48,986	\$ 54,362	\$ 45,874	\$ 50,757

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 \$ 511 million and \$ 641 million at April 30, 2014 and January 31, 2014 , 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 these counterparties, the Company is also required to post collateral if the Company's net derivative liability position exceeds \$ 150 million with any counterparty. The Company did not have any cash collateral posted with counterparties at April 30, 2014 or January 31, 2014 . 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 income (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 matured subsequent to period end in May 2014 .

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 income (loss), offsetting the currency translation adjustment of the related investment that is also recorded in accumulated other comprehensive income (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 income (loss), offsetting the foreign currency translation adjustment of the related net investments that is also recorded in accumulated other comprehensive income (loss). At April 30, 2014 and January 31, 2014 , the Company had £2.5 billion and ¥ 200 billion of outstanding long-term debt designated as hedges of its net investments in the United Kingdom and Japan, respectively. These nonderivative net investment hedges will mature on dates ranging from August 2014 to January 2039 .

Cash Flow Instruments

The Company is a party to receive variable-rate, pay fixed-rate interest rate swaps that the Company uses to hedge the interest rate risk of certain non-U.S. denominated debt. The swaps are designated as cash flow hedges of interest expense risk. Amounts reported in accumulated other comprehensive income (loss) related to these derivatives are reclassified from accumulated other comprehensive income (loss) to earnings as interest is expensed for the Company's variable-rate debt, converting the variable-rate interest expense into fixed-rate interest expense. These cash flow instruments will mature on dates ranging from August 2014 to July 2015 .

The Company is also 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 income (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 remeasured 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 remeasurement 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 .

The Company also uses forward starting receive variable-rate, pay fixed-rate swaps ("forward starting swaps"), to hedge its exposure to the variability in future cash flows due to changes in the LIBOR swap rate for debt issuances forecasted to occur in the future. Amounts reported in accumulated other comprehensive income (loss) related to these derivatives will be reclassified from accumulated other comprehensive income (loss) to earnings as interest expense is incurred on the forecasted hedged fixed-rate debt, adjusting interest expense to reflect the fixed-rate entered into by the forward starting swaps. These cash flow instruments hedge forecasted interest payments to be made through May 2024. These forward starting swaps will be terminated on the day the hedged forecasted debt issuances occur, but no later than October 31, 2014 , if the hedged forecasted debt issuances do not occur. The Company terminated forward starting swaps with an aggregate notional amount of \$2.0 billion in connection with the April 22, 2014 debt issuances described in Note 4. Upon termination of those forward starting swaps, the Company received a cash payment from the related counterparties of \$107 million , which was recorded in accumulated other comprehensive income (loss) and will be reclassified to earnings over the life of the related debt, effectively adjusting interest expense to reflect the fixed-rate entered into by the forward starting swaps.

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.

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:

	April 30, 2014			January 31, 2014		
	Fair Value Instruments	Net Investment Instruments	Cash Flow Instruments	Fair Value Instruments	Net Investment Instruments	Cash Flow Instruments
<i>(Amounts in millions)</i>						
Derivative instruments						
Prepaid expenses and other	\$ —	\$ —	\$ —	\$ 5	\$ —	\$ —
Other assets and deferred charges	—	82	535	—	97	619
Derivative asset subtotals	<u>\$ —</u>	<u>\$ 82</u>	<u>\$ 535</u>	<u>\$ 5</u>	<u>\$ 97</u>	<u>\$ 619</u>
Accrued liabilities	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ 1
Deferred income taxes and other	—	4	16	—	—	1
Derivative liability subtotals	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ 17</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2</u>
Nonderivative hedging instruments						
Long-term debt due within one year	\$ —	\$ 974	\$ —	\$ —	\$ 973	\$ —
Long-term debt	—	5,181	—	—	5,095	—
Nonderivative hedge liability subtotals	<u>\$ —</u>	<u>\$ 6,155</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,068</u>	<u>\$ —</u>

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 income (loss) to net income during the next 12 months, are not significant.

Note 7. Share Repurchases

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Board of Directors. The current \$15.0 billion share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At April 30, 2014, authorization for \$10.7 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 cash paid for share repurchases for the three months ended April 30, 2014 and 2013 :

<i>(Amounts in millions, except per share data)</i>	Three Months Ended April 30,	
	2014	2013
Total number of shares repurchased	8.3	30.8
Average price paid per share	\$ 75.37	\$ 72.87
Total cash paid for share repurchases	\$ 626	\$ 2,246

Note 8. Common Stock Dividends

On February 20, 2014, the Board of Directors approved the fiscal 2015 annual dividend of \$ 1.92 per share, an increase compared to the fiscal 2014 annual dividend of \$ 1.88 per share. For fiscal 2015, the annual dividend will be paid in four quarterly installments of \$0.48 per share, according to the following record and payable dates:

Record Date	Payable Date
March 11, 2014	April 1, 2014
May 9, 2014	June 2, 2014
August 8, 2014	September 3, 2014
December 5, 2014	January 5, 2015

The dividend installments payable on April 1, 2014 and June 2, 2014, 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's shareholders.

In previous filings, the Company has disclosed certain legal proceedings related to the *Dukes* litigation, including several gender discrimination complaints that were filed after the Supreme Court decertified the *Dukes* class in June 2011. These later-filed cases are smaller in size and scope than the *Dukes* case, and the courts have now dismissed all class allegations from these smaller cases. Management does not believe that a material loss is reasonably possible in connection with these legal proceedings, individually or in the aggregate. Accordingly, these legal proceedings will no longer be disclosed in the Notes to Condensed Consolidated Financial Statements.

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.

Wage-and-Hour Class Action: The Company is a defendant in *Braun/Hummel v. Wal-Mart Stores, Inc.*, a class-action lawsuit commenced in March 2002 in the Court of Common Pleas in Philadelphia, Pennsylvania. The plaintiffs allege that the Company failed to pay class members for all hours worked and prevented class members from taking their full meal and rest breaks. On October 13, 2006, a jury awarded back-pay damages to the plaintiffs of approximately \$78 million on their claims for off-the-clock work and missed rest breaks. The jury found in favor of the Company on the plaintiffs' meal-period claims. On November 14, 2007, the trial judge entered a final judgment in the approximate amount of \$188 million, which included the jury's back-pay award plus statutory penalties, prejudgment interest and attorneys' fees. By operation of law, post-judgment interest accrues on the judgment amount at the rate of six percent per annum from the date of entry of the judgment, which was November 14, 2007, until the judgment is paid, unless the judgment is set aside on appeal. On December 7, 2007, the Company filed its Notice of Appeal. The Company filed its opening appellate brief on February 17, 2009, plaintiffs filed their response brief on April 20, 2009, and the Company filed its reply brief on June 5, 2009. Oral argument was held before the Pennsylvania Superior Court of Appeals on August 19, 2009. On June 10, 2011, the court issued an opinion upholding the trial court's certification of the class, the jury's back pay award, and the awards of statutory penalties and prejudgment interest, but reversing the award of attorneys' fees. On September 9, 2011, the Company filed a Petition for Allowance of Appeal with the Pennsylvania Supreme Court. On July 2, 2012, the Pennsylvania Supreme Court granted the Company's Petition. The Company served its opening brief in the Pennsylvania Supreme Court on October 22, 2012, plaintiffs served their response brief on January 22, 2013, and the Company served its reply on February 28, 2013. Oral argument was held in the Pennsylvania Supreme Court on May 8, 2013. No decision has been issued. The Company believes it has substantial factual and legal defenses to the claims at issue, and plans to continue pursuing appellate review.

ASDA Equal Value Claims: ASDA Stores, Ltd., a wholly-owned subsidiary of the Company, is a defendant in twenty-three "equal value claim" proceedings that have been filed in the Manchester Employment Tribunal, United Kingdom, on behalf of twenty-three individual, female, current or former ASDA store employees, who allege that their work in the stores is of equal value in terms of the demands of their jobs to those of male employees working at ASDA's warehouse and distribution facilities, and that the disparity in pay between these different job positions is not objectively justified. ASDA believes that further claims may be asserted in the near future, a possibility that was recently reported in the UK media, as well as from the law firm representing twenty of the twenty-three claimants. 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, is 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 is also conducting a voluntary global review of its policies, practices and internal controls for FCPA 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 are reported or identified, the Audit Committee and the Company, together with their third party advisors, conduct inquiries and when warranted based on those inquiries, open investigations. Inquiries or investigations regarding allegations of potential FCPA violations have been commenced in a number of foreign markets where the Company operates, including, but not limited to, Brazil, China and India.

The Company has been informed by the DOJ and the SEC that it is also the subject of their respective investigations into possible violations of the FCPA. The Company is cooperating with the investigations by the DOJ and the SEC. 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. The shareholder lawsuits may result in judgments against the Company and its current and former directors and officers named in those proceedings. The Company cannot predict at this time the outcome or impact of the government investigations, the shareholder lawsuits, or its own internal investigations and review. In addition, the Company expects 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 months ended April 30, 2014 and 2013, the Company incurred the following third-party expenses in connection with the FCPA investigation and related matters:

<i>(Amounts in millions)</i>	Three Months Ended April 30,	
	2014	2013
Ongoing inquiries and investigations	\$ 34	\$ 44
Global compliance program and organizational enhancements	19	29
Total	\$ 53	\$ 73

These matters may require the involvement of certain members of the Company's senior management that could impinge on the time they have available to devote to other matters relating to the business. 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.

The Company's process of assessing and responding to the governmental investigations and the shareholder lawsuits continues. 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 reasonably estimate any loss or range of loss that may arise from 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

The Company has completed the following transactions that impact the operations of Walmart International:

Walmart Chile

In fiscal 2014, the redeemable noncontrolling interest shareholders exercised put options that required the Company to purchase their shares in Walmart Chile. At that time, the Company recorded an increase to redeemable noncontrolling interest of \$1.0 billion, with a corresponding decrease to capital in excess of par value, to reflect the redemption value of the redeemable noncontrolling interest at \$1.5 billion. In February 2014, the Company completed this transaction using its existing cash, increasing its ownership interest in Walmart Chile to 99.7 percent. In March 2014, the Company completed a tender offer for the remaining noncontrolling interest shares at the same value per share as was paid to the redeemable noncontrolling interest shareholders. As a result of completing these transactions, the Company owns substantially all of Walmart Chile.

Vips Restaurant Business in Mexico

In September 2013, Walmex, a majority-owned subsidiary of the Company, entered into a definitive agreement with Alsea S.A.B. de C.V. to sell the Vips restaurant business ("Vips") in Mexico for approximately \$625 million. Accordingly, the Vips operating results are presented as discontinued operations in the Company's Condensed Consolidated Statements of Income. Additionally, the Vips assets and liabilities to be disposed of are reported separately in the Company's Condensed Consolidated Balance Sheets as of April 30, 2014 and January 31, 2014. Subsequent to period end, the Vips sale received approval from Mexican regulatory authorities and closed in May 2014. Accordingly, the Company will record a net gain in discontinued operations in the Company's Condensed Consolidated Statements of Income in the second quarter of fiscal 2015.

Note 11. Segments

The Company is engaged in the operation of retail, wholesale and other units located in the U.S., Africa, Argentina, Brazil, Canada, Central America, Chile, China, India, Japan, Mexico and the United Kingdom. The Company's operations are conducted in three reportable 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 walmart.com. 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:

<i>(Amounts in millions)</i>	Three Months Ended April 30,	
	2014	2013
Net sales:		
Walmart U.S.	\$ 67,852	\$ 66,553
Walmart International	32,424	32,889
Sam's Club	13,891	13,871
Net sales	\$ 114,167	\$ 113,313

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

<i>(Amounts in millions)</i>	Three Months Ended April 30,	
	2014	2013
Operating income (loss):		
Walmart U.S.	\$ 4,975	\$ 5,197
Walmart International	1,202	1,163
Sam's Club	479	490
Corporate and support	(463)	(412)
Operating income	6,193	6,438
Interest, net	568	530
Income from continuing operations before income taxes	\$ 5,625	\$ 5,908

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 the operation of retail, wholesale and other units in various formats around the world. Our operations consist of three reportable segments: Walmart U.S., Walmart International and Sam's Club.

- The Walmart U.S. segment includes the Company's mass merchant concept in the United States ("U.S."), operating under the "Walmart" or "Wal-Mart" brand with various formats, including supercenters, discount stores, Neighborhood Markets and other small stores, as well as walmart.com. Of our three segments, Walmart U.S. is the largest and has historically had the highest gross profit as a percentage of net sales ("gross profit rate"). In addition, Walmart U.S. has historically contributed the greatest amount to the Company's net sales and operating income.
- The Walmart International segment consists of the Company's operations outside of the U.S. Walmart International operates retail, wholesale and other types of units, including various retail websites. 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, in recent years, has grown through acquisitions, as well as by adding retail, wholesale and other units.
- The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as samsclub.com. Sam's Club operates as a membership club warehouse 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, but each has generally maintained a consistent contribution rate to the Company's net sales and operating income in recent years.

Through the operations in each of our segments, we are committed to saving people money so they can live better. At Walmart U.S., we earn the trust of our customers every day by providing a broad assortment of quality merchandise and services at everyday low prices ("EDLP"), while fostering a culture that rewards and embraces mutual respect, integrity and diversity. EDLP is our pricing philosophy under which we price items at a low price every day so that our customers trust that our prices will not change under frequent promotional activities. Our focus for Sam's Club is to provide exceptional value on brand name and private label merchandise at "members only" prices for both business and personal use. Internationally, we operate with similar philosophies.

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.

This discussion, which presents our results for periods occurring in the fiscal years ended January 31, 2015 ("fiscal 2015 ") and January 31, 2014 ("fiscal 2014 "), should be read in conjunction with our Condensed Consolidated Financial Statements as of April 30, 2014 , 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 January 31, 2014 , 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, 2014 , 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, 2014 .

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 various segments of our business to provide a better understanding of how those segments and their results affect the financial condition and results of operations of the Company as a whole.

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 or other measures, including certain corporate overhead allocations, 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. The amounts disclosed for "Corporate and support" in the leverage discussion of the Company's performance metrics consist of corporate overhead and other items not allocated to any of the Company's segments.

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 fulfilled through our dedicated e-commerce distribution facilities, as well as an estimate for sales initiated online, but fulfilled through our stores and clubs. Changes in format are excluded from comparable store and club sales when the conversion is accompanied by a relocation or expansion that results in a change in 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, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for all countries where the functional currency is not the U.S. dollar. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates, and the comparable prior year period's currency exchange rates. Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. When we refer to constant currency operating results, we are referring to our operating results without the impact of the currency exchange rate fluctuations and without the impact of acquisitions until the acquisitions are included in both comparable periods. The disclosure of constant currency amounts or results permits investors to understand better Walmart's underlying performance without the effects of currency exchange rate fluctuations or acquisitions. 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.

We made certain reclassifications to prior period amounts or balances to conform to the presentation in the current fiscal year. These reclassifications did not impact the Company's operating income or consolidated net income. Additionally, certain prior period segment asset and expense allocations have been reclassified among segments to be comparable with the current period presentation.

Company Performance Metrics

Our performance metrics emphasize three priorities for improving shareholder value: growth, leverage and returns. Our priority of growth focuses on sales through comparable store and club sales, including e-commerce sales, and unit square feet growth; the priority of leverage encompasses our objective to increase our operating income at a faster rate than the growth in net sales by growing our operating, selling, general and administrative expenses ("operating expenses") at a slower rate than the growth of our net sales; and the priority of returns focuses on how efficiently we employ assets through return on investment and how effectively we manage working capital through free cash flow.

Growth

Net Sales

	Three Months Ended April 30,				
	2014			2013	
	Net Sales	Percent of Total	Percent Change	Net Sales	Percent of Total
<i>(Amounts in millions)</i>					
Walmart U.S.	\$ 67,852	59.4%	2.0 %	\$ 66,553	58.7%
Walmart International	32,424	28.4%	(1.4)%	32,889	29.0%
Sam's Club	13,891	12.2%	0.1 %	13,871	12.3%
Net sales	\$ 114,167	100.0%	0.8 %	\$ 113,313	100.0%

Our consolidated net sales increased 0.8% for the three months ended April 30, 2014, when compared to the same period in the previous fiscal year. The increase in net sales was primarily due to 2.9% year-over-year growth in retail square feet and higher e-commerce sales, partially offset by \$1.6 billion of negative impact from fluctuations in currency exchange rates and decreases in comparable store sales at Walmart U.S. and Sam's Club.

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) and, 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 months ended April 30, 2014 and 2013, were as follows:

	Three Months Ended April 30,			
	2014	2013	2014	2013
	With Fuel		Fuel Impact	
Walmart U.S.	(0.4)%	(1.9)%	0.0 %	0.0 %
Sam's Club	(1.2)%	(0.9)%	(0.4)%	(0.4)%
Total U.S.	(0.6)%	(1.7)%	(0.1)%	0.0 %

Comparable store and club sales in the U.S., including fuel, decreased 0.6% for the three months ended April 30, 2014, when compared to the same period in the previous fiscal year. The total U.S. comparable store and club sales were negatively impacted by severe winter storms and the reduction in government food benefits. Additionally, e-commerce sales positively impacted Walmart U.S. comparable store and Sam's Club comparable club sales percentages by approximately 0.3% and 0.2%, respectively.

Leverage

Operating Income

	Three Months Ended April 30,				
	2014			2013	
	Operating Income	Percent of Total	Percent Change	Operating Income	Percent of Total
<i>(Amounts in millions)</i>					
Walmart U.S.	\$ 4,975	80.3 %	(4.3)%	\$ 5,197	80.7 %
Walmart International	1,202	19.4 %	3.4 %	1,163	18.1 %
Sam's Club	479	7.8 %	(2.2)%	490	7.6 %
Corporate and support	(463)	(7.5)%	12.4 %	(412)	(6.4)%
Operating income	\$ 6,193	100.0 %	(3.8)%	\$ 6,438	100.0 %

We believe comparing both the growth of our operating expenses and our operating income to the growth of our net sales are meaningful measures as they indicate how effectively we manage costs and leverage operating expenses. Our objective for a fiscal year is to grow operating expenses at a slower rate than net sales and to grow operating income at a faster rate than net sales. On occasion, we may make strategic growth investments that may, at times, cause our operating expenses to grow at a faster rate than net sales and that may result in our operating income growing at a slower rate than net sales.

Operating Expenses

For the three months ended April 30, 2014 , operating expenses increased 1.9% when compared to the same period in the previous fiscal year, while net sales increased 0.8% when compared to the same period in the previous fiscal year. Accordingly, we did not meet our objective of growing operating expenses at a slower rate than net sales for the period. Expenses related to severe winter storms in the U.S. and higher healthcare costs were the primary factors that caused us not to leverage operating expenses for the three months ended April 30, 2014 .

Operating Income

For the three months ended April 30, 2014 , we did not meet our objective of growing operating income at a faster rate than net sales as operating income decreased 3.8% while net sales increased 0.8% when compared to the same period in the previous fiscal year. This was primarily due to the factors we discussed for not leveraging operating expenses, as well as a lower gross profit rate.

Returns

Return on Investment

Management believes return on investment ("ROI") is a meaningful metric to share with investors because it helps investors assess how effectively Walmart is deploying its assets. Trends in ROI can fluctuate over time as management balances long-term potential strategic initiatives with possible short-term impacts.

ROI was 16.7% and 17.8% for the trailing twelve months ended April 30, 2014 and 2013, respectively. The decline in ROI was primarily due to a decrease in operating income, as well as our continued capital investment in store growth and e-commerce.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the 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 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 GAAP financial measure. 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. We consider return on assets ("ROA") to be the financial measure computed in accordance with generally accepted accounting principles ("GAAP") that is the most directly comparable financial measure to our calculation of ROI. ROI differs from ROA (which is consolidated income from continuing operations for the period divided by average total assets of continuing operations for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; adjusts total assets of continuing operations for the impact of accumulated depreciation and amortization, accounts payable and accrued liabilities; and incorporates a factor of rent to arrive at total invested capital.

Although ROI is a standard financial metric, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI. We urge you to understand the methods used by other companies to calculate their ROI before comparing our ROI to that of such other companies.

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

	For the Trailing Twelve Months Ending April 30,	
	2014	2013
<i>(Amounts in millions)</i>		
CALCULATION OF RETURN ON INVESTMENT		
Numerator		
Operating income	\$ 26,627	\$ 27,793
+ Interest income	100	190
+ Depreciation and amortization	8,933	8,564
+ Rent	2,859	2,610
= Adjusted operating income	\$ 38,519	\$ 39,157
Denominator		
Average total assets of continuing operations ⁽¹⁾	\$ 202,240	\$ 199,604
+ Average accumulated depreciation and amortization ⁽¹⁾	59,583	53,692
- Average accounts payable ⁽¹⁾	36,559	36,919
- Average accrued liabilities ⁽¹⁾	17,545	16,972
+ Rent x 8	22,872	20,880
= Average invested capital	\$ 230,591	\$ 220,285
Return on investment (ROI)	16.7%	17.8%
CALCULATION OF RETURN ON ASSETS		
Numerator		
Income from continuing operations	\$ 16,330	\$ 17,754
Denominator		
Average total assets of continuing operations ⁽¹⁾	\$ 202,240	\$ 199,604
Return on assets (ROA)	8.1%	8.9%

	As of April 30,		
	2014	2013	2012
Certain Balance Sheet Data			
Total assets of continuing operations ⁽²⁾	\$ 202,293	\$ 202,187	\$ 197,020
Accumulated depreciation and amortization	62,617	56,549	50,835
Accounts payable	36,347	36,770	37,068
Accrued liabilities	17,807	17,282	16,661

(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.

(2) Total assets of continuing operations as of April 30, 2014, 2013 and 2012 in the table above exclude assets of discontinued operations that are reflected in the Company's Condensed Consolidated Balance Sheets of \$453 million, \$0 million and \$80 million, respectively.

Free Cash Flow

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We generated free cash flow of \$3.8 billion for the three months ended April 30, 2014, compared to free cash flow of \$1.9 billion for the three months ended April 30, 2013. The increase in free cash flow was primarily due to the timing of payments for income taxes and capital expenditures.

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 income from continuing operations as a measure of our performance and net cash provided by operating activities as a measure of our liquidity.

Additionally, Walmart's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our 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. We urge you to understand the methods used by other companies to calculate their free cash flow before comparing our free cash flow to that of such other companies.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities.

<i>(Amounts in millions)</i>	Three Months Ended April 30,	
	2014	2013
Net cash provided by operating activities	\$ 5,939	\$ 4,894
Payments for property and equipment	(2,157)	(2,968)
Free cash flow	\$ 3,782	\$ 1,926
Net cash used in investing activities ⁽¹⁾	\$ (2,121)	\$ (2,982)
Net cash used in financing activities	(5,177)	(755)

(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 April 30, 2014 and 2013

<i>(Amounts in millions, except unit counts)</i>	Three Months Ended April 30,	
	2014	2013
Total revenues	\$ 114,960	\$ 114,070
Percentage change from comparable period	0.8 %	1.0 %
Net sales	\$ 114,167	\$ 113,313
Percentage change from comparable period	0.8 %	1.0 %
Total U.S. calendar comparable store and club sales increase (decrease)	(0.6)%	(1.7)%
Gross profit margin as a percentage of net sales	24.0 %	24.1 %
Operating income	\$ 6,193	\$ 6,438
Operating income as a percentage of net sales	5.4 %	5.7 %
Income from continuing operations	\$ 3,711	\$ 3,932
Unit counts at period end	10,994	10,493
Retail square feet at period end	1,105	1,074

Our total revenues, which are mostly comprised of net sales, but also include membership and other income, increased 0.8% for the three months ended April 30, 2014 , when compared to the same period in the previous fiscal year. The increase in total revenues was consistent with the 0.8% increase in net sales. The increase in net sales was primarily due to 2.9% year-over-year growth in retail square feet and higher e-commerce sales, partially offset by \$1.6 billion of negative impact from fluctuations in currency exchange rates and decreases in comparable store sales at Walmart U.S. and Sam's Club. An increase in membership and other income, primarily due to 10.9% growth in membership income at Sam's Club, also contributed to the increase in total revenues.

Our gross profit rate decreased 6 basis points for the three months ended April 30, 2014 , when compared to the same period in the previous fiscal year. The decrease in our gross profit rate was due to declines in the gross profit rate at Walmart U.S. and Sam's Club, resulting from price investments, shifts in merchandise mix and rising commodity costs. A small increase in the gross profit rate at Walmart International, due to changes in merchandise mix, partially offset the decreases in the gross profit rate at Walmart U.S. and Sam's Club.

We did not leverage operating expenses for the three months ended April 30, 2014 , as operating expenses as a percentage of net sales increased 22 basis points when compared to the same period in the previous fiscal year. Expenses related to severe winter storms in the U.S. and higher healthcare costs were the primary factors that caused us not to leverage for the three months ended April 30, 2014 .

Our effective income tax rates were 34.0% and 33.4% for the three months ended April 30, 2014 , and 2013, respectively. 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 \$ 3.7 billion of consolidated income from continuing operations for the three months ended April 30, 2014 , a decrease of \$221 million, when compared to the same period in the previous fiscal year. We estimate the after-tax impact of the severe winter storms in the U.S. to be approximately \$90 million for the three months ended April 30, 2014. Diluted income from continuing operations per common share attributable to Walmart ("EPS") was \$1.10 for the three months ended April 30, 2014 , a decrease compared to EPS of \$1.14 for the three months ended April 30, 2013 .

Walmart U.S. Segment

Three months ended April 30, 2014 and 2013

	Three Months Ended April 30,	
	2014	2013
<i>(Amounts in millions, except unit counts)</i>		
Net sales	\$ 67,852	\$ 66,553
Percentage change from comparable period	2.0 %	0.3 %
Calendar comparable store sales increase (decrease)	(0.4)%	(1.9)%
Operating income	\$ 4,975	\$ 5,197
Operating income as a percentage of net sales	7.3 %	7.8 %
Unit counts at period end	4,233	4,043
Retail square feet at period end	662	644

Net sales for the Walmart U.S. segment increased 2.0% for the three months ended April 30, 2014 , when compared to the same period in the previous fiscal year. The increase in net sales was due to year-over-year growth in retail square feet of 2.8%, partially offset by a decrease in comparable store sales of 0.4% . The Walmart U.S. segment's comparable store sales were negatively impacted by severe winter storms and the reduction in government food benefits.

Gross profit rate decreased 17 basis points for the three months ended April 30, 2014 , compared to the same period in the previous fiscal year. The decrease in the gross profit rate was primarily the result of the segment's strategic focus on price investment and low price leadership.

Walmart U.S. did not leverage operating expenses for the three months ended April 30, 2014 , as operating expenses as a percentage of segment net sales increased 29 basis points compared to the same period in the previous fiscal year. Expenses related to the severe winter storms and higher health care costs, primarily due to increased enrollment and medical cost inflation, each contributed to the segment's increase in operating expenses as a percentage of segment net sales.

Walmart International Segment

Three months ended April 30, 2014 and 2013

	Three Months Ended April 30,	
	2014	2013
<i>(Amounts in millions, except unit counts)</i>		
Net sales	\$ 32,424	\$ 32,889
Percentage change from comparable period	(1.4)%	2.9%
Operating income	\$ 1,202	\$ 1,163
Operating income as a percentage of net sales	3.7 %	3.5%
Unit counts at period end	6,126	5,830
Retail square feet at period end	358	347

Net sales for the Walmart International segment decreased 1.4% for the three months ended April 30, 2014 , when compared to the same period in the previous fiscal year. The decrease in net sales was primarily due to \$1.6 billion of negative impact from fluctuations in currency exchange rates, which was partially offset by year-over-year growth in retail square feet of 3.2% and higher e-commerce sales in each country with e-commerce operations.

Gross profit rate increased 8 basis points for the three months ended April 30, 2014 , when compared to the same period in the previous fiscal year. The increase in the gross profit rate was primarily due to changes in the merchandise mix in a number of the segment's larger operations.

Walmart International did not leverage operating expenses for the three months ended April 30, 2014 , as operating expenses as a percentage of segment net sales, when compared to the same period in the previous fiscal year, were slightly down due to the negative impact from fluctuations in currency exchange rates. Although Walmart International did not leverage operating expenses and net sales decreased, operating income increased for the three months ended April 30, 2014 , when compared to the same period in the previous fiscal year.

Sam's Club Segment

Three months ended April 30, 2014 and 2013

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 April 30,	
	2014	2013
<i>(Amounts in millions, except unit counts)</i>		
Including Fuel		
Net sales	\$ 13,891	\$ 13,871
Percentage change from comparable period	0.1 %	0.1 %
Calendar comparable club sales increase (decrease)	(1.2)%	(0.9)%
Operating income	\$ 479	\$ 490
Operating income as a percentage of net sales	3.4 %	3.5 %
Unit counts at period end	635	620
Retail square feet at period end	85	83
Excluding Fuel		
Net sales	\$ 12,215	\$ 12,157
Percentage change from comparable period	0.5 %	0.5 %
Operating income	\$ 477	\$ 484
Operating income as a percentage of net sales	3.9 %	4.0 %

Net sales for the Sam's Club segment increased 0.1% for the three months ended April 30, 2014, when compared to the same period in the previous fiscal year. The increase in net sales was due to year-over-year growth in retail square feet of 2.4%, partially offset by decreases in comparable store sales of 1.2%. The segment's comparable store sales were negatively impacted by severe winter storms and the reduction in government food benefits.

Gross profit rate decreased 24 basis points for the three months ended April 30, 2014, when compared to the same period in the previous fiscal year. The gross profit rate decreased primarily due to changes in merchandise mix and commodity cost inflation.

Membership and other income increased 10.4% for the three months ended April 30, 2014, when compared to the same period in the previous fiscal year. The increase in membership and other income is primarily the result of the increased membership fees the segment introduced May 15, 2013.

Sam's Club did not leverage operating expenses for the three months ended April 30, 2014, as operating expenses as a percentage of segment net sales increased 6 basis points compared to the same period in the previous fiscal year. The increase in operating expenses as a percentage of segment net sales was primarily due to lower fuel sales, expenses associated with the severe winter storms and increased labor costs. The impact of these items was partially offset by lower than anticipated severance costs related to the in-club staffing structure implemented in the fourth quarter of fiscal 2014.

Liquidity and Capital Resources

Liquidity

The strength and stability of our operations have historically supplied us with a significant source of liquidity. Cash flows provided by operating activities, supplemented with long-term debt and short-term borrowings, have been sufficient to fund our operations while allowing us to continue to grow our operations by investing in global expansion activities. 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 expansion activities, pay dividends and repurchase shares for the foreseeable future.

<i>(Amounts in millions)</i>	Three Months Ended April 30,	
	2014	2013
Net cash provided by operating activities	\$ 5,939	\$ 4,894
Payments for property and equipment	(2,157)	(2,968)
Free cash flow	\$ 3,782	\$ 1,926
Net cash used in investing activities ⁽¹⁾	\$ (2,121)	\$ (2,982)
Net cash used in financing activities	(5,177)	(755)

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

Net Cash Provided by Operating Activities

Net cash provided by operating activities was \$5.9 billion and \$4.9 billion for the three months ended April 30, 2014 and 2013 , respectively. The increase in net cash provided by operating activities was primarily due to the timing of payments for income taxes. The net combination of various changes in other operating activities comprised the remaining increase.

Cash Equivalents and Working Capital

Cash and cash equivalents were \$6.0 billion and \$8.9 billion at April 30, 2014 and 2013 , respectively. Our working capital deficit was \$8.3 billion and \$13.4 billion at April 30, 2014 and 2013 , respectively. The decrease in our working capital deficit is due to the decrease in our long-term debt due within one year and an increase in our inventory levels in each of our segments primarily from new store growth and lower than anticipated sales. Timing differences also contributed to the decrease in our working capital deficit. We generally operate with a working capital deficit due to our efficient use of cash in funding operations, proven access to the capital markets, and in providing returns to our shareholders in the form of share repurchases and payments of cash dividends.

We employ financing strategies (e.g., global funding structures) 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 cash and cash equivalents held outside of the U.S. and anticipate our domestic liquidity needs will be met through other funding sources (ongoing cash flows generated from operations, external borrowings, or both). Accordingly, we intend, with only certain exceptions, to continue to indefinitely reinvest our cash and cash equivalents held outside of the U.S. in our foreign operations. When the income earned (either from operations or through global funding structures) 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. As of April 30, 2014 and January 31, 2014 , cash and cash equivalents of approximately \$1.8 billion and \$1.9 billion , respectively, may not be freely transferable to the U.S. due to local laws or other restrictions. 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.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$2.1 billion and \$3.0 billion for the three months ended April 30, 2014 and 2013, respectively, and generally consisted of payments to build new stores, remodel existing stores and expand our e-commerce capabilities. Net cash used in investing activities decreased \$0.9 billion for the three months ended April 30, 2014, when compared to the same period in the previous fiscal year, due to timing of our capital expenditures. Our plan for fiscal 2015 is for our capital expenditures to exceed actual capital expenditures for fiscal 2014. Therefore, we expect that a higher percentage of our capital expenditures will occur in the third and fourth quarters of fiscal 2015. We are working to significantly increase the number of Neighborhood Markets and other small stores in the U.S. and accelerate the expansion of our e-commerce capabilities.

As further described in Note 10 to our Condensed Consolidated Financial Statements and subsequent to period end, we completed the sale of the Vips Restaurant Business in Mexico ("Vips") for approximately \$625 million. The cash received in connection with the Vips sale will be reflected in cash flows from investing activities in the second quarter of fiscal 2015.

Net Cash Used in Financing Activities

Net cash used in financing activities was \$5.2 billion and \$0.8 billion for the three months ended April 30, 2014 and 2013, respectively, and generally consisted of short-term borrowings and long-term debt activity, dividends paid, stock repurchases and transactions with noncontrolling interests. Net cash used in financing activities increased \$4.4 billion for the three months ended April 30, 2014, when compared to the same period in the previous fiscal year, primarily due to short-term borrowing and long-term debt activity further described below.

Short-term Borrowings

Short-term borrowings decreased \$4.1 billion for the three months ended April 30, 2014, compared to a decrease of \$0.6 billion for the same period in the previous fiscal year. Although we continue to utilize the liquidity under our short-term borrowing programs to provide funding used for our operations, dividend payments, share repurchases, capital expenditures and for other cash requirements, we more efficiently used our existing cash balances in the current period, which in turn allowed us to minimize our outstanding short-term borrowings at April 30, 2014. Our various lines of credit also remain mostly unused and continue to provide more than \$15.0 billion of additional liquidity, if needed.

Long-term Debt

The following table provides the changes in our long-term debt for the three months ended April 30, 2014 :

<i>(Amounts in millions)</i>	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2014	\$ 4,103	\$ 41,771	\$ 45,874
Proceeds from long-term debt	—	4,519	4,519
Repayments of long-term debt	(1,574)	—	(1,574)
Reclassifications of long-term debt	750	(750)	—
Other	8	159	167
Balances as of April 30, 2014	\$ 3,287	\$ 45,699	\$ 48,986

The total of proceeds from and repayments of our long-term debt borrowings during the three months ended April 30, 2014 was \$944 million less than that during the same period in the previous fiscal year. This difference is primarily due to the timing of issuances and maturities, as well as our desire to maintain an appropriate balance of differing maturities within our debt portfolio.

Dividends

On February 20, 2014 , the Board of Directors approved the fiscal 2015 annual dividend of \$ 1.92 per share, an increase compared to the fiscal 2014 annual dividend of \$ 1.88 per share. For fiscal 2015 , the annual dividend will be paid in four quarterly installments of \$0.48 per share, according to the following record and payable dates:

Record Date	Payable Date
March 11, 2014	April 1, 2014
May 9, 2014	June 2, 2014
August 8, 2014	September 3, 2014
December 5, 2014	January 5, 2015

The dividend installments payable on April 1, 2014 and June 2, 2014 , were paid as scheduled.

Company Share Repurchase Program

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Board of Directors. The current \$15.0 billion share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At April 30, 2014 , authorization for \$10.7 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 cash paid for share repurchases for the three months ended April 30, 2014 and 2013 :

<i>(Amounts in millions, except per share data)</i>	Three Months Ended April 30,	
	2014	2013
Total number of shares repurchased	8.3	30.8
Average price paid per share	\$ 75.37	\$ 72.87
Total cash paid for share repurchases	\$ 626	\$ 2,246

Total cash paid for share repurchases decreased \$1.6 billion for the three months ended April 30, 2014 , when compared to the same period in the previous fiscal year, due to the increased cash used in transactions with noncontrolling interests described further below.

Transactions with Noncontrolling Interests

As further described in Note 10 to our Condensed Consolidated Financial Statements, during the three months ended April 30, 2014 , we completed the purchase of substantially all of the remaining noncontrolling interest in Walmart Chile for approximately \$1.5 billion. We used existing cash to complete this transaction, which is reflected in cash flows used in financing activities.

Capital Resources

We believe cash flows from continuing operations, our current cash position and access to debt capital markets will continue to be sufficient to meet our anticipated operating cash needs, including seasonal buildups in merchandise inventories, and to fund 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 debt capital markets. At April 30, 2014, 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.

To monitor our credit rating and our capacity for long-term financing, we consider various qualitative and quantitative factors. We monitor the ratio of our debt-to-total capitalization as support for our long-term financing decisions. At April 30, 2014 and 2013, the ratio of our debt-to-total capitalization was 43.2% and 44.8%, respectively. For the purpose of this calculation, debt is defined as the sum of short-term borrowings, long-term debt due within one year, obligations under capital leases due within one year, long-term debt and long-term obligations under capital leases. Total capitalization is defined as debt plus total Walmart shareholders' equity. The decrease in our debt-to-total capitalization ratio was primarily due to an increase in total Walmart shareholder's equity, which was primarily driven by growth in retained earnings from the same period in the previous fiscal year, and further aided by lower short-term borrowings.

Other Matters

We discuss our existing FCPA investigation and related matters 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 "FCPA Investigation and Related Matters." 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."

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 April 30, 2014 are similar to those disclosed in our Form 10-K for the fiscal year ended January 31, 2014 .

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 20 and 21 of the parts of our Annual Report to Shareholders for the fiscal year ended January 31, 2014 included as Exhibit 13 to our Annual Report on Form 10-K for the fiscal year ended January 31, 2014 , is hereby incorporated by reference into this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

We maintain a system of disclosure controls and procedures that is 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 may have investments in certain 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 system of 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, automating manual processes and updating existing systems. For example, we are currently implementing various financial system applications in stages across the Company. As these financial system applications are implemented, they become a significant component of our internal control over financial reporting. We will continue to implement and update our financial system applications in stages, and each implementation may become a significant component of our internal control over financial reporting. Additionally, we are currently establishing shared service functions and processes on a global scale. The implementation of our global shared services is ongoing, and we believe the related changes to processes and internal controls will allow us to be more efficient and further enhance our internal control over financial reporting.

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.

Except for the ongoing implementation and updating of the financial system applications and global shared services functions noted above, there has been no change in the Company's internal control over financial reporting as of April 30, 2014 , 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.

Wage-and-Hour Class Action: *Braun/Hummel v. Wal-Mart*, Ct. of Common Pleas, Philadelphia County, PA, 3/20/02 and 8/30/04; Superior Ct. of PA, Eastern Dist., Philadelphia, PA, 12/7/07; Supreme Court of PA, Harrisburg, PA, 10/9/11.

ASDA Equal Value Claims: *Brierley & Others v. ASDA*, Manchester Employment Tribunal, Manchester, UK, 8/27/08.

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. 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 oversight of FCPA compliance. Most, but not all, of the derivative suits have been combined into two consolidated proceedings, one of which is currently pending in the Western District of Arkansas and the other in the Delaware Court of Chancery. 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 (consolidation of seven separately-filed suits); *Austin v. Walton et al.*, Circuit Court of Pope County, AR, 5/17/12; *In re Wal-Mart Stores, Inc. Delaware Derivative Litigation*, Delaware Court of Chancery, 4/25/12 (consolidation of seven separately-filed suits).

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.

In January 2011, the Environmental Department of Porto Alegre Municipality formally notified WMS Supermercados do Brasil Ltda ("Walmart Brazil"), a subsidiary of the Company, 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. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In July 2011, the Environmental Department of Bento Gonçalves notified Walmart Brazil that it is investigating alleged soil contamination from oil leakage, in addition to the prior wastewater issue. Walmart Brazil is cooperating with the agency and monitoring the affected area. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In January 2014, a division of the State Department of Sustainable Development of Santa Catarina notified Walmart Brazil that a store did not have the proper license for a wastewater treatment system. Walmart Brazil is working with the agency to resolve the issue. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In February 2014, a division of the Health Department of the City of Vitória notified Walmart Brazil that a wastewater leak had been observed in the parking lot of a store. Walmart Brazil immediately took steps to address the situation and is cooperating with the agency to resolve the issue. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

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 fifteen 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. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

In August 2013, the Company received a notice from the California Air Resources Board ("CARB") alleging that two products sold by the Company have exceeded volatile organic chemical limits prescribed in its California Consumer Products Regulations. The Company is responding to the allegations and cooperating with CARB's investigation. Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with this matter will be material to the Company's financial condition or results of operations.

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, 2014, 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. No material change in the risk factors discussed in that Form 10-K has occurred.

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 Board of Directors. The current \$15.0 billion share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At April 30, 2014, authorization for \$10.7 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

Share repurchase activity under our share repurchase program, on a settlement date basis, for each of the three months ended April 30, 2014, 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)
February 1-28, 2014	2,993,507	\$ 74.00	2,993,507	\$ 11.1
March 1-31, 2014	2,766,917	75.08	2,766,917	10.9
April 1-30, 2014	2,539,796	77.30	2,539,796	10.7
Total	8,300,220		8,300,220	

Item 5. Other Information

Amendments to the Company's Amended and Restated Bylaws

On June 5, 2014, the Company's Board of Directors (the "Board") approved amendments to the Company's Amended and Restated Bylaws (the "Bylaws"). The amendments took effect immediately upon approval by the Board. The amendments address the following Bylaw provisions:

Advance Notice Procedures (Article II, Section 5). The amendments change the advance notice deadlines for shareholders to bring business before any annual meeting of shareholders and provide that such notice must be delivered to or mailed and received at the Company's principal executive offices not more than 120 days nor less than 90 days prior to the one-year anniversary of the immediately preceding year's annual shareholders' meeting, with certain exceptions. Prior to the amendments, these deadlines were 100 days and 75 days, respectively. As a result of these amendments, if any shareholder intends to nominate a director candidate or propose other business for consideration at the Company's 2015 Annual Shareholders' Meeting (not including a proposal intended for inclusion in the Company's proxy statement in accordance with SEC Rule 14a-8 under the Securities Exchange Act of 1934, as amended), the shareholder must notify the Secretary of the Company in writing and the notice must be delivered to or mailed and received at the principal executive offices of the Company no earlier than February 6, 2015 and no later than March 8, 2015. Such notice must comply with the applicable requirements of the Bylaws filed herewith.

Board of Directors (Article III) and Officers (Article IV). The amendments move the description of the duties and responsibilities of the Chairman of the Board from Article IV - Officers to Article III - Board of Directors, and provide that the Board may appoint a Vice Chairman of the Board, who shall exercise the powers and perform the duties of the Chairman of the Board when the Chairman of the Board is not present. Furthermore, the amendments provide that the Chairman of the Board may be, but is not required to be, an officer of the Company and make other minor clarifying changes.

The preceding description is qualified in its entirety by reference to the full text of the Bylaws filed herewith.

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. These forward-looking statements include: (1) statements in Note 6 to Walmart's Condensed Consolidated Financial Statements as of and for the three months ended April 30, 2014 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 comprehensive income (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 year 2015; 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, as well as liabilities, expenses and costs that Walmart may incur in connection with such other matters; and a statement in Note 10 to those Condensed Consolidated Financial Statements regarding the expected recognition of a net gain upon the sale of Walmex's Vips restaurant business; (2) in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations: a statement under the caption "Overview" relating to the possible continuing impact of volatility in currency exchange rates on the results, including the net sales and operating income, of Walmart and the Walmart International segment; a statement under the caption "Company Performance Metrics" and under the subcaption "Company Performance Metrics-Leverage" relating to Walmart's objectives of growing operating expenses at a slower rate than net sales and growing operating income at a faster rate than net sales and the possibility of certain investments by Walmart affecting the attainment of those objectives; 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; statements under the caption "Liquidity and Capital Resources-Cash Flows from Operating Activities-Cash Equivalents and Working Capital" regarding management's expectation that domestic liquidity needs will be met through funding sources other than cash held outside of the United States, Walmart's intent with respect to its reinvestment of certain cash held outside of the United States in its foreign operations, its need and ability to repatriate certain amounts of cash held outside of the United States to the United States 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 and potential taxes regarding repatriation of such cash; statements under the caption "Liquidity and Capital Resources-Net Cash Used in Investing Activities" regarding management's plan for the Company's capital expenditures for fiscal 2015 to exceed the Company's capital expenditures in fiscal 2014; a statement under the caption "Liquidity and Capital Resources-Cash Flows from Financing Activities-Dividends Paid" regarding the payment of dividends in the remainder of fiscal year 2015; and statements under the caption "Liquidity and Capital Resources-Capital Resources" regarding management's expectations regarding the sufficiency of cash flows from continuing operations, Walmart's current cash position and its access to the debt capital markets to meet operating cash needs, including to finance seasonal inventory buildups and to fund capital expenditures, dividend payments and share repurchases, management's expectation that Walmart's debt ratings should enable it to refinance existing debt as it matures at favorable rates, and management's expectation for the effect that lower ratings of Walmart's commercial paper and rating series of long-term debt would have on Walmart's access to the commercial paper and long-term debt markets and Walmart's cost of funds; and (3) statements in Part II., Item 1. "Legal Proceedings" regarding management's expectations with respect to 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 in Part II., Item 1. may have on Walmart's financial condition and results of operations, as well as other statements about Walmart's future performance, occurrences, plans and objectives, including financial and performance objectives and goals. These statements are identified by the use of the words "anticipate," "are projected," "believe," "could be," "could increase," "could impair," "expect," "expected," "expects," "intend," "is not expected," "may continue to impact," "may fluctuate," "may impact," "may not be," "objective," "plan," "should continue," "will be," "will continue," "will have," "will impact," "would be" or a variation of one of those words or phrases in those statements or by the use of words or phrases of similar import. These forward-looking statements are subject to risks, uncertainties and other factors, domestically and internationally, including:

- general economic conditions;
- business trends in markets in which Walmart operates;
- economic conditions affecting specific markets in which Walmart operates;
- competitive pressures;
- inflation and deflation;
- consumer confidence, disposable income, credit availability, spending levels, spending patterns and debt levels;
- the seasonality of Walmart's business and seasonal buying patterns in the United States and other markets and deviations from such seasonal buying patterns;
- consumer acceptance of new initiatives and programs of Walmart and its operating segments;
- customer traffic in Walmart's stores and clubs and average ticket size;
- customer acceptance of Walmart's stores and clubs and merchandise in the markets in which new units are opened;

- customer shopping patterns in particular markets;
- consumer demand for certain merchandise;
- weather conditions and events and their effects;
- catastrophic events and natural disasters and their effects on Walmart's business;
- public health emergencies, civil unrest and disturbances and terrorist attacks;
- commodity prices;
- the cost of goods Walmart sells;
- transportation costs;
- the cost of diesel fuel, gasoline, natural gas and electricity;
- the selling prices of gasoline;
- disruption of Walmart's supply chain, including transport of goods from foreign suppliers;
- information security costs;
- trade restrictions;
- changes in tariff and freight rates;
- labor costs;
- the availability of qualified labor pools in Walmart's markets necessary to meet Walmart's needs for managing and staffing its stores and clubs, including new stores and clubs Walmart opens;
- changes in employment laws and regulations;
- usage of Walmart's healthcare plans by its associates;
- the cost of healthcare and other benefits;
- casualty and other insurance costs;
- accident-related costs;
- adoption of or changes in tax and other laws and regulations that affect Walmart's business, including changes in corporate tax rates;
- changes in currency control laws;
- Walmart's effective income tax rate;
- 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 Walmart's commercial paper and debt securities by credit rating agencies;
- Walmart's consolidated cash flows, including cash flows from Walmart's domestic operations, Walmart's overall liquidity and liquidity requirements and Walmart's access to capital markets, including as those factors may affect Walmart's funding of its operations, capital expenditures, dividend payments, share repurchases, and the need to repatriate cash held in Walmart's operations outside the U.S.;
- currency exchange rate fluctuations;
- changes in market interest rates;
- conditions and events affecting domestic and global financial and capital markets;
- geopolitical conditions and events; and
- other risks.

Factors that may affect Walmart's effective income tax rate for fiscal year 2015 are discussed in Part I., Item 2. of this Quarterly Report on Form 10-Q, which is captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations-Consolidated Results of Operations." Walmart discusses certain of the foregoing matters more fully, as well as certain risk factors that may affect its business operations, financial condition, results of operations and cash flows, in other of Walmart's filings with the SEC, including its Annual Report on Form 10-K for the fiscal year ended January 31, 2014. This Quarterly Report on Form 10-Q should be read in conjunction with that Annual Report on Form 10-K 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 through the date of this report. Walmart urges the reader to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statements contained in this Quarterly Report on Form 10-Q. As a result of these 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.

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 hereby 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).
Exhibit 3.2*	Amended and Restated Bylaws of Wal-Mart Stores, Inc., effective as of June 5, 2014.
Exhibit 3.3*	Amended and Restated Bylaws of Wal-Mart Stores, Inc., effective as of June 5, 2014, marked to show changes affected by the amendments described herein.
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 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, 2014, 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.

**AMENDED AND RESTATED BYLAWS
OF
WAL-MART STORES, INC.
(EFFECTIVE AS OF JUNE 5, 2014)**

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of Wal-Mart Stores, Inc. (the "**Corporation**") shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the "**Board**") may determine or as may be necessary or useful in connection with the business of the Corporation.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders may be held at such place, if any, either within or without the State of Delaware, as shall be designated by the Board and stated in the notice of the meeting. In lieu of holding a meeting of stockholders at a designated place, the Board may, in its sole discretion, determine that any meeting of stockholders may be held solely by means of remote communication.

Section 2. Annual Meetings. An annual meeting of stockholders of the Corporation for the election of directors and any other proper business shall be held each year at such place, if any, on such date and at such time as shall be designated by the Board.

Section 3. Special Meetings. (a) A special meeting of stockholders may be called at any time by a majority of the Board, the Chairman of the Board, the Chief Executive Officer, if one, or the President, or by the Secretary acting under instructions of a majority of the Board, the Chairman of the Board, the Chief Executive Officer, or the President.

(b) A special meeting of stockholders shall be called by the Secretary upon written request to the Secretary of one or more stockholders of record that, at the time the request is delivered, own in the aggregate at least ten percent (10%) of the voting power of the issued and outstanding shares of the Corporation; provided, however, that such request has been submitted in accordance with and in the form required by this Section 3 and that such request complies with all requirements of applicable law. For purposes of calculating the requisite percent under this Section 3(b), a stockholder shall be deemed to "own" only those shares of the Corporation having votes entitled to be cast on any issue proposed to be considered at the stockholder-requested special meeting and as to which the stockholder possesses both (A) the full voting rights pertaining to the shares and (B) the full economic interest in (including the opportunity for profit and risk of loss on) such shares. A request to the Secretary shall be signed by each stockholder, or a duly authorized agent of each such stockholder, requesting the special meeting and shall set forth (1) a brief description of each matter of business desired to be brought before the special meeting, (2) the reasons for conducting such business at the special meeting, and (3) the information required in Section 5(c) and/or Section 5(e), as applicable.

(c) A special meeting called by the Secretary shall be held at such date, time and place, if any, within or without the state of Delaware as may be fixed by the Board; provided, however, that the date of any such special meeting shall be not more than 90 days after the request to call the special meeting is received by the Secretary unless a later date is required in order to allow the Corporation to file the information required under Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended. Notwithstanding the foregoing, the Secretary shall not be required to call a special meeting if the request to call the special meeting is received by the Secretary during the period commencing 90 days before the first anniversary of the

immediately preceding year's annual meeting of stockholders and ending on the date that is 30 days after the most recent annual meeting of stockholders.

(d) A stockholder may revoke a request for a special meeting at any time by written revocation delivered to the Secretary, and if, following such revocation, there are un-revoked requests from stockholders owning in the aggregate less than the requisite number of shares entitling the stockholders to request the calling of a special meeting, the Board, in its discretion, may cancel the special meeting. A request for a special meeting shall be deemed revoked if the stockholders that requested such a meeting do not maintain ownership of the requisite number of shares entitling the stockholders to request the calling of a special meeting, and in such event, the Board, in its discretion, may cancel the special meeting.

(e) Only such business shall be conducted at a special meeting as shall have been specified in the notice of the special meeting (or in any supplement). Notwithstanding any other provision of these Bylaws, in the case of a special meeting requested by stockholders, only such business shall be conducted as shall have been specified in a written request submitted in accordance with and in the form required by Section 3 (b) of this Article II; provided, however that nothing herein shall prohibit the Board from submitting additional matters to be voted upon by the stockholders at any special meeting requested by stockholders.

Section 4. Notice of Meetings of Stockholders. Written notice of the place, if any, date and time of each meeting of the stockholders, the means of remote communications, if any, by which stockholders and proxy holders may be deemed present in person and vote at the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given, not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting. Such notice shall be given in accordance with Sections 222 and 232 (or any successor section or sections) of the Delaware General Corporation Law.

Section 5. Business at Annual and Special Meetings. (a) At an annual meeting of stockholders, only such nominations for directors shall be made and only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before the annual meeting, business must (1) be specified in the notice of meeting (or in any supplement) given by or at the direction of the Board, (2) be otherwise properly brought before the meeting by or at the direction of the Board or (3) satisfy the notice requirements set forth below in this Section 5 and otherwise be properly brought before the meeting by a stockholder.

(b) For nominations or other business to be brought before an annual meeting by a stockholder, the stockholder must have given timely notice in writing to the Secretary and, in the case of business other than nominations, such business must be a proper subject for stockholder action. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not more than 120 days nor less than 90 days prior to the one-year anniversary of the immediately preceding year's annual meeting, provided, however, that if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, or if no annual meeting was held in the preceding year, a stockholder's notice must be delivered to or mailed and received not more than 120 days prior to such annual meeting nor less than the later of 90 days prior to such meeting or the 10th day following the day on which a public announcement of the date of the annual meeting is made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (other than director nominations, which are governed by Section 5(e)): (1) a brief description of the specific proposal to be made or business desired to be brought before the annual meeting, (2) the text of any proposal or business to be considered at the annual meeting (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), (3) the reasons for conducting such business at the annual meeting, (4) the name and address, as they appear in the Corporation's books, of the stockholder proposing such business, and the name and address of any beneficial owner or beneficial owners on whose behalf the notice is given, (5) the class and number of shares of the Corporation which are, directly or indirectly, owned of record, and/or beneficially owned by the stockholder or any other Proposing Person (as defined in Section 5(i) below), as well as any Disclosable Interests (as defined in Section 5(i) below) of such stockholder or any other Proposing Person, (6) any material interest of the stockholder or any other Proposing Person in any proposal or business to be considered at the annual meeting, (7) a representation that the stockholder giving the notice is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such proposal or business, and (8) a representation whether the stockholder or any other Proposing Person intends or is part of a group that intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or business and/or (b) otherwise to solicit proxies from stockholders in support of such proposal or business.

(d) In the event a special meeting is called for the purpose of electing one or more directors to the Board, any stockholder entitled to vote in the election of directors may nominate a person or persons (as the case may be) for election to such position(s) as may be specified in the notice for such meeting, by delivery to the Secretary of the Corporation at the principal executive offices of a notice in the form required by Section 5(e), which notice must be received not more than 90 days prior to the special meeting nor later than the later of 60 days prior to the special meeting or the 10th day following the day on which a public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Notwithstanding any provision of these Bylaws, in the case of a special meeting requested by stockholders, no stockholder may nominate a person for election to the Board or propose any other business to be considered at the meeting, except pursuant to a written request submitted in accordance with and in the form required by Section 3(b) of this Article II.

(e) Nominations, other than those made by or at the direction of the Board, will be made pursuant to timely notice in writing to the Secretary in accordance with the time periods described in Section 5(b) in the case of an annual meeting and Section 5(d) in the case of a special meeting. Such stockholder's notice to the Secretary shall set forth (1) as to any nominee: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Corporation which are, directly or indirectly, owned of record or beneficially owned by such person, (D) any other information relating to such person that is required to be disclosed in solicitations of proxies for elections of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A promulgated under the Securities Exchange Act of 1934 (including without limitation such person's written consent to being named in the proxy statement, if any, as a nominee and to serve as a director if elected), and (E) a written statement executed by such nominee acknowledging that, as a director of the Corporation, such person will owe a fiduciary duty, under the General Corporation Law of the State of Delaware, exclusively to the Corporation and its stockholders; and (2) as to each stockholder giving the notice: (A) the name and address of such stockholder (including the name and address that appear on the Corporation's books and records), and the name and address of any beneficial owner or beneficial owners on whose behalf the notice is given, (B) the class and number of shares of the Corporation which are, directly or indirectly, owned of record and/or beneficially owned by the stockholder or any other Proposing Person and any Disclosable Interests of such stockholder or any other Proposing Person, (C) a representation that the stockholder giving notice is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present the nomination. At the request of the Board or the Chairman of the Board, any person nominated by a stockholder for election as a director will furnish to the Secretary that information required to be set forth in the stockholder's notice of nomination which pertains to the nominee and such other information as the Corporation may reasonably require to determine the eligibility of the proposed nominee to serve as a director of the Corporation.

(f) Notwithstanding anything in the first sentence of Section 5(e) to the contrary, if the number of directors to be elected to the Board at an annual meeting is increased and there is no public announcement by the Corporation naming all of the Board's nominees for director or specifying the size of the increased Board at least 10 days prior to the last day a stockholder may deliver a notice in accordance with Section 5(b), a stockholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to, or mailed to and received by, the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(g) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted and no nominations for directors shall be made at an annual or special meeting of stockholders except in accordance with the procedures set forth in this Section 5. The chair of an annual or special meeting shall, if the facts warrant, determine and declare to the meeting that a matter of business or a nomination was not properly brought before the annual or special meeting in accordance with the provisions of this Section 5 or otherwise, and if he or she should so determine, he or she shall so declare to the meeting and any such business or nomination not properly brought before the meeting shall not be transacted.

(h) Notwithstanding the foregoing provisions of this Section 5, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation (including any special meeting requested by stockholders in accordance with Section 3(b)) to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 5, to be considered a qualified representative of the stockholder, a person must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(i) For purposes of this Section 5:

(1) "Disclosable Interests" means (i) any derivative, swap, or other transaction or series of transactions engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to give such Proposing Person economic risk similar to ownership of shares of any class or series of capital stock of the Corporation, including due to the fact that the value of such derivative, swap, or other transactions are determined by reference to the price, value, or volatility of any shares of any class or series of capital stock of the Corporation, (ii) any derivative, swap, or other transactions that provide, directly or indirectly, the opportunity to profit from, or to mitigate loss, manage risk, or benefit from, any increase or decrease in the price or value of shares of any class or series of capital stock of the Corporation, or (iii) any derivative, swap, or other transactions that have the effect or intent, directly or indirectly, of maintaining, increasing, or decreasing the voting power of such Proposing Person with respect to shares of any class or series of capital stock of the Corporation.

(2) "Proposing Person" means (i) the stockholder giving the notice required by this Section 5, (ii) the beneficial owner or beneficial owners, if different, on whose behalf such notice is given, and (iii) any affiliates or associates (each within the meaning of Rule 12b-2 under the Securities Exchange Act of 1934, as amended, for purposes of these Bylaws) of such stockholder or beneficial owner acting in concert with any of the persons described in clauses (i) or (ii).

Section 6. Stock List. (a) The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. That list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting (1) on a reasonably accessible electronic network, provided that the information required to gain access to such list is furnished with the notice of the meeting or (2) during ordinary business hours, at the principal place of business of the Corporation.

(b) If the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time and may be inspected by any stockholder who is present at that meeting. If the meeting is to be held solely by means of remote communication, then the list also shall be open to the examination of any stockholder during the whole time of that meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of that meeting. Nothing contained in this Section 6 shall require the Corporation to include electronic mail addresses or other electronic contact information on that list.

Section 7. Quorum. Unless otherwise required by the Delaware General Corporation Law or the Certificate of Incorporation of the Corporation (the "**Certificate of Incorporation**"), the holders of a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. Where a separate vote by class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.

Section 8. Adjournment of Meetings. The chair of a meeting of stockholders or the holders of a majority of the voting shares present in person or represented at the meeting, whether or not a quorum is present, may adjourn a meeting of stockholders. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. Voting. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall be entitled to one vote on each matter, in person or by proxy, for each share of capital stock of the Corporation that has voting power and that is held by the stockholder. When a quorum is present at any meeting of stockholders, all matters shall be determined, adopted and approved by the affirmative vote (which need not be by ballot) of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote with respect to the matter, unless the proposed action is one upon which, by express provision of statutes or of the Certificate of Incorporation, a different vote is specified and required, in which case such express provision shall govern and control with respect to that vote on that matter. Where a separate vote by a class or classes is required, the affirmative vote of the holders of a majority of the shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class. Notwithstanding the foregoing, the vote required for the election of directors shall be as provided in Article III, Section 1.

Section 10. Proxies. (a) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action without a meeting may authorize another person or persons to act for the stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Without

limiting the manner in which a stockholder may authorize another person or persons to act for the stockholder as proxy, the following shall constitute a valid means by which a stockholder may grant such authority: (1) a stockholder may execute a writing authorizing another person or persons to act for the stockholder as proxy, which may be accomplished by the stockholder or the stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means; or (2) a stockholder may authorize another person or persons to act for the stockholder as proxy by transmitting or authorizing an electronic transmission (as defined in Article VIII of these Bylaws) to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization, or like agent duly authorized by the person who will be the holder of the proxy to receive such electronic transmission, provided that any electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. If it is determined that the electronic transmission is valid, the inspectors of election for the meeting or, if there are no inspectors, such other persons making that determination shall specify the information upon which they relied.

(b) Any copy or other reliable reproduction of the writing or electronic transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or electronic transmission for any and all purposes for which the original writing or electronic transmission could be used, provided that such copy or other reproduction shall be a complete reproduction of the entire original writing or electronic transmission.

Section 11. Conduct of Meetings. The Board may adopt rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Except to the extent inconsistent with any such rules and regulations adopted by the Board, the chair of any meeting of the stockholders shall have the right and authority to prescribe rules and regulations and do all acts, as, in the judgment of that chair, are appropriate for the proper conduct of the meeting. Such rules, regulations, or procedures, whether adopted by the Board or prescribed by the chair of the meeting, may include, without limitation, the following: (1) the establishment of an agenda or order of business for the meeting; (2) rules and procedures for maintaining order at the meeting and the safety of those present; (3) limitations on attendance at or participation in the meeting to stockholders of record, their duly authorized and constituted proxies, or such other persons as the chair of the meeting shall determine; (4) restrictions on entry to the meeting after the time fixed for the commencement; and (5) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chair of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 12. Inspectors of Election. The Board shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chair of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of duties, shall take and sign an oath to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspectors shall: (1) ascertain the number of shares outstanding and the voting power of each; (2) determine the shares represented at the meeting and the validity of proxies and ballots; (3) count all votes and ballots; (4) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and (5) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

Section 13. Meetings by Remote Communication. If authorized by the Board, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxy holders not physically present at a meeting of stockholders may, by means of remote communication, participate in the meeting and be deemed present in person and vote at the meeting, whether such meeting is to be held in a designated place or solely by means of remote communication, provided that (1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (2) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including the opportunity to read or hear the proceedings in the meeting substantially concurrently with such proceedings and (3) if the stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

Section 14. Action Without a Meeting. (a) Unless restricted by the Certificate of Incorporation, any action required to be taken at any annual or special meeting of stockholders, or any action that may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote were present and voted and such consent or consents are delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law. Every written consent shall bear the date of the signature of each stockholder, and no written consent shall be effective to take the corporate action unless, within 60 days of the earliest dated consent, written consents signed by a sufficient

number of holders to take action are delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law.

(b) An electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed, and dated for purposes of this Section 14, provided that any electronic transmission sets forth or is delivered with information from which the Corporation can determine: (1) that the electronic transmission was transmitted by the stockholder, or proxy holder; and (2) the date on which the stockholder, proxy holder or authorized person or persons transmitted the electronic transmission. The date on which the electronic transmission is transmitted shall be deemed to be the date that the consent was signed. No consent given by electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law. Notwithstanding the foregoing limitations on delivery, consents given by electronic transmission may be otherwise delivered to the principal place of business of the Corporation or to the Secretary of the Corporation to the extent and in the manner provided by the Board. Any copy or other reliable reproduction of a consent in writing may be substituted for or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy or other reproduction shall be a complete reproduction of the entire original writing.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who did not consent in writing and who would have been entitled to notice if the action had been taken at a meeting having a record date on the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

ARTICLE III

THE BOARD OF DIRECTORS

Section 1. Number, Election, and Term of Directors. (a) The number of directors that shall constitute the Board shall be not less than three nor more than twenty. Within these limits, the number of directors shall be fixed by the Board pursuant to a resolution adopted by a majority of the Board or by the stockholders. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 and Section 9 of this Article III. Each director shall be elected to serve until the next annual meeting of the stockholders and until that director's successor has been duly elected and qualified or until the director's earlier death, resignation, or removal.

(b) In an uncontested election of directors, each director of the Corporation shall be elected by a majority of the votes cast by the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors; provided, however, in a contested election, the directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. For purposes of Section 1 of this Article III: (i) an "uncontested election" is an election in which the number of nominees for director is not greater than the number to be elected and (ii) a "contested election" is an election in which the number of nominees for director is greater than the number to be elected.

(c) Following any uncontested election, any incumbent director who was a nominee and who did not receive a majority of the votes cast by the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors (a "majority vote"), shall promptly tender his or her offer of resignation to the Chairman of the Board for consideration by the Board. A recommendation on whether or not to accept such resignation offer shall be made by a committee of independent directors that has been delegated the responsibility of recommending nominees for director for appointment or election to the Board, or (1) if each member of such committee did not receive the required majority vote or (2) if no such committee has been appointed, a majority of the Board shall appoint a special committee of independent directors for such purpose of making a recommendation to the Board (the "Nominating Committee"). If no independent directors received the required majority vote, the Board shall act on the resignation offers.

Within 60 days following certification of the stockholder vote, the Nominating Committee shall recommend to the Board the action to be taken with respect to such offer of resignation. In determining whether or not to recommend that the Board accept any resignation offer, the Nominating Committee shall be entitled to consider all factors believed relevant by such Committee's members, including without limitation: (1) any stated reasons for the director not receiving the required majority vote and whether the underlying cause or causes are curable; (2) the factors, if any, set forth in the guidelines or other policies that are to be considered by the Nominating Committee in evaluating potential candidates for the Board as such factors relate to each director who has so offered his or her resignation; (3) the length of service of such director; (4) the effect of such resignation on the Corporation's compliance with any law, rule, regulation, stock exchange listing standards, or contractual obligations; (5) such director's contributions to the Corporation; and (6) any other factors that the Nominating Committee believes are in the best interests of the Corporation.

The Board shall act on the Nominating Committee's recommendation within 90 days following certification of the stockholder vote and shall notify the director concerned of its decision. In determining whether or not to accept any resignation offer, the Board shall take into account the factors considered by the Nominating Committee and any additional information and factors that the Board believes to be relevant. If any director's resignation offer is not accepted by the Board, the Board shall, within four business days after reaching its decision, publicly disclose the decision, including the reasons for not accepting a resignation offer, by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication. Notwithstanding the foregoing, if the Board were to accept all of the offers of resignation then pending, resulting in the Corporation having fewer than three directors who were in office before the election, the Board may determine to extend such 90-day period by an additional 90 days upon the conclusion that such an extension is in the best interests of the Corporation.

(d) If any director's resignation offer is not accepted by the Board, such director shall continue to serve until the next annual meeting and his or her successor is duly elected and qualified, or until the director's earlier death, resignation, or removal. If a director's resignation offer is accepted by the Board pursuant to Section 1 of this Article III, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Section 2 of this Article III or may decrease the size of the Board pursuant to Section 1(a) of this Article III.

Section 2. Vacancies and Newly Created Directorships. (a) Except as provided in Section 9(b) of this Article III and subject to the rights of holders of any class or series of capital stock to elect additional directors under specified circumstances, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by the affirmative vote of a majority of the directors then in office, although fewer than a quorum, or by a sole remaining director. Each director so chosen shall hold office until the next election of directors of the class to which the director was appointed, and until the director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

(b) In the event that one or more directors resign from the Board, effective at a future date, a majority of the directors then in office, including those who have resigned, shall have power to fill the vacancy or vacancies, the vote to take effect when such resignation or resignations become effective, and each director chosen shall hold office until the next election of directors, and until the director's successor is elected and qualified, or until the director's earlier death, resignation or removal. No decrease in the number of authorized directors shall shorten the term of any incumbent director.

Section 3. Regular Meetings. Regular meetings of the Board shall be held at such time and at such place as determined by the Board. A notice of each regular meeting is not required.

Section 4. Special Meetings. Special meetings of the Board for any purpose or purposes may be called by the Chairman of the Board, the Chief Executive Officer, if one, the President, or any two members of the Board on twenty-four hours' notice to each director, either personally, by telephone, express delivery service (so that the scheduled delivery time of the notice is at least twenty-four hours in advance of the meeting), electronic transmission (effective when directed to the director), or on three days' notice by mail (effective upon deposit of such notice in the mail). The notice need not describe the purpose of a special meeting.

Section 5. Quorum and Vote at Meetings. At all meetings of the Board, a majority of the total number of directors prescribed pursuant to Section 1 of this Article III shall constitute a quorum for the transaction of business, except to fill vacancies in the Board as provided in Section 2 of this Article III and to adjourn as provided in Section 6 of this Article III. The vote of a majority of the directors present at any meeting at which there is a quorum present shall be the act of the Board, unless the Certificate of Incorporation or these Bylaws shall require a vote of a greater number.

Section 6. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the time and place of holding of an adjourned meeting need not be given if announced, unless the meeting is adjourned for more than twenty-four hours. If the meeting is adjourned for more than twenty-four hours, then notice of the time and place of the adjourned meeting shall be given before the adjourned meeting takes place to the directors who were not present at the time of adjournment in the manner specified in Section 4 of this Article III.

Section 7. Participation in Meetings by Conference Telephone or Other Communications Equipment. Members of the Board or any Board committee may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment in which all persons participating in the meeting can hear each other. Participation in a meeting by a director pursuant to this Section 7 shall constitute presence in person at the meeting.

Section 8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board or a Board committee may be taken without a meeting, if all members of the Board or the Board committee consent in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of

proceedings of the Board or the Board committee. Such filing shall be in paper form if the minutes are maintained in paper form and in electronic form if the minutes are maintained in electronic form.

Section 9. Resignation and Removal. (a) Any director may resign at any time, by giving notice in writing or by electronic transmission to the Chairman of the Board, the Chief Executive Officer, if one, the President, or the Secretary. Any such resignation shall take effect at the time specified in the notice of resignation or, if no time is specified, immediately upon receipt of the notice. Unless otherwise specified in the notice of resignation, acceptance of the resignation shall not be necessary to make it effective.

(b) Any director or the entire Board may be removed from office at any time, with or without cause, but only upon the affirmative vote of the holders of at least a majority of the shares of capital stock of the Corporation entitled to vote at an election of directors. Upon such removal of a director, the stockholders (and not the remaining directors) shall elect a director to replace such removed director at the same stockholders meeting at which such removal took place or at a subsequent stockholders meeting. Whenever the holders of any class or series are entitled to elect one or more directors by the Certificate of Incorporation, the vote of the holders of the outstanding shares of that class or series and not the vote of the outstanding shares as a whole shall apply in respect of the removal of any director elected by the holders of such class or series.

Section 10. Board Committees. (a) The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting or disqualified from voting, the remaining member or members present and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of such absent or disqualified member.

(b) Any Board committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it, but no committee shall have the power or authority in reference to approving, adopting, or recommending to the stockholders any action or matter (other than the election or removal of directors) expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval or adopting, amending, or repealing any bylaw of the Corporation.

(c) Board committees shall have the names as determined by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board, when required. Unless otherwise specified in the Board's resolution appointing the committee, all provisions of the Delaware General Corporation Law and these Bylaws relating to meetings, action without meetings, notice (and waiver), quorum, and voting requirements of the Board apply to Board committees and their members. Unless otherwise provided in the resolution of the Board designating the Board committee, a Board committee may create one or more subcommittees, each subcommittee to consist of one or more members of the Board committee, and delegate to a subcommittee any or all of the powers and authority of the Board committee.

Section 11. Chairman of the Board. The Chairman of the Board shall preside, when present, at all meetings of the Board and stockholders, shall advise and counsel the other officers of the Corporation regarding the business and operations of the Corporation, and shall exercise such powers and perform such duties as shall be assigned or required by the Board.

Section 12. Vice Chairman of the Board. The Board may appoint a Vice Chairman of the Board. The Vice Chairman of the Board, if any, shall exercise the powers and perform the duties of the Chairman of the Board when the Chairman of the Board is not present.

Section 13. Compensation. The Board shall have authority to fix the amount of compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or paid a stated salary or paid other compensation as a director. No payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation. Members of special or standing committees of the Board may be allowed compensation for serving on the committees, for attending committee meetings, and may be paid their expenses associated with their service on each such committee. The Board shall also have the power and discretion to compensate directors for rendering services to the Corporation not ordinarily rendered by directors.

ARTICLE IV

OFFICERS

Section 1. General. The officers of the Corporation shall consist of a President, a Chief Financial Officer, a Secretary and a Treasurer, and such other officers as the Board may appoint, including but not limited to a Chairman of the Board, a Chief Executive Officer, a Chief Operating Officer, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. The Chief Executive Officer shall have the authority to appoint one or more Vice Presidents below the level of Senior Vice President, as well as

having the authority to designate persons as global Vice Presidents, whether such persons are officers of the Corporation or not. The Chief Executive Officer shall also have the authority to appoint one or more Assistant Secretaries, and one or more Assistant Treasurers. Any number of offices may be held by the same person. The salaries of officers elected by the Board shall be fixed by the Board, by an authorized committee of the Board, or by such officers as may be designated by the Board.

Section 2. Term of Office and Vacancies. The term of office of each officer shall commence upon the election of that officer by the Board or the Chief Executive Officer, as applicable, and end upon a successor to such officer being elected by the Board or the Chief Executive Officer, as applicable; by such officer's death, resignation, or removal from office; or if the establishment of the office is within the discretion of the Board, the Board eliminating the office. The Board shall have the authority to designate persons as global officers, whether or not such designated persons are officers of the Corporation. Any officer may be removed from office, with or without cause, at any time by the vote of the Board. Any Vice President below the level of Senior Vice President appointed by the Chief Executive Officer in accordance with Section 1 above may be removed from office by the Chief Executive Officer. Any Assistant Secretary or Assistant Treasurer may be removed from office by the Chief Executive Officer. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board or the Chief Executive Officer, as applicable.

Section 3. Duties and Powers. The duties and powers of the officers of the Corporation shall be as provided in these Bylaws or, if not provided for in these Bylaws, as designated by action of the Board. Without limiting the foregoing, and unless expressly limited by the Board, all instruments requiring execution by the Corporation, including but not limited to all contracts, agreements, indentures, checks or demands for money, notes, bonds, debentures, other obligations, other evidences of indebtedness and mortgages that the Corporation is authorized to execute may be executed, for and on behalf of the Corporation, by the Chairman of the Board (if the Chairman of the Board is an officer of the Corporation), the Chief Executive Officer, if one, the President, the Chief Operating Officer, if one, the Chief Financial Officer, any Vice President, or any other officer as may be appointed pursuant to these Bylaws. Any person having authority to sign on behalf of the Corporation may delegate by instrument in writing, all or any part of such authority to an employee of the Corporation (an " **associate** ") unless such a delegation of authority is specifically limited by the Board.

Section 4. The President. Subject to these Bylaws and the direction of the Board, the President shall have the responsibility and the power necessary for the general management, oversight, supervision and control of the business and affairs of the Corporation, and to ensure that all orders and resolutions of the Board are carried into effect. If the Board has elected a Chief Executive Officer of the Corporation, (1) the Chief Executive Officer shall have all of the powers granted by these Bylaws to the President and (2) the President shall, subject to the powers of supervision and control conferred upon the Chief Executive Officer, have such duties and powers as assigned to him or her by the Board or the Chief Executive Officer.

Section 5. Chief Financial Officer. The Chief Financial Officer shall have general charge and supervision of the financial affairs of the Corporation, including budgetary and accounting methods, and shall approve payment, or designate others serving under him or her to approve for payment, all vouchers for distribution of funds and shall perform such other duties as may be assigned to him or her by the Board, the Chief Executive Officer, if one, or the President.

Section 6. Vice Presidents. Each Executive Vice President, Senior Vice President, and Vice President elected by the Board, and each Vice President appointed by the Chief Executive Officer, shall perform such duties and exercise such powers as may be assigned by the Board, the Chief Executive Officer, if one, or the President.

Section 7. Secretary. The Secretary shall attend all meetings of the stockholders and all meetings of the Board and record all proceedings at such meetings in paper form if the minutes are maintained in paper form and in electronic form if the minutes are maintained in electronic form. The Secretary, or his or her delegates, shall perform like duties for the Board committees, when required; provided, however, that the Secretary shall not be required to be present at any sessions of non-management or independent directors contemplated by any stock exchange listing standards to which the Corporation is subject. Except as may be otherwise provided in these Bylaws, the Secretary shall give, or cause to be given, notice of all meetings of the stockholders and shall perform such other duties and exercise such other powers as may be prescribed by the Board, the Chief Executive Officer, if one, or the President. The Secretary shall keep in safe custody the seal of the Corporation, if any, and shall have authority to affix the seal of the Corporation to any instrument requiring it, and when so affixed it may be attested by the Secretary's signature. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by any other officer's signature.

Section 8. Assistant Secretaries. Assistant Secretaries in the order determined by the Board or the Chief Executive Officer shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and exercise such other powers as may be assigned by the Board, the Chief Executive Officer, if one, the President, or the Secretary.

Section 9. Treasurer. The Treasurer shall have the responsibility for maintaining the financial records of the Corporation, shall make such disbursements of the funds of the Corporation as are authorized, and shall perform such other duties and exercise such other powers as may be assigned to him or her by the Board, the Chief Executive Officer, if one, or the President.

Section 10. Assistant Treasurers. The Assistant Treasurers in the order determined by the Board or the Chief Executive Officer shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and exercise such other powers as may be assigned by the Board, the Chief Executive Officer, if one, the President, or the Treasurer.

Section 11. Delegation of Authority. The Board may delegate the power or duties of any officer to any other officer or officers or agent or agents notwithstanding any provision of these Bylaws.

Section 12. Action with Respect to Securities of Other Companies. Unless otherwise ordered by a majority of the Board, the Chairman of the Board (if the Chairman of the Board is an officer of the Corporation), the Chief Executive Officer, if one, the President, any Vice President, or any other officer as may be appointed pursuant to these Bylaws, shall have full power and authority on behalf of the Corporation to attend and to act and to vote, in person or by proxy, at any meetings of security holders of corporations, limited liability companies, business trusts, and other entities in which the Corporation may hold securities and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities. The Board by resolution may confer like powers upon any other person or persons.

ARTICLE V

STOCK OF THE CORPORATION

Section 1. Stock Certificates; Uncertificated Shares. The shares of capital stock of the Corporation shall be represented by certificates; however, the Board may provide by resolution that some, all, or any classes or series of shares shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates, and upon request every holder of uncertificated shares, shall be entitled to have a certificate (representing the number of shares registered in certificate form) signed in the name of the Corporation by the Chairman of the Board, the Chief Executive Officer, if one, the President, or any Vice President, and by the Secretary, Treasurer, any Assistant Secretary, or any Assistant Treasurer. Any or all the signatures on the certificate may be a reproduction. In case any officer, transfer agent, or registrar whose signature or reproduced signature appears on a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person was as officer, transfer agent, or registrar at the date of issue.

Section 2. Transfers of Stock. Shares of capital stock of the Corporation shall be transferable in the manner prescribed by applicable law and in these Bylaws. Transfers of shares shall be made only on the records of the Corporation kept at an office of the Corporation or by the transfer agent designated by the Corporation to transfer shares. Transfers of shares may be made only by the record holder, or by the record holder's legal representative authorized by power of attorney duly executed and filed with the Secretary or with the transfer agent appointed by the Board and, in the case of certificated shares, upon the surrender of the certificate or certificates for such shares properly endorsed. The Board may make such additional rules and regulations concerning the issue, transfer, and registration of certificates for shares or uncertificated shares as it may deem necessary but that are not inconsistent with these Bylaws.

Section 3. Holders of Record. The Corporation shall be entitled to treat the record holder of shares of capital stock of the Corporation as the holder in fact and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice, except as otherwise provided by applicable law. No transfer of shares shall be valid against the Corporation for any purpose unless the transfer of shares is entered in the records of the Corporation or in the records of the transfer agent designated by the Corporation showing from and to whom the shares were transferred.

Section 4. Lost Certificates. The Corporation may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost, stolen, or destroyed. The Corporation may require the owner of such lost, stolen, or destroyed certificate or certificates, or such owner's legal representative, to advertise the same in such manner as it shall require, to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate or alleged to have been lost, stolen or destroyed or the issuance of such new certificate, or both.

Section 5. Record Date. (a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, the Board may fix a record date, which shall neither precede the date upon which the resolution fixing the record date is adopted by the Board nor shall be more than 60 days nor less than 10 days before the date of such meeting. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of

stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, unless the Board fixes a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which shall neither precede the date upon which the resolution fixing the record date is adopted by the Board nor shall be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining the stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by the Delaware General Corporation Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law. If no record date has been fixed by the Board and prior action by the Board is required by the Delaware General Corporation Law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights with respect to any change, conversion, or exchange of shares, or for the purpose of any other lawful action, the Board may fix a record date, which shall neither precede the date upon which the resolution fixing the record date is adopted nor shall be more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution.

ARTICLE VI

INDEMNIFICATION

Section 1. Indemnification. (a) Subject to Section 3 of this Article VI, the Corporation shall indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person made or threatened to be made a party to any threatened, pending, or completed action, lawsuit, or proceeding, whether civil, criminal, administrative, or investigative (a "**proceeding**"), by reason of the fact that such person is or was a director or officer of the Corporation or is or was serving at the request of Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to an associate benefit plan (collectively, "**another enterprise**").

(b) The Corporation may indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person made or threatened to be made a party to any proceeding, by reason of the fact that such person is or was an associate or agent of the Corporation or is or was serving at the request of the Corporation as an employee or agent of another enterprise.

Section 2. Advancement of Expenses. (a) Subject to Section 3 of this Article VI, with respect to any person made or threatened to be made a party to any threatened, pending, or completed proceeding, by reason of the fact that such person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another enterprise, the Corporation shall pay the expenses (including attorneys' fees) incurred by such person in defending any such proceeding in advance of its final disposition (an "**advancement of expenses**"); provided, however, that any advancement of expenses shall be made only upon receipt of a written agreement by such person to repay all amounts advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such person is not entitled to be indemnified for such expenses under this Article VI or otherwise.

(b) With respect to any person made or threatened to be made a party to any proceeding, by reason of the fact that such person is or was an associate or agent of the Corporation, or is or was serving at the request of the Corporation as an employee or agent of another enterprise, the Corporation may, in its discretion and upon such terms and conditions, if any, as the Corporation deems appropriate, pay the expenses (including attorneys' fees) incurred by such person in defending any such proceeding in advance of its final disposition.

Section 3. Actions Initiated Against the Corporation. Notwithstanding anything contained in Section 1(a) or Section 2(a) of this Article VI to the contrary, and except as provided in Section 5(b) of this Article VI with respect to a proceeding initiated against the Corporation by a director or officer of the Corporation (or by a person serving at the request of the Corporation as a director or officer of another enterprise), the Corporation shall not be required to indemnify or to advance expenses (including attorneys' fees) to such person in connection with prosecuting the proceeding (or part thereof) or in defending any counterclaim, cross-claim, affirmative defense or like claim of the Corporation in such proceeding (or part thereof) unless the proceeding was authorized by the Board.

Section 4. Contract Rights. With respect to any person made or threatened to be made a party to any proceeding, by reason of the fact that the person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another enterprise, the rights to indemnification and to the advancement of expenses conferred in Sections 1(a) and 2(a) of this Article VI shall be contract rights. Any amendment, repeal, modification, or adoption

of any provision inconsistent with this Article VI shall not adversely affect any right to indemnification or advancement of expenses granted to any person pursuant to this Article VI with respect to any act or omission of the person occurring prior to the time of such amendment, repeal, modification, or adoption (regardless of whether the proceeding relating to such acts or omissions is commenced before or after the time of such amendment, repeal, modification, or adoption).

Section 5. Claims. (a) If a claim under Section 1(a) of this Article VI with respect to any right to indemnification is not paid in full by the Corporation within 60 days after a written demand has been received by the Corporation or a claim under Section 2(a) of this Article VI with respect to any right to the advancement of expenses is not paid in full by the Corporation within 20 days after a written demand has been received by the Corporation, then the person seeking to enforce a right to indemnification or to an advancement of expenses may at any time thereafter bring a lawsuit against the Corporation to recover the unpaid amount of the claim.

(b) If successful in whole or in part in any lawsuit brought pursuant to Section 5(a) of this Article VI, or in a lawsuit brought by the Corporation to recover an advancement of expenses, the person seeking to enforce a right to indemnification or an advancement of expenses or the person from whom the Corporation sought to recover an advancement of expenses shall be entitled to be paid by the Corporation the reasonable expenses (including attorneys' fees) of prosecuting or defending such lawsuit.

(c) In any lawsuit brought by a person seeking to enforce a right to indemnification (but not a lawsuit brought by a person seeking to enforce a right to an advancement of expenses), it shall be a defense that the person seeking to enforce a right to indemnification has not met any applicable standard for indemnification under applicable law. With respect to any lawsuit brought by a person seeking to enforce a right to indemnification or right to advancement of expenses, or any lawsuit brought by the Corporation to recover an advancement of expenses, neither the failure of the Corporation to have made a determination prior to commencement of such lawsuit that indemnification of such person is proper in the circumstances because such person has met the applicable standards of conduct under applicable law, nor an actual determination by the Corporation that such person has not met such applicable standards of conduct, shall create a presumption that such person has not met the applicable standards of conduct or, in a case brought by such person seeking to enforce a right to indemnification, be a defense to such lawsuit.

(d) In any lawsuit brought by a person seeking to enforce a right to indemnification or to an advancement of expenses or by the Corporation to recover an advancement of expenses, the burden shall be on the Corporation to prove that the person seeking to enforce a right to indemnification or to an advancement of expenses or the person from whom the Corporation seeks to recover an advancement of expenses is not entitled to be indemnified, or to such an advancement of expenses, under this Article VI or otherwise.

Section 6. Determination of Entitlement to Indemnification. Any indemnification required or permitted under this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, associate, or agent is proper in the circumstances because he or she has met all applicable standards of conduct set forth in this Article VI and Section 145 of the Delaware General Corporation Law. Such determination shall be made, with respect to a person who is a director or officer of the Corporation at the time of the determination: (1) by a majority vote of the directors who are not parties to such action, lawsuit or proceeding, even though less than a quorum; (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (4) by the stockholders. Such determination shall be made, with respect to any person who is not a director or officer of the Corporation at the time of such determination, in the manner determined by the Board (including in such manner as may be set forth in any general or specific action of the Board applicable to indemnification claims by such person) or in the manner set forth in any agreement to which such person and the Corporation are parties.

Section 7. Non-Exclusive Rights. The indemnification and advancement of expenses provided in this Article VI shall not be deemed exclusive of any other rights to which any person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be such director, officer, associate, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, associate, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VI or otherwise.

Section 9. Severability. If any provision or provisions of this Article VI shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (1) the validity, legality, and enforceability of the remaining provisions of this Article VI (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid,

illegal, or unenforceable, that is not itself held to be invalid, illegal, or unenforceable) shall not in any way be affected or impaired; and (2) to the fullest extent possible, the provisions of this Article VI (including, without limitation, each such portion of any paragraph or clause containing any such provision held to be invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon or distributions with respect to the capital stock of the Corporation may be declared by the Board or by a Board committee designated by the Board, pursuant to and in accordance with applicable law. Dividends may be paid in cash, in property, in shares of capital stock or evidences of indebtedness of the Corporation. Before the Corporation pays any dividend on or makes any distribution in respect of the capital stock of the Corporation, there may be set aside out of any funds available for dividends and distribution of such sum or sums as the Board, in its absolute discretion, approves as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any other purpose that the Board determines is conducive to the interests of the Corporation, and the Board may modify or abolish any such reserve in the manner in which it was created.

Section 2. Fiscal Year. The fiscal year of the Corporation shall end on January 31 of each year unless changed by resolution of the Board.

Section 3. Corporate Seal. The corporate seal shall have inscribed the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile to be impressed, affixed or otherwise reproduced.

Section 4. Reliance upon Books, Reports and Records. Except as provided by applicable law, each director and each member of a Board committee shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers, associates or Board committees or by any other person as to matters that the director reasonably believes are within such person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 5. Electronic Transmissions. For purposes of these Bylaws, "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient, and that may be directly reproduced in paper form by such recipient through an automated process.

Section 6. Waivers of Notice. Whenever notice is required to be given under any provision of the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws, a written waiver of that notice, signed by the person entitled to that notice, or a waiver by electronic transmission by the person entitled to that notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of that meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of that meeting, to the transaction of any business because that meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the stockholders, Board, or Board committee need be specified in any written waiver of notice or any waiver by electronic transmission.

ARTICLE VIII

AMENDMENTS

These Bylaws may be altered, amended, or repealed, or new Bylaws may be adopted, by the stockholders or by the Board.

AMENDED AND RESTATED BYLAWS
OF
WAL-MART STORES, INC.
(EFFECTIVE AS OF ~~JUNE 5~~ **FEBRUARY 7**, 2014)

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of Wal-Mart Stores, Inc. (the " **Corporation** ") shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the " **Board**") may determine or as may be necessary or useful in connection with the business of the Corporation.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders may be held at such place, if any, either within or without the State of Delaware, as shall be designated by the Board and stated in the notice of the meeting. In lieu of holding a meeting of stockholders at a designated place, the Board may, in its sole discretion, determine that any meeting of stockholders may be held solely by means of remote communication.

Section 2. Annual Meetings. An annual meeting of stockholders of the Corporation for the election of directors and any other proper business shall be held each year at such place, if any, on such date and at such time as shall be designated by the Board.

Section 3. Special Meetings. (a) A special meeting of stockholders may be called at any time by a majority of the Board, the Chairman of the Board, the Chief Executive Officer, if one, or the President, or by the Secretary acting under instructions of a majority of the Board, the Chairman of the Board, the Chief Executive Officer, or the President.

(b) A special meeting of stockholders shall be called by the Secretary upon written request to the Secretary of one or more stockholders of record that, at the time the request is delivered, own in the aggregate at least ten percent (10%) of the voting power of the issued and outstanding shares of the Corporation; provided, however, that such request has been submitted in accordance with and in the form required by this Section 3 and that such request complies with all requirements of applicable law. For purposes of calculating the requisite percent under this Section 3(b), a stockholder shall be deemed to "own" only those shares of the Corporation having votes entitled to be cast on any issue proposed to be considered at the stockholder-requested special meeting and as to which the stockholder possesses both (A) the full voting rights pertaining to the shares and (B) the full economic interest in (including the opportunity for profit and risk of loss on) such shares. A request to the Secretary shall be signed by each stockholder, or a duly authorized agent of each such stockholder, requesting the special meeting and shall set forth (1) a brief description of each matter of business desired to be brought before the special meeting, (2) the reasons for conducting such business at the special meeting, and (3) the information required in Section 5(c) and/or Section 5(e), as applicable.

(c) A special meeting called by the Secretary shall be held at such date, time and place, if any, within or without the state of Delaware as may be fixed by the Board; provided, however, that the date of any such special meeting shall be not more than 90 days after the request to call the special meeting is received by the Secretary unless a later date is required in order to allow the Corporation to file the information required under Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended. Notwithstanding the foregoing, the Secretary shall not be required to call a special meeting if the request to call the special meeting is received by the Secretary during the period commencing 90 days before the first anniversary of the immediately preceding year's annual meeting of stockholders and ending on the date that is 30 days after the most recent annual meeting of stockholders.

(d) A stockholder may revoke a request for a special meeting at any time by written revocation delivered to the Secretary, and if, following such revocation, there are un-revoked requests from stockholders owning in the aggregate less than the requisite number of shares entitling the stockholders to request the calling of a special meeting, the Board, in its discretion, may

cancel the special meeting. A request for a special meeting shall be deemed revoked if the stockholders that requested such a meeting do not maintain ownership of the requisite number of shares entitling the stockholders to request the calling of a special meeting, and in such event, the Board, in its discretion, may cancel the special meeting.

(e) Only such business shall be conducted at a special meeting as shall have been specified in the notice of the special meeting (or in any supplement). Notwithstanding any other provision of these Bylaws, in the case of a special meeting requested by stockholders, only such business shall be conducted as shall have been specified in a written request submitted in accordance with and in the form required by Section 3 (b) of this Article II; provided, however that nothing herein shall prohibit the Board from submitting additional matters to be voted upon by the stockholders at any special meeting requested by stockholders.

Section 4. Notice of Meetings of Stockholders. Written notice of the place, if any, date and time of each meeting of the stockholders, the means of remote communications, if any, by which stockholders and proxy holders may be deemed present in person and vote at the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given, not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting. Such notice shall be given in accordance with Sections 222 and 232 (or any successor section or sections) of the Delaware General Corporation Law.

Section 5. Business at Annual and Special Meetings. (a) At an annual meeting of stockholders, only such nominations for directors shall be made and only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before the annual meeting, business must (1) be specified in the notice of meeting (or in any supplement) given by or at the direction of the Board, (2) be otherwise properly brought before the meeting by or at the direction of the Board or (3) satisfy the notice requirements set forth below in this Section 5 and otherwise be properly brought before the meeting by a stockholder.

(b) For nominations or other business to be brought before an annual meeting by a stockholder, the stockholder must have given timely notice in writing to the Secretary and, in the case of business other than nominations, such business must be a proper subject for stockholder action. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not more than ~~120 +00~~ days nor less than ~~90 75~~ days prior to the one-year anniversary of the immediately preceding year's annual meeting, provided, however, that if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, or if no annual meeting was held in the preceding year, a stockholder's notice must be delivered to or mailed and received not more than ~~120 +00~~ days prior to such annual meeting nor less than the later of ~~90 75~~ days prior to such meeting or the 10th day following the day on which a public announcement of the date of the annual meeting is made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (other than director nominations, which are governed by Section 5(e)): (1) a brief description of the specific proposal to be made or business desired to be brought before the annual meeting, (2) the text of any proposal or business to be considered at the annual meeting (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), (3) the reasons for conducting such business at the annual meeting, (4) the name and address, as they appear in the Corporation's books, of the stockholder proposing such business, and the name and address of any beneficial owner or beneficial owners on whose behalf the notice is given, (5) the class and number of shares of the Corporation which are , directly or indirectly, owned of record, and/or beneficially owned by the stockholder or any other Proposing Person (as defined in Section 5(i) below) , as well as any Disclosable Interests (as defined in Section 5(i) below) of such stockholder or any other Proposing Person, (6) any material interest of the stockholder or any other Proposing Person in any proposal or business to be considered at the annual meeting, (7) a representation that the stockholder giving the notice is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such proposal or business, and (8) a representation whether the stockholder or any other Proposing Person intends or is part of a group that intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or business and/or (b) otherwise to solicit proxies from stockholders in support of such proposal or business.

(d) In the event a special meeting is called for the purpose of electing one or more directors to the Board, any stockholder entitled to vote in the election of directors may nominate a person or persons (as the case may be) for election to such position(s) as may be specified in the notice for such meeting, by delivery to the Secretary of the Corporation at the principal executive offices of a notice in the form required by Section 5(e), which notice must be received not more than 90 days prior to the special meeting nor later than the later of 60 days prior to the special meeting or the 10th day following the day on which a public announcement is first made of the date of the special meeting and of the nominees proposed by the

Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Notwithstanding any provision of these Bylaws, in the case of a special meeting requested by stockholders, no stockholder may nominate a person for election to the Board or propose any other business to be considered at the meeting, except pursuant to a written request submitted in accordance with and in the form required by Section 3(b) of this Article II.

(e) Nominations, other than those made by or at the direction of the Board, will be made pursuant to timely notice in writing to the Secretary in accordance with the time periods described in Section 5(b) in the case of an annual meeting and Section 5(d) in the case of a special meeting. Such stockholder's notice to the Secretary shall set forth (1) as to any nominee: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Corporation which are, directly or indirectly, owned of record or beneficially owned by such person, (D) any other information relating to such person that is required to be disclosed in solicitations of proxies for elections of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A promulgated under the Securities Exchange Act of 1934 (including without limitation such person's written consent to being named in the proxy statement, if any, as a nominee and to serve as a director if elected), and (E) a written statement executed by such nominee acknowledging that, as a director of the Corporation, such person will owe a fiduciary duty, under the General Corporation Law of the State of Delaware, exclusively to the Corporation and its stockholders; and (2) as to each stockholder giving the notice: (A) the name and address of such stockholder (including the name and address that appear on the Corporation's books and records), and the name and address of any beneficial owner or beneficial owners on whose behalf the notice is given, (B) the class and number of shares of the Corporation which are, directly or indirectly, owned of record and/or beneficially owned by the stockholder or any other Proposing Person and any Disclosable Interests of such stockholder or any other Proposing Person, (C) a representation that the stockholder giving notice is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present the nomination. At the request of the Board or the Chairman of the Board, any person nominated by a stockholder for election as a director will furnish to the Secretary that information required to be set forth in the stockholder's notice of nomination which pertains to the nominee and such other information as the Corporation may reasonably require to determine the eligibility of the proposed nominee to serve as a director of the Corporation.

(f) Notwithstanding anything in the first sentence of Section 5(e) to the contrary, if the number of directors to be elected to the Board at an annual meeting is increased and there is no public announcement by the Corporation naming all of the Board's nominees for director or specifying the size of the increased Board at least 10 days prior to the last day a stockholder may deliver a notice in accordance with Section 5(b), a stockholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to, or mailed to and received by, the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(g) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted and no nominations for directors shall be made at an annual or special meeting of stockholders except in accordance with the procedures set forth in this Section 5. The chair of an annual or special meeting shall, if the facts warrant, determine and declare to the meeting that a matter of business or a nomination was not properly brought before the annual or special meeting in accordance with the provisions of this Section 5 or otherwise, and if he or she should so determine, he or she shall so declare to the meeting and any such business or nomination not properly brought before the meeting shall not be transacted.

(h) Notwithstanding the foregoing provisions of this Section 5, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation (including any special meeting requested by stockholders in accordance with Section 3(b)) to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 5, to be considered a qualified representative of the stockholder, a person must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(i) For purposes of this Section 5:

(1) "Disclosable Interests" means (i) any derivative, swap, or other transaction or series of transactions engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to give such Proposing Person economic risk similar to ownership of shares of any class or series of capital stock of the Corporation, including due to the fact that the value of such derivative, swap, or other transactions are determined by reference to the price, value, or volatility of any shares of any class or series of capital stock of the Corporation, (ii) any derivative, swap, or other transactions that provide, directly or indirectly, the opportunity to profit from, or to mitigate loss, manage risk, or benefit from, any increase or decrease in the price or value of shares of any class or series of capital stock of the Corporation, or (iii) any derivative, swap, or other

transactions that have the effect or intent, directly or indirectly, of maintaining, increasing, or decreasing the voting power of such Proposing Person with respect to shares of any class or series of capital stock of the Corporation.

(2) "Proposing Person" means (i) the stockholder giving the notice required by this Section 5, (ii) the beneficial owner or beneficial owners, if different, on whose behalf such notice is given, and (iii) any affiliates or associates (each within the meaning of Rule 12b-2 under the Securities Exchange Act of 1934, as amended, for purposes of these Bylaws) of such stockholder or beneficial owner acting in concert with any of the persons described in clauses (i) or (ii).

Section 6. Stock List. (a) The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. That list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting (1) on a reasonably accessible electronic network, provided that the information required to gain access to such list is furnished with the notice of the meeting or (2) during ordinary business hours, at the principal place of business of the Corporation.

(b) If the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time and may be inspected by any stockholder who is present at that meeting. If the meeting is to be held solely by means of remote communication, then the list also shall be open to the examination of any stockholder during the whole time of that meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of that meeting. Nothing contained in this Section 6 shall require the Corporation to include electronic mail addresses or other electronic contact information on that list.

Section 7. Quorum. Unless otherwise required by the Delaware General Corporation Law or the Certificate of Incorporation of the Corporation (the "**Certificate of Incorporation**"), the holders of a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. Where a separate vote by class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.

Section 8. Adjournment of Meetings. The chair of a meeting of stockholders or the holders of a majority of the voting shares present in person or represented at the meeting, whether or not a quorum is present, may adjourn a meeting of stockholders. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. Voting. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall be entitled to one vote on each matter, in person or by proxy, for each share of capital stock of the Corporation that has voting power and that is held by the stockholder. When a quorum is present at any meeting of stockholders, all matters shall be determined, adopted and approved by the affirmative vote (which need not be by ballot) of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote with respect to the matter, unless the proposed action is one upon which, by express provision of statutes or of the Certificate of Incorporation, a different vote is specified and required, in which case such express provision shall govern and control with respect to that vote on that matter. Where a separate vote by a class or classes is required, the affirmative vote of the holders of a majority of the shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class. Notwithstanding the foregoing, the vote required for the election of directors shall be as provided in Article III, Section 1.

Section 10. Proxies. (a) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action without a meeting may authorize another person or persons to act for the stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Without limiting the manner in which a stockholder may authorize another person or persons to act for the stockholder as proxy, the following shall constitute a valid means by which a stockholder may grant such authority: (1) a stockholder may execute a writing authorizing another person or persons to act for the stockholder as proxy, which may be accomplished by the stockholder or the stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means; or (2) a stockholder may authorize another person or persons to act for the stockholder as proxy by transmitting or authorizing an electronic transmission (as defined in Article VIII of these Bylaws) to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization, or

like agent duly authorized by the person who will be the holder of the proxy to receive such electronic transmission, provided that any electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. If it is determined that the electronic transmission is valid, the inspectors of election for the meeting or, if there are no inspectors, such other persons making that determination shall specify the information upon which they relied.

(b) Any copy or other reliable reproduction of the writing or electronic transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or electronic transmission for any and all purposes for which the original writing or electronic transmission could be used, provided that such copy or other reproduction shall be a complete reproduction of the entire original writing or electronic transmission.

Section 11. Conduct of Meetings. The Board may adopt rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Except to the extent inconsistent with any such rules and regulations adopted by the Board, the chair of any meeting of the stockholders shall have the right and authority to prescribe rules and regulations and do all acts, as, in the judgment of that chair, are appropriate for the proper conduct of the meeting. Such rules, regulations, or procedures, whether adopted by the Board or prescribed by the chair of the meeting, may include, without limitation, the following: (1) the establishment of an agenda or order of business for the meeting; (2) rules and procedures for maintaining order at the meeting and the safety of those present; (3) limitations on attendance at or participation in the meeting to stockholders of record, their duly authorized and constituted proxies, or such other persons as the chair of the meeting shall determine; (4) restrictions on entry to the meeting after the time fixed for the commencement; and (5) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chair of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 12. Inspectors of Election. The Board shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chair of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of duties, shall take and sign an oath to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspectors shall: (1) ascertain the number of shares outstanding and the voting power of each; (2) determine the shares represented at the meeting and the validity of proxies and ballots; (3) count all votes and ballots; (4) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and (5) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

Section 13. Meetings by Remote Communication. If authorized by the Board, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxy holders not physically present at a meeting of stockholders may, by means of remote communication, participate in the meeting and be deemed present in person and vote at the meeting, whether such meeting is to be held in a designated place or solely by means of remote communication, provided that (1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (2) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including the opportunity to read or hear the proceedings in the meeting substantially concurrently with such proceedings and (3) if the stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

Section 14. Action Without a Meeting. (a) Unless restricted by the Certificate of Incorporation, any action required to be taken at any annual or special meeting of stockholders, or any action that may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote were present and voted and such consent or consents are delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law. Every written consent shall bear the date of the signature of each stockholder, and no written consent shall be effective to take the corporate action unless, within 60 days of the earliest dated consent, written consents signed by a sufficient number of holders to take action are delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law.

(b) An electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed, and dated for purposes of this Section 14, provided that any electronic transmission sets forth or is delivered with information from which the Corporation can determine: (1) that the electronic transmission was transmitted by the stockholder, or proxy holder; and (2) the date on which the stockholder, proxy holder or authorized person or persons transmitted the electronic transmission. The date

on which the electronic transmission is transmitted shall be deemed to be the date that the consent was signed. No consent given by electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law. Notwithstanding the foregoing limitations on delivery, consents given by electronic transmission may be otherwise delivered to the principal place of business of the Corporation or to the Secretary of the Corporation to the extent and in the manner provided by the Board. Any copy or other reliable reproduction of a consent in writing may be substituted for or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy or other reproduction shall be a complete reproduction of the entire original writing.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who did not consent in writing and who would have been entitled to notice if the action had been taken at a meeting having a record date on the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

ARTICLE III

THE BOARD OF DIRECTORS

Section 1. Number, Election, and Term of Directors. (a) The number of directors that shall constitute the Board shall be not less than three nor more than twenty. Within these limits, the number of directors shall be fixed by the Board pursuant to a resolution adopted by a majority of the Board or by the stockholders. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 and Section 9 of this Article III. Each director shall be elected to serve until the next annual meeting of the stockholders and until that director's successor has been duly elected and qualified or until the director's earlier death, resignation, or removal.

(b) In an uncontested election of directors, each director of the Corporation shall be elected by a majority of the votes cast by the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors; provided, however, in a contested election, the directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. For purposes of Section 1 of this Article III: (i) an "uncontested election" is an election in which the number of nominees for director is not greater than the number to be elected and (ii) a "contested election" is an election in which the number of nominees for director is greater than the number to be elected.

(c) Following any uncontested election, any incumbent director who was a nominee and who did not receive a majority of the votes cast by the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors (a "majority vote"), shall promptly tender his or her offer of resignation to the Chairman of the Board for consideration by the Board. A recommendation on whether or not to accept such resignation offer shall be made by a committee of independent directors that has been delegated the responsibility of recommending nominees for director for appointment or election to the Board, or (1) if each member of such committee did not receive the required majority vote or (2) if no such committee has been appointed, a majority of the Board shall appoint a special committee of independent directors for such purpose of making a recommendation to the Board (the "Nominating Committee"). If no independent directors received the required majority vote, the Board shall act on the resignation offers.

Within 60 days following certification of the stockholder vote, the Nominating Committee shall recommend to the Board the action to be taken with respect to such offer of resignation. In determining whether or not to recommend that the Board accept any resignation offer, the Nominating Committee shall be entitled to consider all factors believed relevant by such Committee's members, including without limitation: (1) any stated reasons for the director not receiving the required majority vote and whether the underlying cause or causes are curable; (2) the factors, if any, set forth in the guidelines or other policies that are to be considered by the Nominating Committee in evaluating potential candidates for the Board as such factors relate to each director who has so offered his or her resignation; (3) the length of service of such director; (4) the effect of such resignation on the Corporation's compliance with any law, rule, regulation, stock exchange listing standards, or contractual obligations; (5) such director's contributions to the Corporation; and (6) any other factors that the Nominating Committee believes are in the best interests of the Corporation.

The Board shall act on the Nominating Committee's recommendation within 90 days following certification of the stockholder vote and shall notify the director concerned of its decision. In determining whether or not to accept any resignation offer, the Board shall take into account the factors considered by the Nominating Committee and any additional information and factors that the Board believes to be relevant. If any director's resignation offer is not accepted by the Board, the Board shall, within four business days after reaching its decision, publicly disclose the decision, including the reasons for not accepting a resignation offer, by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication. Notwithstanding the foregoing, if the Board were to accept all of the offers of resignation then pending, resulting in the Corporation having fewer than three directors who were in office before the election,

the Board may determine to extend such 90-day period by an additional 90 days upon the conclusion that such an extension is in the best interests of the Corporation.

(d) If any director's resignation offer is not accepted by the Board, such director shall continue to serve until the next annual meeting and his or her successor is duly elected and qualified, or until the director's earlier death, resignation, or removal. If a director's resignation offer is accepted by the Board pursuant to Section 1 of this Article III, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Section 2 of this Article III or may decrease the size of the Board pursuant to Section 1(a) of this Article III.

Section 2. Vacancies and Newly Created Directorships. (a) Except as provided in Section 9(b) of this Article III and subject to the rights of holders of any class or series of capital stock to elect additional directors under specified circumstances, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by the affirmative vote of a majority of the directors then in office, although fewer than a quorum, or by a sole remaining director. Each director so chosen shall hold office until the next election of directors of the class to which the director was appointed, and until the director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

(b) In the event that one or more directors resign from the Board, effective at a future date, a majority of the directors then in office, including those who have resigned, shall have power to fill the vacancy or vacancies, the vote to take effect when such resignation or resignations become effective, and each director chosen shall hold office until the next election of directors, and until the director's successor is elected and qualified, or until the director's earlier death, resignation or removal. No decrease in the number of authorized directors shall shorten the term of any incumbent director.

Section 3. Regular Meetings. Regular meetings of the Board shall be held at such time and at such place as determined by the Board. A notice of each regular meeting is not required.

Section 4. Special Meetings. Special meetings of the Board for any purpose or purposes may be called by the Chairman of the Board, the Chief Executive Officer, if one, the President, or any two members of the Board on twenty-four hours' notice to each director, either personally, by telephone, express delivery service (so that the scheduled delivery time of the notice is at least twenty-four hours in advance of the meeting), electronic transmission (effective when directed to the director), or on three days' notice by mail (effective upon deposit of such notice in the mail). The notice need not describe the purpose of a special meeting.

Section 5. Quorum and Vote at Meetings. At all meetings of the Board, a majority of the total number of directors prescribed pursuant to Section 1 of this Article III shall constitute a quorum for the transaction of business, except to fill vacancies in the Board as provided in Section 2 of this Article III and to adjourn as provided in Section 6 of this Article III. The vote of a majority of the directors present at any meeting at which there is a quorum present shall be the act of the Board, unless the Certificate of Incorporation or these Bylaws shall require a vote of a greater number.

Section 6. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the time and place of holding of an adjourned meeting need not be given if announced, unless the meeting is adjourned for more than twenty-four hours. If the meeting is adjourned for more than twenty-four hours, then notice of the time and place of the adjourned meeting shall be given before the adjourned meeting takes place to the directors who were not present at the time of adjournment in the manner specified in Section 4 of this Article III.

Section 7. Participation in Meetings by Conference Telephone or Other Communications Equipment. Members of the Board or any Board committee may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment in which all persons participating in the meeting can hear each other. Participation in a meeting by a director pursuant to this Section 7 shall constitute presence in person at the meeting.

Section 8. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board or a Board committee may be taken without a meeting, if all members of the Board or the Board committee consent in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or the Board committee. Such filing shall be in paper form if the minutes are maintained in paper form and in electronic form if the minutes are maintained in electronic form.

Section 9. Resignation and Removal. (a) Any director may resign at any time, by giving notice in writing or by electronic transmission to the Chairman of the Board, the Chief Executive Officer, if one, the President, or the Secretary. Any such resignation shall take effect at the time specified in the notice of resignation or, if no time is specified, immediately upon receipt of the notice. Unless otherwise specified in the notice of resignation, acceptance of the resignation shall not be necessary to make it effective.

(b) Any director or the entire Board may be removed from office at any time, with or without cause, but only upon the affirmative vote of the holders of at least a majority of the shares of capital stock of the Corporation entitled to vote at an election of directors. Upon such removal of a director, the stockholders (and not the remaining directors) shall elect a director to replace such removed director at the same stockholders meeting at which such removal took place or at a subsequent stockholders meeting. Whenever the holders of any class or series are entitled to elect one or more directors by the Certificate of Incorporation, the vote of the holders of the outstanding shares of that class or series and not the vote of the outstanding shares as a whole shall apply in respect of the removal of any director elected by the holders of such class or series.

Section 10. Board Committees. (a) The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting or disqualified from voting, the remaining member or members present and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of such absent or disqualified member.

(b) Any Board committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it, but no committee shall have the power or authority in reference to approving, adopting, or recommending to the stockholders any action or matter (other than the election or removal of directors) expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval or adopting, amending, or repealing any bylaw of the Corporation.

(c) Board committees shall have the names as determined by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board, when required. Unless otherwise specified in the Board's resolution appointing the committee, all provisions of the Delaware General Corporation Law and these Bylaws relating to meetings, action without meetings, notice (and waiver), quorum, and voting requirements of the Board apply to Board committees and their members. Unless otherwise provided in the resolution of the Board designating the Board committee, a Board committee may create one or more subcommittees, each subcommittee to consist of one or more members of the Board committee, and delegate to a subcommittee any or all of the powers and authority of the Board committee.

Section 11. Chairman of the Board. The Chairman of the Board shall preside, when present, at all meetings of the Board and stockholders, shall advise and counsel the other officers of the Corporation regarding the business and operations of the Corporation, and shall exercise such powers and perform such duties as shall be assigned or required by the Board.

Section 12. Vice Chairman of the Board. The Board may appoint a Vice Chairman of the Board. The Vice Chairman of the Board, if any, shall exercise the powers and perform the duties of the Chairman of the Board when the Chairman of the Board is not present.

Section 1 ~~3~~ 4. Compensation. The Board shall have authority to fix the amount of compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or paid a stated salary or paid other compensation as a director. No payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation. Members of special or standing committees of the Board may be allowed compensation for serving on the committees, for attending committee meetings, and may be paid their expenses associated with their service on each such committee. The Board shall also have the power and discretion to compensate directors for rendering services to the Corporation not ordinarily rendered by directors.

ARTICLE IV

OFFICERS

Section 1. General. The officers of the Corporation shall consist of ~~a Chairman of the Board,~~ a President, a Chief Financial Officer, a Secretary and a Treasurer, and such other officers as the Board may appoint, including but not limited to ~~a Chairman of the Board, one or more Vice Chairs of the Board,~~ a Chief Executive Officer, a Chief Operating Officer, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. The Chief Executive Officer shall have the authority to appoint one or more Vice Presidents below the level of Senior Vice President, as well as having the authority to designate persons as global Vice Presidents, whether such persons are officers of the Corporation or not. The Chief Executive Officer shall also have the authority to appoint one or more Assistant Secretaries, and one or more Assistant Treasurers. Any number of offices may be held by the same person. The salaries of officers elected by the Board shall be fixed by the Board, by an authorized committee of the Board, or by such officers as may be designated by the Board.

Section 2. Term of Office and Vacancies. The term of office of each officer shall commence upon the election of that officer by the Board or the Chief Executive Officer, as applicable, and end upon a successor to such officer being elected by the Board or the Chief Executive Officer, as applicable; by such officer's death, resignation, or removal from office; or if the

establishment of the office is within the discretion of the Board, the Board eliminating the office. The Board shall have the authority to designate persons as global officers, whether or not such designated persons are officers of the Corporation. Any officer may be removed from office, with or without cause, at any time by the vote of the Board. Any Vice President below the level of Senior Vice President appointed by the Chief Executive Officer in accordance with Section 1 above may be removed from office by the Chief Executive Officer. Any Assistant Secretary or Assistant Treasurer may be removed from office by the Chief Executive Officer. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board or the Chief Executive Officer, as applicable.

Section 3. Duties and Powers. The duties and powers of the officers of the Corporation shall be as provided in these Bylaws or, if not provided for in these Bylaws, as designated by action of the Board. Without limiting the foregoing, and unless expressly limited by the Board, all instruments requiring execution by the Corporation, including but not limited to all contracts, agreements, indentures, checks or demands for money, notes, bonds, debentures, other obligations, other evidences of indebtedness and mortgages that the Corporation is authorized to execute may be executed, for and on behalf of the Corporation, by the Chairman of the Board ~~(if the Chairman of the Board is an officer of the Corporation), any Vice Chair of the Board,~~ the Chief Executive Officer, if one, the President, the Chief Operating Officer, if one, the Chief Financial Officer, ~~or any Vice President~~ , or any other officer as may be appointed pursuant to these Bylaws. Any person having authority to sign on behalf of the Corporation may delegate by instrument in writing, all or any part of such authority to an employee of the Corporation (an " **associate**") unless such a delegation of authority is specifically limited by the Board.

~~**Section 4. Chairman of the Board.** The Chairman of the Board shall preside, when present, at all meetings of the Board and stockholders, shall advise and counsel the other officers of the Corporation regarding the business and operations of the Corporation, and shall exercise such powers and perform such duties as shall be assigned or required by the Board.~~

Section 4.5. The President. Subject to these Bylaws and the direction of the Board, the President shall have the responsibility and the power necessary for the general management, oversight, supervision and control of the business and affairs of the Corporation, and to ensure that all orders and resolutions of the Board are carried into effect. If the Board has elected a Chief Executive Officer of the Corporation, (1) the Chief Executive Officer shall have all of the powers granted by these Bylaws to the President and (2) the President shall, subject to the powers of supervision and control conferred upon the Chief Executive Officer, have such duties and powers as assigned to him or her by the Board or the Chief Executive Officer.

Section 5.6. Chief Financial Officer. The Chief Financial Officer shall have general charge and supervision of the financial affairs of the Corporation, including budgetary and accounting methods, and shall approve payment, or designate others serving under him or her to approve for payment, all vouchers for distribution of funds and shall perform such other duties as may be assigned to him or her by the Board, the Chief Executive Officer, if one, or the President.

Section 6.7. Vice Presidents. Each Executive Vice President, Senior Vice President, and Vice President elected by the Board, and each Vice President appointed by the Chief Executive Officer, shall perform such duties and exercise such powers as may be assigned by the Board, the Chief Executive Officer, if one, or the President.

Section 7.8. Secretary. The Secretary shall attend all meetings of the stockholders and all meetings of the Board and record all proceedings at such meetings in paper form if the minutes are maintained in paper form and in electronic form if the minutes are maintained in electronic form. The Secretary, or his or her delegates, shall perform like duties for the Board committees, when required; provided, however, that the Secretary shall not be required to be present at any sessions of non-management or independent directors contemplated by any stock exchange listing standards to which the Corporation is subject. Except as may be otherwise provided in these Bylaws, the Secretary shall give, or cause to be given, notice of all meetings of the stockholders and shall perform such other duties and exercise such other powers as may be prescribed by the Board, the Chief Executive Officer, if one, or the President. The Secretary shall keep in safe custody the seal of the Corporation, if any, and shall have authority to affix the seal of the Corporation to any instrument requiring it, and when so affixed it may be attested by the Secretary's signature. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by any other officer's signature.

Section 8.9. Assistant Secretaries. Assistant Secretaries in the order determined by the Board or the Chief Executive Officer shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and exercise such other powers as may be assigned by the Board, the Chief Executive Officer, if one, the President, or the Secretary.

Section 9.10. Treasurer. The Treasurer shall have the responsibility for maintaining the financial records of the Corporation, shall make such disbursements of the funds of the Corporation as are authorized, and shall perform such other duties and exercise such other powers as may be assigned to him or her by the Board, the Chief Executive Officer, if one, or the President.

Section 10.1. Assistant Treasurers. The Assistant Treasurers in the order determined by the Board or the Chief Executive Officer shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall

perform such other duties and exercise such other powers as may be assigned by the Board, the Chief Executive Officer, if one, the President, or the Treasurer.

Section 1 ~~1.2~~. Delegation of Authority. The Board may delegate the power or duties of any officer to any other officer or officers or agent or agents notwithstanding any provision of these Bylaws.

Section 1 ~~2.3~~. Action with Respect to Securities of Other Companies. Unless otherwise ordered by a majority of the Board, the Chairman of the Board (~~if the Chairman of the Board is an officer of the Corporation~~), ~~a Vice Chair of the Board, if one~~, the Chief Executive Officer, if one, the President, ~~or any Vice President~~, ~~or any other officer as may be appointed pursuant to these Bylaws~~, shall have full power and authority on behalf of the Corporation to attend and to act and to vote, in person or by proxy, at any meetings of security holders of corporations, limited liability companies, business trusts, and other entities in which the Corporation may hold securities and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities. The Board by resolution may confer like powers upon any other person or persons.

ARTICLE V

STOCK OF THE CORPORATION

Section 1. Stock Certificates; Uncertificated Shares. The shares of capital stock of the Corporation shall be represented by certificates; however, the Board may provide by resolution that some, all, or any classes or series of shares shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates, and upon request every holder of uncertificated shares, shall be entitled to have a certificate (representing the number of shares registered in certificate form) signed in the name of the Corporation by the Chairman of the Board, the Chief Executive Officer, if one, the President, or any Vice President, and by the Secretary, Treasurer, any Assistant Secretary, or any Assistant Treasurer. Any or all the signatures on the certificate may be a reproduction. In case any officer, transfer agent, or registrar whose signature or reproduced signature appears on a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person was as officer, transfer agent, or registrar at the date of issue.

Section 2. Transfers of Stock. Shares of capital stock of the Corporation shall be transferable in the manner prescribed by applicable law and in these Bylaws. Transfers of shares shall be made only on the records of the Corporation kept at an office of the Corporation or by the transfer agent designated by the Corporation to transfer shares. Transfers of shares may be made only by the record holder, or by the record holder's legal representative authorized by power of attorney duly executed and filed with the Secretary or with the transfer agent appointed by the Board and, in the case of certificated shares, upon the surrender of the certificate or certificates for such shares properly endorsed. The Board may make such additional rules and regulations concerning the issue, transfer, and registration of certificates for shares or uncertificated shares as it may deem necessary but that are not inconsistent with these Bylaws.

Section 3. Holders of Record. The Corporation shall be entitled to treat the record holder of shares of capital stock of the Corporation as the holder in fact and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice, except as otherwise provided by applicable law. No transfer of shares shall be valid against the Corporation for any purpose unless the transfer of shares is entered in the records of the Corporation or in the records of the transfer agent designated by the Corporation showing from and to whom the shares were transferred.

Section 4. Lost Certificates. The Corporation may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost, stolen, or destroyed. The Corporation may require the owner of such lost, stolen, or destroyed certificate or certificates, or such owner's legal representative, to advertise the same in such manner as it shall require, to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate or alleged to have been lost, stolen or destroyed or the issuance of such new certificate, or both.

Section 5. Record Date. (a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, the Board may fix a record date, which shall neither precede the date upon which the resolution fixing the record date is adopted by the Board nor shall be more than 60 days nor less than 10 days before the date of such meeting. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, unless the Board fixes a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which shall neither precede the date upon which the resolution fixing the record date is adopted by the Board nor shall be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining the stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by the Delaware General Corporation Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law. If no record date has been fixed by the Board and prior action by the Board is required by the Delaware General Corporation Law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights with respect to any change, conversion, or exchange of shares, or for the purpose of any other lawful action, the Board may fix a record date, which shall neither precede the date upon which the resolution fixing the record date is adopted nor shall be more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution.

ARTICLE VI

INDEMNIFICATION

Section 1. Indemnification. (a) Subject to Section 3 of this Article VI, the Corporation shall indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person made or threatened to be made a party to any threatened, pending, or completed action, lawsuit, or proceeding, whether civil, criminal, administrative, or investigative (a "**proceeding**"), by reason of the fact that such person is or was a director or officer of the Corporation or is or was serving at the request of Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to an associate benefit plan (collectively, "**another enterprise**").

(b) The Corporation may indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person made or threatened to be made a party to any proceeding, by reason of the fact that such person is or was an associate or agent of the Corporation or is or was serving at the request of the Corporation as an employee or agent of another enterprise.

Section 2. Advancement of Expenses. (a) Subject to Section 3 of this Article VI, with respect to any person made or threatened to be made a party to any threatened, pending, or completed proceeding, by reason of the fact that such person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another enterprise, the Corporation shall pay the expenses (including attorneys' fees) incurred by such person in defending any such proceeding in advance of its final disposition (an "**advancement of expenses**"); provided, however, that any advancement of expenses shall be made only upon receipt of a written agreement by such person to repay all amounts advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such person is not entitled to be indemnified for such expenses under this Article VI or otherwise.

(b) With respect to any person made or threatened to be made a party to any proceeding, by reason of the fact that such person is or was an associate or agent of the Corporation, or is or was serving at the request of the Corporation as an employee or agent of another enterprise, the Corporation may, in its discretion and upon such terms and conditions, if any, as the Corporation deems appropriate, pay the expenses (including attorneys' fees) incurred by such person in defending any such proceeding in advance of its final disposition.

Section 3. Actions Initiated Against the Corporation. Notwithstanding anything contained in Section 1(a) or Section 2(a) of this Article VI to the contrary, and except as provided in Section 5(b) of this Article VI with respect to a proceeding initiated against the Corporation by a director or officer of the Corporation (or by a person serving at the request of the Corporation as a director or officer of another enterprise), the Corporation shall not be required to indemnify or to advance expenses (including attorneys' fees) to such person in connection with prosecuting the proceeding (or part thereof) or in defending any counterclaim, cross-claim, affirmative defense or like claim of the Corporation in such proceeding (or part thereof) unless the proceeding was authorized by the Board.

Section 4. Contract Rights. With respect to any person made or threatened to be made a party to any proceeding, by reason of the fact that the person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another enterprise, the rights to indemnification and to the advancement of expenses conferred in Sections 1(a) and 2(a) of this Article VI shall be contract rights. Any amendment, repeal, modification, or adoption of any provision inconsistent with this Article VI shall not adversely affect any right to indemnification or advancement of expenses granted to any person pursuant to this Article VI with respect to any act or omission of the person occurring prior to

the time of such amendment, repeal, modification, or adoption (regardless of whether the proceeding relating to such acts or omissions is commenced before or after the time of such amendment, repeal, modification, or adoption).

Section 5. Claims. (a) If a claim under Section 1(a) of this Article VI with respect to any right to indemnification is not paid in full by the Corporation within 60 days after a written demand has been received by the Corporation or a claim under Section 2(a) of this Article VI with respect to any right to the advancement of expenses is not paid in full by the Corporation within 20 days after a written demand has been received by the Corporation, then the person seeking to enforce a right to indemnification or to an advancement of expenses may at any time thereafter bring a lawsuit against the Corporation to recover the unpaid amount of the claim.

(b) If successful in whole or in part in any lawsuit brought pursuant to Section 5(a) of this Article VI, or in a lawsuit brought by the Corporation to recover an advancement of expenses, the person seeking to enforce a right to indemnification or an advancement of expenses or the person from whom the Corporation sought to recover an advancement of expenses shall be entitled to be paid by the Corporation the reasonable expenses (including attorneys' fees) of prosecuting or defending such lawsuit.

(c) In any lawsuit brought by a person seeking to enforce a right to indemnification (but not a lawsuit brought by a person seeking to enforce a right to an advancement of expenses), it shall be a defense that the person seeking to enforce a right to indemnification has not met any applicable standard for indemnification under applicable law. With respect to any lawsuit brought by a person seeking to enforce a right to indemnification or right to advancement of expenses, or any lawsuit brought by the Corporation to recover an advancement of expenses, neither the failure of the Corporation to have made a determination prior to commencement of such lawsuit that indemnification of such person is proper in the circumstances because such person has met the applicable standards of conduct under applicable law, nor an actual determination by the Corporation that such person has not met such applicable standards of conduct, shall create a presumption that such person has not met the applicable standards of conduct or, in a case brought by such person seeking to enforce a right to indemnification, be a defense to such lawsuit.

(d) In any lawsuit brought by a person seeking to enforce a right to indemnification or to an advancement of expenses or by the Corporation to recover an advancement of expenses, the burden shall be on the Corporation to prove that the person seeking to enforce a right to indemnification or to an advancement of expenses or the person from whom the Corporation seeks to recover an advancement of expenses is not entitled to be indemnified, or to such an advancement of expenses, under this Article VI or otherwise.

Section 6. Determination of Entitlement to Indemnification. Any indemnification required or permitted under this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, associate, or agent is proper in the circumstances because he or she has met all applicable standards of conduct set forth in this Article VI and Section 145 of the Delaware General Corporation Law. Such determination shall be made, with respect to a person who is a director or officer of the Corporation at the time of the determination: (1) by a majority vote of the directors who are not parties to such action, lawsuit or proceeding, even though less than a quorum; (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (4) by the stockholders. Such determination shall be made, with respect to any person who is not a director or officer of the Corporation at the time of such determination, in the manner determined by the Board (including in such manner as may be set forth in any general or specific action of the Board applicable to indemnification claims by such person) or in the manner set forth in any agreement to which such person and the Corporation are parties.

Section 7. Non-Exclusive Rights. The indemnification and advancement of expenses provided in this Article VI shall not be deemed exclusive of any other rights to which any person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be such director, officer, associate, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, associate, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VI or otherwise.

Section 9. Severability. If any provision or provisions of this Article VI shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (1) the validity, legality, and enforceability of the remaining provisions of this Article VI (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid, illegal, or unenforceable, that is not itself held to be invalid, illegal, or unenforceable) shall not in any way be affected or impaired; and (2) to the fullest extent possible, the provisions of this Article VI (including, without limitation, each such portion

of any paragraph or clause containing any such provision held to be invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon or distributions with respect to the capital stock of the Corporation may be declared by the Board or by a Board committee designated by the Board, pursuant to and in accordance with applicable law. Dividends may be paid in cash, in property, in shares of capital stock or evidences of indebtedness of the Corporation. Before the Corporation pays any dividend on or makes any distribution in respect of the capital stock of the Corporation, there may be set aside out of any funds available for dividends and distribution of such sum or sums as the Board, in its absolute discretion, approves as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any other purpose that the Board determines is conducive to the interests of the Corporation, and the Board may modify or abolish any such reserve in the manner in which it was created.

Section 2. Fiscal Year. The fiscal year of the Corporation shall end on January 31 of each year unless changed by resolution of the Board.

Section 3. Corporate Seal. The corporate seal shall have inscribed the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile to be impressed, affixed or otherwise reproduced.

Section 4. Reliance upon Books, Reports and Records. Except as provided by applicable law, each director and each member of a Board committee shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers, associates or Board committees or by any other person as to matters that the director reasonably believes are within such person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 5. Electronic Transmissions. For purposes of these Bylaws, "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient, and that may be directly reproduced in paper form by such recipient through an automated process.

Section 6. Waivers of Notice. Whenever notice is required to be given under any provision of the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws, a written waiver of that notice, signed by the person entitled to that notice, or a waiver by electronic transmission by the person entitled to that notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of that meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of that meeting, to the transaction of any business because that meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the stockholders, Board, or Board committee need be specified in any written waiver of notice or any waiver by electronic transmission.

ARTICLE VIII

AMENDMENTS

These Bylaws may be altered, amended, or repealed, or new Bylaws may be adopted, by the stockholders or by the Board.

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

<i>(Amounts in millions)</i>	Three Months Ended		Fiscal Year Ended				
	April 30,		January 31,				
	2014	2013	2014	2013	2012	2011	2010
Income before income taxes	\$ 5,625	\$ 5,908	\$ 24,656	\$ 25,662	\$ 24,332	\$ 23,506	\$ 22,086
Capitalized interest	(20)	(20)	(78)	(74)	(60)	(63)	(85)
Consolidated net income attributable to the noncontrolling interest	(133)	(161)	(673)	(757)	(688)	(604)	(513)
Adjusted income before income taxes	5,472	5,727	23,905	24,831	23,584	22,839	21,488
Fixed charges:							
Interest ⁽¹⁾	612	593	2,413	2,325	2,382	2,268	2,160
Interest component of rent	228	217	933	859	790	651	597
Total fixed charges	840	810	3,346	3,184	3,172	2,919	2,757
Income before income taxes and fixed charges	\$ 6,312	\$ 6,537	\$ 27,251	\$ 28,015	\$ 26,756	\$ 25,758	\$ 24,245
Ratio of earnings to fixed charges	7.5	8.1	8.1	8.8	8.4	8.8	8.8

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

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: June 6, 2014

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

I, Charles M. Holley, Jr. , 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: June 6, 2014

/s/ Charles M. Holley, Jr.

Charles M. Holley, Jr.
Executive Vice President and Chief Financial Officer

**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 April 30, 2014 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 June 6, 2014.

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

**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 April 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles M. Holley, Jr., 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 June 6, 2014 .

/s/ Charles M. Holley, Jr.

Charles M. Holley, Jr.
Executive Vice President and Chief Financial Officer