

THE COMPANY





SUPERCENTER
TRAM & LAW

11

INVESTMENTS IN BRAZIL
SOUND VALUES, A
RECOGNIZED PRACTICES

THE COMPANY

Worldwide action

Wal-Mart has over 7,600 stores, in countries of America, Asia and Europe

Wal-Mart Brazil is part of a global retail chain whose principle is to sell quality products at low prices. Headquartered in the USA, the company has operations in Argentina, Canada, Chile, China, Costa Rica, El Salvador, Guatemala, Honduras, India, Japan, Mexico, Nicaragua, Puerto Rico and United Kingdom. Today, over 7,600 stores employ around

2 million employees and serve approximately 200 million customers per week. Throughout all markets, it follows the mission of providing real savings so that customers can live better with their saved money.

The company's history started in the 1960's when Sam Walton and his wife Helen - experienced in supermarket management - identified the demand for



a new retail model. In 1962, the first Wal-Mart store opened in Rogers, state of Arkansas. Ten years later, with 15 units, the company's stock was initially offered on the New York Stock Exchange for the necessary infusion of capital to expand even further its businesses.

The company's international expansion started in 1991 and never turned back. At every new advancement, Wal-Mart con-

tributes to develop new regions and new market segments, without losing its cultural unit. At the same time, it respects local particularities and endeavors to work well tuned with the local community. On these lines, it looks for specific strategies for entering each market, usually through acquisitions or partnerships with consolidated local companies. Although independent operations, branches are part of a chain that keeps all in touch to disseminate

products, services and good practices. The company is present in three continents, encompassing around 40 brands.

In Latin America, a recent highlight was the acquisition of the Chilean supermarket chain D&S, the country's largest. The operation was concluded in January 2009 and was part of the chain's international expansion plans, especially in Latin America.



2 million

PROFESSIONALS WORK AT THE CHAIN

COUNTRIES	STORES	EMPLOYEES
Argentina	28	8,805
Brazil	345	74,456
Canada	312	79,461
Chile	209	34,500
China* (Wal-Mart)	249	54,458
(Trust-Mart)	103	35,948
Costa Rica	166	9,246
El Salvador	75	4,551
Guatemala	161	10,010
Honduras	51	2,699
India**	1	170
Japan	371	29,853
Mexico	1,221	156,623
Nicaragua	54	1,808
Puerto Rico	56	13,969
United Kingdom	360	169,100
USA	4,259	1,400,000

Note: as of December 31, 2008

* includes 35% of Trust-Mart chain shares, com 103 stores in the country.

** joint venture with Bharti Enterprises. Forecast is 5 thousand people hired in the next seven years.

Wal-Mart Brazil

History of growth in four regions

Wal-Mart started operations in Brazil in 1995, by opening a SAM'S CLUB in São Caetano do Sul, Greater Sao Paulo, and

extended its presence into the state and also into Paraná, Minas Gerais and Rio de Janeiro in the following years. In 2004, the company expanded into the Northeastern region and had an important addition: the acquisition of Bompreço stores, jumping from 26 to 144 units. More than incorporating stores, the company absorbed their regional characteristics keeping their brands and good practices. The same model was repeated in 2005, when the company acquired the retail division of Sonae Group, with 140 stores in the Southern region.

Today, there are nine different brands - Wal-Mart Supercenter, SAM'S CLUB, Bompreço, Hiper Bompreço, Todo Dia, Maxxi, Mercadorama, Big and Nacional -, which are adapted to the particularities of different publics throughout the country. The company has

345 units, across 18 states and the Federal District. Many of them have additional facilities such as pharmacies, restaurants and photo centers.

Customers also enjoy the electronic sales channel (www.walmart.com.br), created in 2008. In the states of Rio Grande do Sul and Santa Catarina, Maxxi Distribuição sales representatives visit and supply supermarkets and mini-markets in a service provided to small retailers.

The nine Distribution Centers - four are our own facilities -, in Southern, Southeastern and Northeastern regions, are deployed in strategic locations to reduce distances and reduce the environmental impact of transportation. There are other four logistics operators specializing only in perishables. To coordinate operations and manage the entire company, the corporate framework consists of headquarters in Barueri (SP) and branch offices in Curitiba, Porto Alegre, Recife, Salvador and Brasília.



FORMAT	BRAND	STORES
Hypermarket	Hiper Bompreço	32
	Wal-Mart Supercenter	36
	Big	37
Supermarket	Bompreço	63
	Nacional	69
	Mercadorama	24
Neighborhood Market	Todo Dia	39
Wholesale	Maxxi	23
	SAM'S CLUB	22

INVESTMENTS

In 2008, 34 new stores were opened. Considering inaugurations, remodeling and adaptation, the company invested around R\$ 1.2 billion, its largest investment ever in Brazil. Annual revenues reached R\$ 16,952,431,857.39, with a 13% growth over 2007. Expansion plans for 2009 involve the opening of 90 new stores, generating 10 thousand jobs and investments of R\$ 1.6 billion.

The growth strategy encompasses the entire chain, but, since 2006, Wal-Mart has been directing its focus to the attention of

low income population by emphasizing Todo Dia (retail) and Maxxi (wholesale) brands, designed to offer quality products at even lower prices.

The Generic Prescription Program at pharmacies and the opening, in 2008, of three Community Stores - including a Community Center to provide public services - are also part of this commitment and are aligned with the company's business strategies. Social responsibility practices guide our operations throughout the chain and complement the sustainability strategies.

**R\$ 1.2 BILLION WAS
USED TO OPEN
34 STORES AND
REMODEL
EXISTING UNITS**



History of the chain in Brazil

1995

Wal-Mart arrives in Brazil with five units (SAM'S CLUB and Wal-Mart Supercenter) in the Greater Sao Paulo area

1998

Expansion starts into Paraná

2000

First stores inaugurated in Minas Gerais and Rio de Janeiro

2004

With the acquisition of Bompreço assets, the company adds 118 stores to the chain and expands into Northeast

2005

Operations expand into Espírito Santo, Distrito Federal and Goiás, and Bompreço chain is extended. The company acquires the retail division of Sonae group in Brazil, with 140 stores, in the three Southern states and four brands (Big, Nacional, Mercadorama and Maxxi). Wal-Mart Institute is created to concentrate social investments

2006

The chain is expanded – inauguration of 14 new stores – and start of SAM'S CLUB operations in Northeast

2007

The year marked the opening of 19 new stores and the chain modernization, including remodeling in 113 stores and expansion of the Distribution Center in Bahia.

2008

Inauguration of 42 stores (34 new stores and 8 conversions) and expansion into Mato Grosso do Sul. Wal-Mart Supercenter in Campinho (RJ) is a milestone in the eco-efficiency program. With the Community Stores, inaugurated in the Northeastern region, the company launches a new business model, associating retail to a Community Center for services



Todo Dia: a store format growing fast in Brazil

Principles

Sound values and good practices guide the activities

ETHICS AND COMPLIANCE

The company has specific committees to deal with matters related to ethics and compliance. The Compliance Committee is formed by 17 executive officers and is intended to discuss technical topics related to any legislation applicable to the company's businesses.

The Ethics Committee consists of the company's top management and has

the Code of Ethics as a main reference. The document was updated in 2008 with suggestions contributed by all companies of the group from around the world. In Brazil, the Department of Ethics and Compliance adapted the new text to the local culture aiming at stimulating all leaderships to know it and adhere to it. The new Code of Ethics will be released in the first half 2009 and disseminated to all employees, including recycling processes around the year.

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COMMUNICATION CHANNELS, DEPARTMENT OF ETHICS AND COMPLIANCE, AVAILABLE TO ALL EMPLOYEES IN BRAZIL

MISSION

Saving people money so they can live better



VISION

To be Brazil's best retailer in the minds and hearts of consumers

CORPORATE STRATEGIES

- To be the best purchase option and experience to customers
- To focus on low cost and low price
- To grow profitably and continuously
- To engage and motivate employees
- To lead in Sustainability
- To be the best channel between suppliers and consumers

ABOUT 57 THOUSAND EMPLOYEES ATTENDED INTEGRITY AND ANTI-CORRUPTION TRAINING

ANTI-CORRUPTION

In 2008, all units in the chain underwent risk screening and about 57 thousand employees attended audiovisual Integrity and Anti-corruption training. At the offices, 971 leaders - among them managers, directors and vice-presidents - attended hands-on qualification sessions on the topic. As from 2009, the program will be extended to all new employees.

In 2006, the company joined the Business Pact for Integrity and Against Corruption, launched by Ethos Institute. Since 2007, it participates in the Work Group on the subject, and, in 2008, it became a sponsor to the initiative. As a member of the Group's Committee, Wal-Mart Brazil supported the promotion of the 1st Anti-Corruption Workshop, gathering 170 attendees from a number of public and private enterprises and third-sector entities. Still in 2008, it sponsored the 1st Seminar on Ethics and Compliance at Organizations, held by Fundação Getúlio Vargas, with over 350 attendees.

It also sponsored the 2008 issue of the guide "Corporate Social Responsibility in the Electoral Process", prepared by Ethos Institute in partnership with Transparency International. ★¹

CORPORATE GOVERNANCE

Wal-Mart Stores, Inc. controls all affiliates around the world. Headquartered in the USA, it is listed on the New York Stock Exchange since 1972. Please, refer to investor.walmartstores.com for additional information on the company's corporate governance.

The operations in the country are managed by a subsidiary company. Despite not being publicly held, Wal-Mart Brazil follows all international guidelines of the headquarters and assures the control of all processes through external auditors. The service is provided by Ernst & Young and follows all criteria established by the Sarbanes-Oxley Act (SOX), published in 2002, aiming at ensuring transparency in financial management through reliable monitoring and verification mechanisms.

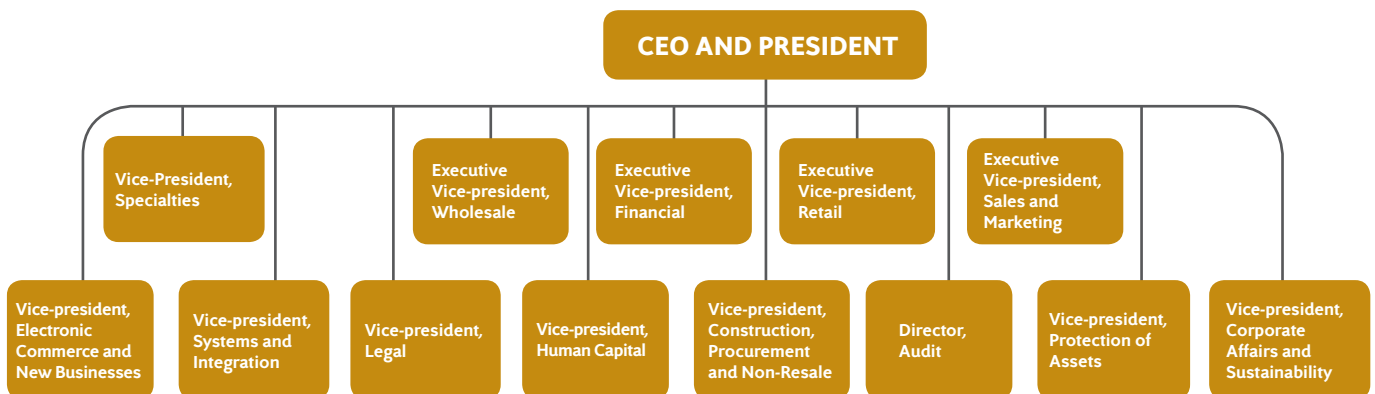
MANAGEMENT

The top decision-making body of the company in Brazil comprises the president and CEO, four executive vice-presidents, and 21 vice-presidents from specific areas. Seven of them report directly to the CEO. The framework is in charge of the company's strategic guidelines. Topics which might constitute conflicts of interest among members are submitted to the committees of Ethics and Compliance.

The progress of strategic planning execution is discussed on a weekly basis by top management, and vice-presidents assemble half-yearly with their teams to follow up results. The assessment process uses tools such as Balance Scorecard and involves economic, social and environmental aspects.

In international meetings held twice a year, top management responsible groups from companies around the world align their strategic actions. ★²

DECISION-MAKING STRUCTURE



Recognition

Wal-Mart achievements were awarded and acknowledged in 2008



CORPORATE

- Wal-Mart Brazil was chosen as one of the 20 model companies in sustainability according to Guia Exame de Sustentabilidade.
- The company won sixth place in the Benchmarking Ranking of the Country's Best in Socio-Environmental Management, promoted by BenchMais, with the program 'Producers' Club'.
- Casa Claudia magazine acknowledged Wal-Mart with the Planet Home Prize, for its own-branded post-consumption recycled PET material blankets.
- In the retail category, Wal-Mart Brazil and Tedesco won the B2B Quality Standard Prize, awarded by B2B Magazine, for the project of standardization and scanning of contracts at the legal department.

COMMUNICATION

- The company was finalist for the USP Award (Sao Paulo University) with the case Communication for Sustainability.
- Wal-Mart Brazil was fifth in Revista Imprensa's rank of the top companies mentioned in sustainability articles in print media.
- The company was second most mentioned in the national media, also in sustainability, according to the DataAberje rank.
- At the Aberje Award, Wal-Mart Brazil was finalist in Communication for Sustainability actions, including initiatives of information and relationship with several stakeholder groups.

TOP OF MIND

- At the Top of Mind 2008, Amanhã magazine, the brand Big was the most recalled in the category supermarkets - Southern Region, and the brand Nacional came second in the same ranking.

WAL-MART INSTITUTE

- Projects "Mulheres de Fibrã", "Grãos" and "Pró-Recife", financed by Wal-Mart Institute, won the Parcerias Prize, promoted by Aliança Intergate and Ação Empresarial pela Cidadania.
- Project "Canta Brasil", a partnership of Hershey Brazil and Wal-Mart Institute, won the Corporate Responsibility Prize awarded by Parceiros Voluntários de Canoas.



Daniela de Fiori receives the Guia Exame de Sustentabilidade award