

Calculation of Return on Investment and Return on Average Assets

Management believes return on investment (“ROI”) is a meaningful metric to share with investors because it helps investors assess how effectively Wal-Mart is employing its assets. ROI was 19.3% and 19.2% for the twelve months ended October 31, 2008 and 2007, respectively.

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

ROI is considered a non-GAAP financial measure under the SEC’s rules. We consider return on assets (“ROA”) to be the financial measure computed in accordance with generally accepted accounting principles (“GAAP”) that is the most directly comparable financial measure to ROI as we calculate that financial measure. ROI differs from ROA (which is income from continuing operations before minority interest for the fiscal year or the trailing twelve months divided by average of total assets of continuing operations for the period) because ROI: adjusts operating income to exclude certain expense items and add interest income, adjusts total assets from 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 ROI may differ from the methods other companies use to calculate their ROI. We urge you to understand the methods used by another company to calculate its ROI before comparing our ROI to that of such other company.

The calculation of ROI along with a reconciliation to the calculation of return on assets, the most comparable GAAP financial measurement, is as follows:

	For the 12 Months Ended October 31,		
	2008	2007	
<i>(Dollar amounts in millions)</i>			
CALCULATION OF RETURN ON INVESTMENT			
Numerator			
Operating income ⁽¹⁾	\$ 23,298	\$ 21,508	
+ Interest income ⁽¹⁾	279	331	
+ Depreciation and amortization ⁽¹⁾	6,725	6,099	
+ Rent ⁽¹⁾	1,752	1,548	
= Adjusted operating income	<u>\$ 32,054</u>	<u>\$ 29,486</u>	
Denominator			
Average total assets of continuing operations ⁽²⁾	\$ 166,246	\$ 157,983	
+ Average accumulated depreciation and amortization ⁽²⁾	32,074	28,176	
- Average accounts payable ⁽²⁾	31,079	30,615	
- Average accrued liabilities ⁽²⁾	15,058	14,518	
+ Rent * 8	14,016	12,384	
= Invested capital	<u>\$ 166,199</u>	<u>\$ 153,410</u>	
Return on investment (ROI)	<u>19.3%</u>	<u>19.2%</u>	
CALCULATION OF RETURN ON ASSETS			
Numerator			
Income from continuing operations before minority interest ⁽¹⁾	\$ 14,043	\$ 13,174	
Denominator			
Average total assets of continuing operations ⁽²⁾	<u>\$ 166,246</u>	<u>\$ 157,983</u>	
Return on asset (ROA)	<u>8.4%</u>	<u>8.3%</u>	
Certain Balance Sheet Data			
	As of October 31,		
	2008	2007	2006
Total assets of continuing operations ⁽¹⁾	\$ 167,581	\$ 164,910	\$ 151,056
Accumulated depreciation and amortization ⁽¹⁾	34,048	30,100	26,252
Accounts payable ⁽¹⁾	30,782	31,376	29,853
Accrued liabilities ⁽¹⁾	15,343	14,773	14,262

(1) Based on continuing operations only, and therefore, excludes the impact of Gazeley Limited which was sold in the second quarter of fiscal 2009, and the closure of 23 stores and divestiture of other properties in Seiju, Japan during the third quarter of fiscal 2009. All of these activities have been disclosed as discontinued operations. Total assets as of October 31, 2008, 2007, and 2006 in the table above exclude assets of discontinued operations that are reflected in the Consolidated Balance Sheets of \$262, \$749, and \$663, respectively.

(2) 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.