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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

for the fiscal year ended January 31, 2011,

or

Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

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
(IRS 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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Report of Independent Registered Public Accounting Firm**The Board of Directors and Shareholders of Wal-Mart Stores, Inc.**

We have audited the accompanying consolidated balance sheets of Wal-Mart Stores, Inc. as of January 31, 2011 and 2010, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended January 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wal-Mart Stores, Inc. at January 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended January 31, 2011, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, effective May 1, 2010, the Company has elected to change its method of accounting for inventory under the retail inventory method.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Wal-Mart Stores, Inc.'s internal control over financial reporting as of January 31, 2011, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 30, 2011 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Rogers, Arkansas

March 30, 2011

Note 4. Share-Based Compensation

As of January 31, 2011, the Company has awarded share-based compensation to executives and other associates of the Company through various share-based compensation plans. The compensation cost recognized for all plans was \$371 million, \$335 million and \$302 million for fiscal 2011, 2010 and 2009, respectively. Virtually all of our share-based compensation costs are classified as operating, selling, general and administrative expenses in the accompanying Consolidated Statements of Income. The total income tax benefit recognized for all share-based compensation plans was \$141 million, \$126 million and \$112 million for fiscal 2011, 2010 and 2009, respectively. The following table summarizes our share-based compensation expense by award type:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2011	2010	2009
Restricted stock and performance share awards	\$ 162	\$ 140	\$ 134
Restricted stock rights	157	111	74
Stock options	<u>52</u>	<u>84</u>	<u>94</u>
Share-based compensation expense	<u>\$ 371</u>	<u>\$ 335</u>	<u>\$ 302</u>

The Company's shareholder-approved Stock Incentive Plan of 2010 (the "Plan"), which amended and restated the Company's Stock Incentive Plan of 2005, effective June 4, 2010, was established to grant stock options, restricted (non-vested) stock, performance shares and other equity compensation awards to its associates and nonemployee directors for which 210 million shares of common stock issued or to be issued under the Plan have been registered under the Securities Act of 1933, as amended. The Company believes that such awards serve to align the interests of its associates with those of its shareholders.

Under the Plan and prior plans, substantially all stock option awards have been granted with an exercise price equal to the market price of the Company's stock at the date of grant. Options granted generally vest over five years and have a contractual term of 10 years.

The Company's United Kingdom subsidiary, ASDA, also offers two other stock option plans to its colleagues. The first plan, the ASDA Colleague Share Ownership Plan 1999 (the "CSOP"), grants options to certain colleagues. The initial CSOP grants have both a three-year and a six-year vesting with subsequent grants vesting over six years. The CSOP shares have an exercise period of two months immediately following the vesting date. The second plan, the ASDA Sharesave Plan 2000 (the "Sharesave Plan"), grants options to certain colleagues at 80% of the average market value of the three days preceding the date of grant. Sharesave options become exercisable after three years and generally expire six months after becoming exercisable. A combined 49 million shares of common stock were registered under the Securities Act of 1933, as amended, for issuance upon the exercise of stock options granted under the CSOP and the Sharesave Plan.

Restricted Stock and Performance Share Awards

Under the Plan, the Company grants various types of awards of restricted stock to certain associates. These grants include awards for shares that vest based on the passage of time, performance criteria, or both. Vesting periods vary. Restricted stock awards granted before January 1, 2008 may be settled in stock, or deferred as stock or cash, based upon the associate's election. Consequently, these awards are classified as liabilities in the accompanying Consolidated Balance Sheets, unless the associate has elected for the award to be settled or deferred in stock. Restricted stock awards issued in fiscal 2009 and thereafter generally are settled or deferred in stock.

Performance share awards under the Plan vest based on the passage of time and achievement of performance criteria. Based on the extent to which the targets are achieved, vested shares may range from 0% to 150% of the original award amount. Because the performance shares issued before January 1, 2008 may be settled in stock or cash, the performance shares are included in accrued liabilities and deferred income taxes and other in the accompanying Consolidated Balance Sheets, unless the associate has elected for the award to be settled or deferred in stock. Beginning in fiscal 2009, performance shares issued are settled or deferred in stock; therefore, they are accounted for as equity in the accompanying Consolidated Balance Sheets. The fair value of performance share awards accounted for as equity is determined on the date of grant using the stock price discounted for the expected dividend yield through the vesting period and is recognized ratably over the vesting period.

The fair value of the restricted stock and performance share liabilities is remeasured each reporting period. The total liability for restricted stock and performance share awards at January 31, 2011 and 2010 was \$12 million and \$63 million, respectively.

A summary of the Company's restricted stock and performance share award activity for fiscal 2011 presented below represents the maximum number of shares that could be earned or vested under the Plan (in thousands, except per share prices):

Restricted Stock and Performance Share Awards	<u>Shares</u>	<u>Weighted-Average Grant-Date Fair Value Per Share</u>
Restricted Stock and Performance Share Awards at February 1, 2010	14,324	\$ 50.18
Granted	4,842	55.52
Vested	(3,533)	48.90
Forfeited	(2,016)	50.88
Restricted Stock and Performance Share Awards at January 31, 2011	<u>13,617</u>	<u>\$ 52.33</u>

As of January 31, 2011, there was \$331 million of total unrecognized compensation cost related to restricted stock and performance share awards granted under the Plan, which is expected to be recognized over a weighted-average period of 2.3 years. The total fair value of shares vested during the fiscal years ended January 31, 2011, 2010 and 2009, was \$142 million, \$110 million and \$55 million, respectively.

Restricted Stock Rights

In fiscal 2007, the Company began issuing restricted stock rights to most associates in lieu of stock option awards. Restricted stock rights are associate rights to Company stock after a specified service period. Grants issued before fiscal 2009 typically vest over five years with 40% vesting three years from grant date and the remaining 60% vesting five years from grant date. Beginning in fiscal 2009, the vesting schedule was adjusted for new grants to 50% vesting three years from grant date and the remaining 50% vesting five years from grant date. The fair value of each restricted stock right is determined on the date of grant using the stock price discounted for the expected dividend yield through the vesting period and is recognized ratably over the vesting period. Expected dividend yield over the vesting period is based on the expected dividend yield rate over the life of the grant. The weighted-average discount for the dividend yield used to determine the fair value of restricted stock rights granted in fiscal 2011, 2010 and 2009 was 9.1%, 8.5% and 6.8%, respectively.

A summary of the Company's restricted stock rights activity for fiscal 2011 presented below represents the maximum number of shares that could be earned or vested under the Plan (in thousands, except per share prices):

Restricted Stock Rights	<u>Shares</u>	<u>Weighted-Average Grant-Date Fair Value Per Share</u>
Restricted Stock Rights at February 1, 2010	14,024	\$ 46.50
Granted	5,520	50.04
Vested	(1,177)	42.72
Forfeited	(1,529)	47.38
Restricted Stock Rights at January 31, 2011	<u>16,838</u>	<u>\$ 47.71</u>

As of January 31, 2011, there was \$397 million of total unrecognized compensation cost related to restricted stock rights granted under the Plan, which is expected to be recognized over a weighted-average period of 2.3 years. The fair value of the restricted stock rights vested in fiscal 2011, 2010 and 2009, was \$50 million, \$49 million, and \$0 million, respectively.

Stock Options

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes-Merton option valuation model that uses various assumptions for inputs, which are noted in the following table. Generally, the Company uses expected volatilities and risk-free interest rates that correlate with the expected term of the option when estimating an option's fair value. To determine the expected life of the option, the Company bases its estimates on historical exercise and expiration activity of grants with similar vesting periods. Expected volatility is based on historical volatility of our stock. The expected risk-free interest rate is based on the U.S. Treasury yield curve at the time of the grant. The expected dividend yield over the vesting period is based on the expected dividend yield rate over the life of the grant. The following table represents the weighted-average assumptions used by the Company to estimate the fair values of the Company's stock options at the grant dates:

	<u>Fiscal Years Ended January 31,</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Dividend yield	2.3%	2.1%	1.9%
Volatility	17.1%	18.7%	16.7%
Risk-free interest rate	1.8%	1.4%	2.0%

Expected life in years	3.1	3.1	3.4
Weighted-average fair value of options granted	\$12.53	\$10.41	\$9.97

Stock options granted during fiscal 2011 were primarily issued under the Sharesave Plan. A summary of the stock option award activity for fiscal 2011 is presented below (in thousands, except years and per share prices):

Stock Options	Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Life in Years	Aggregate Intrinsic Value
Outstanding at February 1, 2010	41,959	\$ 49.32		
Granted	1,921	43.79		
Exercised	(7,868)	47.66		
Forfeited or expired	(2,626)	49.85		
Outstanding at January 31, 2011	<u>33,386</u>	<u>49.35</u>	<u>4.2</u>	<u>\$228,076</u>
Exercisable at January 31, 2011	<u>23,793</u>	<u>\$ 51.31</u>	<u>3.2</u>	<u>\$117,319</u>

As of January 31, 2011, there was \$42 million of total unrecognized compensation cost related to stock options granted under the Plan, which is expected to be recognized over a weighted-average period of 1.2 years. The following table includes additional information related to stock options:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2011	2010	2009
Fair value of stock options vested	\$ 54	\$ 79	\$ 107
Intrinsic value of stock options exercised	51	39	173
Proceeds from stock option exercised	205	111	585

Note 5. Restructuring Charges

In the fourth quarter of fiscal 2010, the Company announced several organizational changes, including the closure of 10 Sam's Clubs, designed to strengthen and streamline our operations. As a result, the Company recorded \$260 million in pre-tax restructuring charges as follows:

<i>(Amounts in millions)</i>	Fiscal Year Ended January 31, 2010		
	Asset Impairment	Severance Costs	Total
Walmart U.S.	\$ —	\$ 73	\$ 73
Sam's Club	133	41	174
Other	—	13	13
Total	<u>\$ 133</u>	<u>\$ 127</u>	<u>\$ 260</u>

The asset impairment charges generally relate to the real estate of the Sam's Club closures, which was written down to their estimated fair value of \$46 million. The fair value was determined based on comparable market values of similar properties or on a rental income approach, using Level 2 inputs of the three-tier fair value hierarchy discussed in Note 8.

The pre-tax restructuring charges of \$260 million are classified in operating, selling, general and administrative expenses on the accompanying Consolidated Statement of Income for the fiscal year ended January 31, 2010. At January 31, 2010, we had \$127 million of severance costs included in accrued liabilities on the accompanying Consolidated Balance Sheet. These severance costs were paid during fiscal 2011.