

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, 2012,

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

71-0415188
(IRS Employer
Identification No.)

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
Common Stock, par value \$0.10 per share

Name of each exchange on which registered
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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

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 for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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, 2012 and 2011, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended January 31, 2012. 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, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended January 31, 2012, in conformity with U.S. generally accepted accounting principles.

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, 2012, 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 27, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Rogers, Arkansas
March 27, 2012

in two separate, but consecutive statements. The current option to report other comprehensive income and its components in the statement of shareholders' equity will be eliminated. Although the new guidance changes the presentation of comprehensive income, there are no changes to the components that are recognized in net income or other comprehensive income under existing guidance. These ASUs are effective for the Company in the first quarter of fiscal 2013 and retrospective application will be required. These ASUs will change the Company's financial statement presentation of comprehensive income but will not impact the Company's net income, financial position or cash flows.

In 2011, the FASB issued an ASU, which is intended to reduce complexity and costs by allowing an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment to determine whether it should calculate the fair value of a reporting unit. The ASU also expands upon the examples of events and circumstances that an entity should consider between annual impairment tests in determining whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The ASU is effective for the Company in the first quarter of fiscal 2013, with early adoption permitted. The Company early adopted the provisions of the ASU in fiscal 2012 for its fiscal 2012 goodwill impairment test.

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. Diluted income per common share from continuing operations attributable to Walmart is based on the weighted-average number of outstanding common shares adjusted for the dilutive effect of stock options and other share-based awards. The Company had approximately 1 million, 4 million and 5 million stock options outstanding at January 31, 2012, 2011 and 2010, respectively, which were not included in the diluted income per common share from continuing operations attributable to Walmart calculation because their effect would be antidilutive.

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:

	Fiscal Years Ended January 31,		
	2012	2011	2010
<i>(Amounts in millions, except per share data)</i>			
Numerator			
Income from continuing operations	\$ 16,454	\$ 15,959	\$ 14,962
Less consolidated net income attributable to noncontrolling interest	(688)	(604)	(513)
Income from continuing operations attributable to Walmart	<u>\$ 15,766</u>	<u>\$ 15,355</u>	<u>\$ 14,449</u>
Denominator			
Weighted-average common shares outstanding, basic	3,460	3,656	3,866
Dilutive impact of stock options and other share-based awards	14	14	11
Weighted-average common shares outstanding, diluted	<u>3,474</u>	<u>3,670</u>	<u>3,877</u>
Net income per common share from continuing operations attributable to Walmart			
Basic	\$ 4.56	\$ 4.20	\$ 3.74
Diluted	4.54	4.18	3.73

Note 3. Shareholders' Equity

Share-Based Compensation

The Company has awarded share-based compensation to associates and nonemployee directors of the Company. The compensation expense recognized for all plans was \$355 million, \$371 million and \$335 million for fiscal 2012, 2011 and 2010, respectively. Share-based compensation expense is included in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. The total income tax benefit recognized for share-based compensation was \$134 million, \$141 million and \$126 million for fiscal 2012, 2011 and 2010, respectively. The following table summarizes the Company's share-based compensation expense by award type:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2012	2011	2010
Restricted stock and performance share awards	\$ 142	\$ 162	\$ 140
Restricted stock rights	184	157	111
Stock options	29	52	84
Share-based compensation expense	<u>\$ 355</u>	<u>\$ 371</u>	<u>\$ 335</u>

The Company's shareholder-approved Stock Incentive Plan of 2010 (the "Plan") became effective June 4, 2010 and amended and restated the Company's Stock Incentive Plan of 2005. The Plan was established to grant stock options, restricted (non-vested) stock, performance shares and other equity compensation awards 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.

The Plan's award types are summarized as follows:

- Restricted stock grants are awards for shares that vest based on the passage of time, achievement of performance criteria, or both. Performance share awards vest based on the passage of time and achievement of performance criteria and may range from 0% to 150% of the original award amount. Vesting periods for both awards are generally between three and five years. Awards granted before January 1, 2008 may be settled in stock or deferred as stock or cash, based upon the recipient's election. Consequently, these awards are included in accrued liabilities and deferred income taxes and other in the Company's Consolidated Balance Sheets, unless the recipient elected for the award to be settled or deferred in stock. The fair value of the restricted stock and performance share liabilities is remeasured each reporting period and the total liability for these awards at January 31, 2012 and 2011 was \$16 million and \$12 million, respectively. Restricted stock awards and performance share awards issued in fiscal 2009 and thereafter, may be settled or deferred in stock and are accounted for as equity in the Company's Consolidated Balance Sheets. The fair value of these awards is determined on the date of grant using the Company's stock price discounted for the expected dividend yield through the vesting period and is recognized ratably over the vesting period.
- Restricted stock rights provide rights to Company stock after a specified service period. For restricted stock rights issued in fiscal 2009 and thereafter, 50% vest three years from the grant date and the remaining 50% vesting five years from the 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. The expected dividend yield is based on the anticipated dividends over the vesting period. The weighted-average discount for the dividend yield used to determine the fair value of restricted stock rights granted in fiscal 2012, 2011 and 2010 was 11.7%, 9.1% and 8.5%, respectively.
- Stock options allow the associate to buy a specified number of shares at a set price. Options granted generally vest over five years and have a contractual term of ten years. Options may include restrictions related to employment, satisfaction of performance conditions or other conditions. Under the Plan and prior plans, substantially all stock options have been granted with an exercise price equal to the market price of the Company's stock at the date of grant.

In addition to the Plan, the Company's subsidiary in the United Kingdom, ASDA, has two other stock option plans for certain ASDA colleagues. A combined 49 million shares of the Company's common stock were registered under the Securities Act of 1933, as amended, for issuance upon the exercise of stock options granted under the Colleague Share Ownership Plan 1999 (the "CSOP") and the ASDA Sharesave Plan 2000 ("Sharesave Plan").

- The CSOP grants have either a three- or six-year vesting period. The CSOP options may be exercised during the two months immediately following the vesting date.
- The Sharesave Plan grants options at 80% of the Company's average stock price for the three days preceding the grant date. The Sharesave Plan options vest after three years and may generally be exercised up to six months after the vesting date.

The following table shows the activity for each award type during fiscal 2012:

	Restricted Stock and Performance		Restricted Stock Rights		Stock Options ⁽¹⁾	
	Share Awards		Restricted Stock Rights		Stock Options ⁽¹⁾	
	Weighted-		Weighted-		Weighted-	
	Average		Average		Average	
	Grant-Date		Grant-Date		Grant-Date	
	Fair Value		Fair Value		Exercise Price	
(Shares in thousands)	Shares	Per Share	Shares	Per Share	Shares	Per Share
Outstanding at February 1, 2011	13,617	\$ 52.33	16,838	\$ 47.71	33,386	\$ 49.35
Granted	5,022	55.03	5,826	47.13	2,042	42.90
Vested/exercised	(3,177)	51.26	(3,733)	47.26	(13,793)	50.22
Forfeited or expired	(2,142)	52.55	(1,310)	47.92	(1,483)	48.01
Outstanding at January 31, 2012	13,320	\$ 53.56	17,621	\$ 47.76	20,152	\$ 48.21
Exercisable at January 31, 2012					13,596	\$ 50.49

⁽¹⁾ Includes stock option awards granted under the Stock Incentive Plan of 2010, the Colleague Share Ownership Plan 1999 and the ASDA Sharesave Plan 2000.

As of January 31, 2012, the unrecognized compensation cost for restricted stock and performance share awards, restricted stock rights and stock option awards was \$356 million, \$427 million, and \$23 million, respectively, and is expected to be recognized over a weighted-average period of 2.3 years, 2.0 years and 1.0 years, respectively. Additionally, as of January 31, 2012, the weighted-average remaining life for stock options outstanding and stock options exercisable was 4.3 years and 2.9 years, respectively, and the stock options had an aggregate intrinsic value of \$265 million and \$148 million, respectively.

The following table includes additional information related to the restricted stock and performance share awards and the restricted stock rights:

	Fiscal Years Ended January 31,		
	2012	2011	2010
(Amounts in millions)			
Fair value of restricted stock and performance share awards vested	\$ 134	\$ 142	\$ 110
Fair value of restricted stock rights vested	178	50	49

The following table includes additional information related to stock option awards:

	Fiscal Years Ended January 31,		
	2012	2011	2010
(Amounts in millions)			
Fair value of stock options vested	\$ 50	\$ 54	\$ 79
Proceeds from stock options exercised	420	205	111
Intrinsic value of stock options exercised	91	51	39

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. 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. The following table provides the weighted-average assumptions used to estimate the fair values of the Company's stock options granted in fiscal 2012, 2011 and 2010:

	Fiscal Years Ended January 31,		
	2012	2011	2010
Dividend yield ⁽¹⁾	2.9%	2.3%	2.1%
Volatility ⁽²⁾	17.6%	17.1%	18.7%
Risk-free interest rate ⁽³⁾	1.3%	1.8%	1.4%
Expected life in years ⁽⁴⁾	3.0	3.1	3.1
Weighted-average fair value of options granted	\$ 9.61	\$ 12.53	\$ 10.41

⁽¹⁾ Expected dividend yield is based on the anticipated dividends over the vesting period.

⁽²⁾ Expected volatility is based on historical volatility of the Company's stock.

⁽³⁾ Risk-free interest rate is based on the U.S. Treasury yield curve at the time of the grant.

⁽⁴⁾ Expected life in years is based on historical exercise and expiration activity of grants with similar vesting periods.