

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, 2014, 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

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

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, 2014 and 2013, 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, 2014. 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, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended January 31, 2014, 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, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) and our report dated March 21, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Rogers, Arkansas

March 21, 2014

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 \$388 million, \$378 million and \$355 million for fiscal 2014, 2013 and 2012, 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 \$145 million, \$142 million and \$134 million for fiscal 2014, 2013 and 2012, respectively. The following table summarizes the Company's share-based compensation expense by award type:

| (Amounts in millions) | Fiscal Years Ended January 31, | | |
|---|--------------------------------|---------------|---------------|
| | 2014 | 2013 | 2012 |
| Restricted stock and performance share awards | \$ 141 | \$ 152 | \$ 142 |
| Restricted stock rights | 224 | 195 | 184 |
| Stock options | 23 | 31 | 29 |
| Share-based compensation expense | \$ 388 | \$ 378 | \$ 355 |

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 and Performance Share Awards.** Restricted stock awards are for shares that vest based on the passage of time and include restrictions related to employment. 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 these awards are generally between three and five years. Restricted stock and performance share awards may be settled or deferred in stock and are accounted for as equity in the Company's Consolidated Balance Sheets. The fair value of restricted stock awards is determined on the date of grant and is expensed ratably over the vesting period. The fair value of performance share 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 over the vesting period.
- **Restricted Stock Rights.** Restricted stock rights provide rights to Company stock after a specified service period; 50% vest three years from the grant date and the remaining 50% vest 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 2014, 2013 and 2012 was 10.3%, 12.2% and 11.7%, respectively.
- **Stock Options.** 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").

- **CSOP.** 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.
- **Sharesave Plan.** 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.

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The following table shows the activity for each award type during fiscal 2014:

| | Restricted Stock and Performance Share Awards ⁽²⁾ | | Restricted Stock Rights | | Stock Options ⁽¹⁾ | |
|--|--|--|-------------------------|--|------------------------------|---|
| | Shares | Weighted-Average Grant-Date Fair Value Per Share | Shares | Weighted-Average Grant-Date Fair Value Per Share | Shares | Weighted-Average Exercise Price Per Share |
| <i>(Shares in thousands)</i> | | | | | | |
| Outstanding at February 1, 2013 | 12,598 | \$ 57.37 | 17,839 | \$ 49.79 | 10,240 | \$ 47.58 |
| Granted | 3,688 | 76.05 | 5,095 | 77.75 | 1,846 | 56.63 |
| Vested/exercised | (2,445) | 55.31 | (3,998) | 55.33 | (3,421) | 48.88 |
| Forfeited or expired | (3,890) | 61.32 | (1,151) | 60.38 | (415) | 59.43 |
| Outstanding at January 31, 2014 | 9,951 | \$ 63.26 | 17,785 | \$ 55.87 | 8,250 | \$ 48.47 |
| Exercisable at January 31, 2014 | | | | | 3,119 | \$ 48.45 |

(1) Includes stock option awards granted under the Plan, the CSOP and the Sharesave Plan.

(2) Assumes payout rate at 100% for Performance Share Awards.

As of January 31, 2014, the unrecognized compensation cost for restricted stock and performance share awards, restricted stock rights and stock option awards was \$200 million, \$497 million and \$26 million, respectively, and is expected to be recognized over a weighted-average period of 2.0 years, 2.1 years and 2.8 years, respectively. Additionally, as of January 31, 2014, the weighted-average remaining life for stock options outstanding and stock options exercisable was 5.8 years and 2.2 years, respectively, and had an aggregate intrinsic value of \$209 million and \$82 million, respectively.

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

| | Fiscal Years Ended January 31, | | |
|--|--------------------------------|--------|--------|
| | 2014 | 2013 | 2012 |
| <i>(Amounts in millions)</i> | | | |
| Fair value of restricted stock and performance share awards vested | \$ 116 | \$ 155 | \$ 134 |
| Fair value of restricted stock rights vested | 189 | 168 | 178 |

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

| | Fiscal Years Ended January 31, | | |
|--|--------------------------------|-------|-------|
| | 2014 | 2013 | 2012 |
| <i>(Amounts in millions)</i> | | | |
| Fair value of stock options vested | \$ 16 | \$ 33 | \$ 50 |
| Proceeds from stock options exercised | 108 | 320 | 420 |
| Intrinsic value of stock options exercised | 99 | 207 | 91 |

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 2014, 2013 and 2012:

| | Fiscal Years Ended January 31, | | |
|--|--------------------------------|----------|---------|
| | 2014 | 2013 | 2012 |
| Dividend yield ⁽¹⁾ | 2.5% | 2.8% | 2.9% |
| Volatility ⁽²⁾ | 15.2% | 16.2% | 17.6% |
| Risk-free interest rate ⁽³⁾ | 0.4% | 0.6% | 1.3% |
| Expected life in years ⁽⁴⁾ | 3.3 | 3.0 | 3.0 |
| Weighted-average fair value of options granted | \$ 15.27 | \$ 10.57 | \$ 9.61 |

(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.

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. On June 6, 2013, the Company's Board of Directors replaced the previous \$15.0 billion share repurchase program, which had approximately \$712 million of remaining authorization for share repurchases as of that date, with a new \$15.0 billion share repurchase program, which was announced on June 7, 2013. As was the case with the replaced share repurchase program, the current share repurchase program has no expiration date or other restrictions limiting the period over which the Company can make share repurchases. At January 31, 2014, authorization for \$11.3 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings and the market price of its common stock. The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total cash paid for share repurchases for fiscal 2014, 2013 and 2012:

| | Fiscal Years Ended January 31, | | |
|---|--------------------------------|----------|----------|
| | 2014 | 2013 | 2012 |
| <i>(Amounts in millions, except per share data)</i> | | | |
| Total number of shares repurchased | 89.1 | 113.2 | 115.3 |
| Average price paid per share | \$ 74.99 | \$ 67.15 | \$ 54.64 |
| Total cash paid for share repurchases | \$ 6,683 | \$ 7,600 | \$ 6,298 |

Note 4. Accumulated Other Comprehensive Income (Loss)

Effective fiscal 2014, the Company adopted accounting guidance that requires, on a prospective basis, separate disclosure of significant items reclassified out of accumulated other comprehensive income (loss) by component. The following table provides the fiscal 2014, 2013 and 2012 changes in the composition of total accumulated other comprehensive income (loss), including the amounts reclassified out of accumulated other comprehensive income (loss) by component for fiscal 2014:

| | Currency Translation and Other | Derivative Instruments | Minimum Pension Liability | Total |
|---|-----------------------------------|---------------------------|------------------------------|------------|
| <i>(Amounts in millions and net of income taxes)</i> | | | | |
| Balances as of January 31, 2011 | \$ 1,226 | \$ 60 | \$ (640) | \$ 646 |
| Other comprehensive income (loss) | (2,032) | (67) | 43 | (2,056) |
| Balances as of January 31, 2012 | (806) | (7) | (597) | (1,410) |
| Other comprehensive income (loss) | 853 | 136 | (166) | 823 |
| Balances as of January 31, 2013 | 47 | 129 | (763) | (587) |
| Other comprehensive income (loss) before reclassifications | (2,769) | 194 | 149 | (2,426) |
| Amounts reclassified from accumulated other comprehensive income (loss) | — | 13 | 4 | 17 |
| Balances as of January 31, 2014 | \$ (2,722) | \$ 336 | \$ (610) | \$ (2,996) |

Amounts reclassified from accumulated other comprehensive income (loss) for derivative instruments are generally included in interest, net, in the Company's Consolidated Statements of Income, and the amounts related to the minimum pension liability are included in operating, selling, general and administrative expenses in the Company's 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 January 31, 2014 or January 31, 2013.

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

| Check the appropriate box: | |
|-------------------------------------|---|
| <input type="checkbox"/> | Preliminary Proxy Statement |
| <input type="checkbox"/> | Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)) |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement |
| <input type="checkbox"/> | Definitive Additional Materials |
| <input type="checkbox"/> | Soliciting Material Pursuant to §.240.14a-12 |



WAL-MART STORES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

| Payment of Filing Fee (Check the appropriate box): | |
|--|--|
| <input checked="" type="checkbox"/> | No fee required. |
| <input type="checkbox"/> | Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11. |
| | (1) Title of each class of securities to which transaction applies: |
| | (2) Aggregate number of securities to which transaction applies: |
| | (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
| | (4) Proposed maximum aggregate value of transaction: |
| | (5) Total fee paid: |
| <input type="checkbox"/> | Fee paid previously with preliminary materials. |
| <input type="checkbox"/> | Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing. |
| | (1) Amount Previously Paid: |
| | (2) Form, Schedule or Registration Statement No.: |
| | (3) Filing Party: |
| | (4) Date Filed: |

other items. In fiscal 2014, we made enhancements to the IR website to include a special section for investors with a particular interest in environmental, social, and governance (“ESG”) matters. On this section of the IR website, shareholders and other interested parties can access updates regarding Walmart’s initiatives and progress on ESG matters, including archived webcasts that feature company leaders discussing various ESG topics.

Shareholders can also contact IR through our investor hotline at (479) 273-6463, through email at wmirqa@walmart.com, or through providing feedback via our IR smartphone app, WMT IR. The Walmart IR smartphone app is free and available for iPad, iPhone, and Android devices. IR responds to inquiries from shareholders – ranging from individuals to institutional shareholders – and conveys the company’s position on a wide range of issues that matter to our shareholders. When appropriate, the IR team partners with subject matter experts from other company departments, such as legal, compliance, sustainability, operations, merchandising, and other areas to provide additional context and insight regarding the company’s response to a shareholder inquiry. We have had success engaging with parties to understand shareholder concerns and reaching resolutions on issues that are in the best interests of our shareholders. Beyond our standard means of communication, in 2013, members of management spoke at numerous industry and investment community conferences, and we also conducted activities and events such as store tours, investor road shows, analyst meetings, investor conferences, and the 2013 Annual Shareholders’ Meeting. Finally, as noted above, the Board recently amended our Corporate Governance Guidelines to provide that the Board’s independent presiding director will, when deemed appropriate, be available for consultation with major shareholders.

Compensation Committee Report

The CNGC has reviewed and discussed with our company’s management the CD&A included in this proxy statement and, based on that review and discussion, the CNGC recommended to the Board that the CD&A be included in this proxy statement.

The CNGC submits this report:

Aida M. Alvarez
Douglas N. Daft
Linda S. Wolf, *Chair*

Compensation Committee Interlocks and Insider Participation

None of the directors who served on the CNGC at any time during fiscal 2014 (including the current CNGC members listed above on page 26 and Steven S Reinemund, who served on the CNGC until June 7, 2013) were officers or Associates of Walmart or were former officers or Associates of Walmart. Further, none of the members who served on the CNGC at any time during fiscal 2014 had any relationship with our company requiring disclosure under the section of this proxy statement entitled “Related Person Transactions.” Finally, no Executive Officer serves, or in the past fiscal year has served, as a director of, or as a member of the compensation committee (or other board committee performing equivalent functions) of, any entity that has one or more of its executive officers serving as a director of Walmart or as a member of the CNGC.

Audit Committee Report

The Audit Committee consists of four Outside Directors, each of whom has been determined by the Board to meet the heightened independence criteria applicable to Audit Committee members and to satisfy the financial literacy requirements of the NYSE Listed Company Rules and the applicable rules of the SEC. Each member of the Audit Committee has also been determined by the Board to be an “audit committee financial expert” as defined under applicable SEC rules and regulations. The members of the Audit Committee are James I. Cash, Jr.; Pamela J. Craig; Timothy P. Flynn; and Christopher J. Williams, the Chair of the Audit Committee. Additional information regarding the members of the Audit Committee and the Audit Committee’s roles and responsibilities is set forth under “Proposal No. 1 – Election of Directors” and “Board Committees” on pages 11 – 19 and 25 – 26 of this proxy statement.

The Audit Committee held 22 meetings in fiscal 2014, 13 of which related primarily to its ongoing FCPA-related investigation and compliance matters. Additional information about the Audit Committee’s role in the investigation may be found under “Compensation of the Directors” on page 28. During fiscal 2014, at its regularly scheduled in-person meetings, the Audit Committee had separate private sessions with our company’s