

**Dinner Presentation by Diane Brisebois  
April 11, 2012**

Corporate Speakers

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| • Jeff Davis       | Wal-Mart International | Treasurer |
| • Carol Schumacher | Wal-Mart International | VP -- IR  |
| • Doug McMillan    | Wal-Mart International | CEO       |

Participants

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| • Diane Brisebois | Retail Council of Canada | President, CEO |
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**PRESENTATION**

Jeff Davis: Good evening, everyone. We're going to go ahead and start this evening's program. But before we do, I'd like to thank everyone here who's come long and far to Ontario to visit with us for our 2012 International Meeting for the investment community.

You may have noticed a couple of changes here in the program already. First, I'm not Carol Schumacher. My name is Jeff Davis. And I am the treasurer for Wal-Mart International. I'm sorry for Wal-Mart. It's the worst (inaudible).

Before we get to our program, tonight's program is being webcast and we will have the presentation that we'll be making this evening not only available for you that are here today with us, but also on our website at [WalMartStores.com](http://WalMartStores.com), at our Investor tab.

And before I go ahead and introduce our guest for this evening, I wanted to give you a little bit of a background on Ms. Diane Brisebois. First of all, she's the President and CEO of Retail Council of Canada, which is the largest association in Canada serving over 450,000 retail establishments. Its membership is represented by all segments of the retail market and includes general merchandise, grocery and pharmacy.

Ms. Brisebois serves and chairs on several different boards. And I just want to give you a sense of some of them. One, she's the Chair of the Forum of International Retail Association Executives. This is a retail association that serves over 35 countries as they collaborate on issues affecting the global retail sector.

She also chairs the Fair Factory Clearinghouse, which uses technology to facilitate and exchange non-competitive information concerning factory compliance to access and improve upon the workplace conditions. She also serves on the advisory board of Ryerson University, the School of Retail Management, and on the University of Alberta School of Retail in Edmonton.

She has received multiple awards over the years and one, most recently in 2003 where she received an Outstanding Achievement Award from the Canadian Office Products Association where she served as President from 1980 to 1994.

This evening we look to hear an exciting presentation and we're honored to have her here to tell us more about what's happening in Canada with respect to retail, the retail customer, and what's going on in the country. Ms. Brisebois.

Diane Brisebois: Thank you. Thank you so much. Thank you.

I'll begin by apologizing in advance. As you can see they were kind enough to provide some Kleenex and some water. And as I'm sure many of you can appreciate, with our travel schedules and Spring break and lots of young kids in airplanes, we end up their little Petri dishes. So, I walk away with lots of stuff. One of it is a bit of a cold.

And thank you. While I'd love to say that we have 450,000 members, we have 45,000 members. But that was very kind. I'm just hoping the revenue will show on our P and L tomorrow with 450,000 members. But we do represent about 85% of everything that is sold in Canada, with the exception of autos. So, a very large association.

Again, good evening. It's a pleasure to be here this evening to provide an overview of Canada, Canadian consumer and Canadian retail sector. I usually speak off-script but because we are speaking to analysts this evening, I thought I would be more disciplined. And so I apologize if, on occasion, I'm looking at my notes. I do hope that you will find this presentation of interest.

So, we'll be talking about Canada and Canadians and as a primer I thought it would be useful to talk about the country, to talk about Canadians and especially Canada as it compares to the United States since most observers often assume that this country is very similar to our neighbors to the south.

Let's begin. With approximately one-tenth of the population of the United States, Canada stands out as having the highest per capita immigration rate among industrialized countries, with more than 1.5 million immigrants since 2001.

So, you'll hear me talk about multi-cultural customers throughout the presentation and, obviously, those numbers are well-supported. Also, more than two-thirds of our population lives in urban centers and our two official languages are English and French, which means all our labeling, all our product information, if sold in Canada, must be in both languages.

Over and above having a strong concentration of the population living in urban centers, approximately 90% of Canadians live within an hour's drive or so of the Canada-US border. So, no surprise that if you follow the Canadian market you will have been reading about cross-border shopping, the impact of cross-border shopping on some communities and, obviously, looking at that map, you'll understand why.

While these figures appearing on the slide are interesting and highlight some of the major differences between both countries, the factoid below I would encourage you to read which brings things in perspective for those who are looking at both Canada and the US and trying to compare performance between US retailers and Canadian retailers, there are more people living in California than there are in all of Canada, while the land mass is equal both in Canada -- or very similar -- both in Canada and the US. So, that obviously brings us some challenges as a Canadian business.

As the previous slide showed, Canada has a 26% higher migrant rate. Invisible minorities are expected to grow at roughly eight times the rate of the rest of the Canadian population over the next two decades. That's eight times. Visible minorities will drive over 70% of all growth in consumer spending in the next two decades, specifically South Asians, those with origins in India, Pakistan, Sri Lanka, will make up the largest visible minority group at about 28% of the whole. The Chinese share is expected to shrink slightly from 24% to 21% and that's due primarily to low birth rate among Chinese-Canadian women.

Retail spending per capita -- maybe I'm moving too quickly here, so let me move to the next one.

Retail spending per capita for Canada and the US, expressed in US dollars are now equal. And that is quite new. As recently as 2005, Canadian retail sales per capital equated to \$8,000 US, while south of the border, American's spending power was 50% higher, at about \$12,000 per capital. So, there's been a lot of catch up and obviously good news for the Canadian market. However, with good news comes some bit of concern as the retail spending increased substantially in Canada, the average household debt of Canadians also followed suit. And as this slide shows, total household debt for a family of four in Canada is now \$176,000 versus \$148,000 in the US. And while Canadians feel more confident about the economy, this level of debt supports our assertion that Canadian consumers will continue to be value conscious in the foreseeable future.

And for those of you who have not been following debt, family debt, or household debt, I should say, both in Canada and in the US very closely or comparing it, this is, in fact, a huge turning point. Us Canadians were always known, certainly until recently, as big savers. There's no accident. And I'll use another retailer as an example. There's no accident that there's a good Scottish guy on the Canadian [tire] dollar.

We were known as Canadians -- cheap may not be the right word, but I'll use it -- always keeping all the money we make and saving it. And, obviously, there's a reversal of fortune as we speak, and excuse the pun, but that in fact does change the retail landscape in Canada substantially.

And as I was talking about multi-culturalism, again, I think it's important to note that this is not just a melting pot. It's not just different communities across the country. But it is, in fact, very multi-cultural in Canada in that generally the Canadian population is well educated. It's also important to note that while currently more confident than US consumers and as noted in previous slides, the quest for the -- the Canadian quest for value continues to be part of the Canadian fabric.

There was a discussion at our table a little while ago and someone asked us can you explain? It is difficult to explain and some people think it's changing because we have a lot of new immigrants in the country. But there is one thing that immigrants learn very quickly when they come to Canada is to become Canadian in that sense. And the fact that they have a quest for value. There's nothing that gets a Canadian more excited than a sale. Often considered, imagined we have a boring life, but that is exciting at least.

Often considered not as loyal as their American counterparts. What's really interesting -- and I'm sure you've noticed it in the factoid below on the slide -- nine out of 10 Canadians participate in loyalty programs. A figure that outpaces the US, China, Brazil, and India.

You know there's a saying, it's said that a Canadian's wallet is always thicker than that of an American. And usually not because he carries more money, but he carries more loyalty cards. And it is the case. If you're from the United States or the U.K., or outside of Canada, I encourage you to walk into some of the stores that support or provide loyalty programs.

And it is fascinating to watch both men and women take their wallets out and literally start taking the cards and looking at their face when they're told that they may not be getting points or that there's no loyalty program. If you want to disappoint a Canadian, you tell him that he can't or she can't get points. We lead a very exciting life in Canada.

As for Canadians embracing e-commerce, I thought I would put some information because one of the most common questions we get why has e-commerce picked up so quickly in the United States? Why is it growing so robustly? And why is it taking a bit longer in Canada?

There are several reasons for them. There's no question, obviously, as you know Canadian e-commerce market has been slower to pick up steam than in the United States. There are some obvious reasons, major obstacles that stood in the way of online buying included until recently limited product selection. Or certainly it seems limited compared to fairly large US websites. But most importantly, a lot of people forget this, the lack of a catalogue culture that facilitates buying products sight unseen. It is something that's taken for granted in the United States. Certainly not in Canada. And Canada, until just recently, when polled Canadians said apart from buying travel and maybe books and a few other items online, they still felt that it was important to see, to touch and to compare in person. However, saying that, that is changing. Excuse me. That's changing quickly.

Other obstacles. As you saw, the size of the country and the population, high shipping costs and a high awareness -and I would even suggest -- especially compared to the US -- a paranoia about privacy and security. Canada has very, very strict privacy laws and that's no accident. However, saying all of that, those are all sorts of reasons why it took longer.

But we do believe that, as do several e-commerce experts, that over the next few years e-commerce in Canada will begin to realize its potential.

As noted on this side, e-Marketer estimates consumers in Canada will more than double their purchases online within the next couple of years. Now, obviously, that includes all purchases. But, importantly, it does show a substantial increase in activity.

And what's most bizarre, interesting about the Canadian market when you're talking about e-commerce is that Canadian consumers score high on internet use. In fact, Canadians use web services such as online banking at a higher percentage rate than Americans. In fact, I've surprised many of us, Canada ranks number one in the world for online banking. So, it's not that they don't feel comfortable online. There are obviously a lot of other obstacles.

Many in the room who cover the Canadian market would suggest it's maybe because there's just not enough choice here. But if they can easily shop anywhere around the world, those numbers would be greater. So, there are obviously some things that consumers are starting to get used to that they were not comfortable with in previous years or else those numbers would certainly be reflected in that slide.

The aggressive entry of US web retailers into Canadian e-commerce may be one of the reasons why we see accelerated market growth. Major retailers in Canada know that they must have a viable e-commerce business or risk losing market share. Retailers in Canada are also realizing that the online buyer population is diversifying beyond the young adults who are traditionally, as we all know, early adopters.

In the latest poll, it showed that online shopping in Canada was becoming and reflecting profiles in the United States, meaning that it was becoming more mainstream with more middle age, middle income consumers discovering e-commerce's convenience and expanded product selection.

So, as more than 76% of -- I'm talking about e-commerce but I want to come back and talk about what does all this mean if we're looking at the Canadian consumer. And I think the one thing I can't repeat more often than anything else through this presentation is that, in fact -- and I think I may have -- more than 76% of Canadians describe themselves as cost-conscious. I don't think I could repeat that often enough.

Let me go back to a slide that I showed a little bit earlier on about loyalty cards. One of the things that may surprise many of you from the US or outside of Canada, Europe and other parts of the world is that we often are perceived as very kind, very generous, and very loyal individuals. Not. We are kind, but we are not loyal. In fact, that is one of the reasons why we have so many loyalty cards. And as Wal-Mart Canada knows, it's a very, very, very, very thin line.

But there's another message also for those who may not know about the Canadian market. They may have been reading analysts' reports or economists' reports, which is always the ones that keep me awake at night. The Canadian retail landscape is extremely competitive. It is and it continues to be competitive. And the Canadian consumer is a tough nut to crack.

There's been a lot of media attention around the price differences between products sold in Canada and the US. Certainly a lot about the fact that Canada is under-stored. I am here to tell you that if, in fact, that is the basis of your thinking about the retail sector, you are absolutely wrong.

Canadian consumers do have some similar habits. One of them mentioned below -- Black Friday and Cyber Monday. Not because they think it's a cool thing to be like an American on Black Friday. It's cool because they can get a deal. And they will, if they don't get it here, they'll cross the border. And reminding all of us that close to 90% of our population lives within an hour of the border.

So, that means the Canadian retailers, regardless if they're foreign or not, but doing business in Canada have to be competitive because within an hour they can lose their customer. I apologize. Thank you.

So, let's talk about the retail sector in Canada. It's \$454 billion. But specifically the market that we cover total sales are \$297 billion. That's as of end of 2011. The largest category representing 35% being food and beverage. The next category, 19% of all store sales, less auto, is general merchandise. So, a fairly robust market in Canada considering the size of the population.

The next one is a busy slide. And for good reason. It shows the selection of new retail entrants into the Canadian marketplace since the late '80s. As many of the new entrants are US-based, Canada is the largest and closest, and most importantly, most similar market to the US. Thus, it's not surprising that, as I said, most of them -- or the new entrants, I should say, in the last 20 years are US-based. It's logical because it makes it easier for them to test their international expansion, they are familiar with the market, and they often use it as a good pilot to further their growth.

As this slide shows, by the end of 2009, 57 companies, or 47% of the top 120 leading retailers in Canada were foreign owned and operated. And they accounted for more than \$85 billion in sales. And that number has grown and continues to grow since those figures were tabulated.

So, what does that all mean when we're looking at a Canadian consumer who is more confident than a US consumer but yet still cautious, is still value-driven with a very large country where the concentration of the market are in very few urban centers. And so we expect to see in Canada continued consolidated and continued competition resulting in lower prices.

Allow me to make a couple of comments as you look at this slide which is pretty self-explanatory to talk about or to make some comments about the arrival of Target, since there's so much speculation about its impact on the Canadian retail scene. I think we'll all agree there's no question that Target is a formidable competitor. But for those who don't know the Canadian market well, I think and I would, in fact, suggest - and it is our estimation -- that it would be a mistake to assume that Target will be a game changer.

We believe they will, however, have an impact on some sectors within retail. But they will also find a very competitive market at the top end. And by that I mean with large players already well-established in Canada such as Wal-Mart, Labla, Shoppers Drug Mart, Costco, Canadian Tire, just to name a few.

Most well-established North American retailers will tell you that Canadians shop for different things in Canada. One cannot underestimate the differences between both markets and the fact that Canada has a unique multi-cultural society.

Target will have an impact but will be entering a competitive market, regardless of what some observers have stated in the past.

And looking at other trends -- the blurring of channels or retail convergence will continue to play an important role in shaping our industry in Canada. Canadian consumers are time-starved, focused on value and convenience. The competition will center on a retailer's ability to draw customers to its different formats or channels providing great assortments and, obviously, as a good Canadian, great prices.

I wanted to add this slide because it's often said that Canada lags behind the US in regards to retail square footage per capita. Using national level statistics, the US has, indeed, more retail square footage per capita than Canada. While some believe that our market is under-served, many also now believe that the retail sector in the US is overbuilt.

It should also be noted that one of the many challenges in Canada for foreign retailers and, indeed, established retailers and new entrants is to maintain -- and I should basically I think -- let me focus first on new entrants because a lot of people assume that it is easy to come into Canada and it is then challenging for many retailers who have had to go back and readjust the business model.

And one of the reasons for that is that many of them believe that they can maintain the same cost structure and operational efficiencies as they do in US stores. And, in fact, that is not always the case; and usually not the case at all in Canada.

And here are some of the reasons. With a high concentration of customers living in a limited number of urban centers in Canada, it's challenging to find available space, a space that will reach those customers. And it should be noted, also contrary to the US, zoning regulations in Canada are a lot less amiable. And, in fact, there's a much larger concentration of leases in Canada than ownership and a lot less municipalities open to new large developments.

So, it is more expensive. It takes more time. And that's the reason why we also believe that the new entrants will be coming in through acquisition more often than not because it is challenging to find the space required to be able to get scale as quickly as possible in this country.

So, let me just quickly give you an overview of the major differences that we've talked about. I think it's important to say that Canada is still a very strong, healthy, and viable market; but it is distinct. Retail sales have been robust compared to most other countries, considering the challenges that we have faced globally on the economic front. Canada, though, is a federation. It is highly decentralized with provinces controlling more and more of the regulatory power. Provinces rarely work together, thus there is very little harmonization between jurisdictions.

It's often said that it's easier and cheaper to transport goods from one Canadian province into the US than it is to transport goods from one province to another in Canada. And that is because we are a federation and the provinces set regulations. And unfortunately, often there is no harmonization.

From a transportation logistics perspective, one has to spend quite a bit of time and money in Canada to reach a population that is no more than 10% of that of the US, but with a land mass as large as that of the US

And, finally, in Canada corporate social responsibility is very much on consumers' mind. It's part of the landscape and retailers are expected to be good citizens, to be engaged and present in their communities and supportive of good causes and environmentally friendly.

And, finally, I was asked in closing to talk about some of the issues that are keeping retailers awake at night and, indeed, the Retail Council of Canada. One of the issues that is not commonly known to analysts outside of Canada -- and I'd even suggest to analysts and economists in Canada -- is the impact of import duties on Canadian retailers.

Now, as Canadian retailers become stronger and stronger importers, as our domestic manufacturing decreases substantially, that means that duties have a huge impact on the price of goods, especially when comparing them to the United States. I've chosen to use hockey often here an example because that really burns my -- I'll be nice -- I won't say the word I want to use.

But considering that we're a hockey country you would think this government would have figured out it should get rid of import duties on finished goods especially when those goods are sports and hockey related and they're no longer made in Canada. But that is a huge impediment for retailers, certainly challenging for large companies like Wal-Mart and others who are trying to remain competitive and provide value to their customers.

The second one is -- I love this map. For anyone who does retail in Canada it has scale and scope. They look at this and they just shake their head. This is the number of legislated waste diversion programs that retailers must manage and implement with suppliers across the country. Now, what's the question that we need to ask? You'll see electronics. You'll see oil. You'll see some of the diagrams. These are in the different provinces.

You would think that if you're managing or helping to manage an electronic program so that you ensure that the product does not go into landfill that those programs would be similar. But leave it to Canada -- and we love doing this -- none of these programs are run the same way.

None of them are [arm] and harmonize, which means that you have to run and manage 50 different programs and, hopefully, eventually, we will get the provinces to understand that this is a huge impediment, and, obviously, a regulatory burden.

A lot of people compare us to California. There is actually no question that retailers are extremely patient here and optimistic because they have to deal with a lot of regulations across the country. And we're starting to see that seep through municipalities. Why is that important? That has a huge impact on the cost of doing business in Canada.

And so, in conclusion, I think to leave you with these thoughts. Canadians will continue to be focused on value. That is their nature. That is the way they have always spent their money in Canada. That's the way. That's their behavior within the retail environment, be it online or be it in a store. We will see an increase in emphasis on e-commerce, especially since the figures show that Canadians are starting to embrace online shopping both in Canada and abroad. We suspect that we will see more and more convergence.

The large players are all in each other's back yard, so to speak, and we certainly see consumers starting to embrace multi-shopping -- what we call multi-shopping -- shopping in different product categories within one major retailer, which is presenting challenges to the large grocery players in the country.

We're going to see some changes in the stores to be able to get closer to the urban customer. And, as I mentioned, corporate social responsibility and sustainability will continue to be the mainstay. And I suspect this is the last one. Thank you very much.

Carol Schumacher: Diane, thank you. I am Carol Schumacher, not Jeff Davis. And on behalf of Wal-Mart we do appreciate you coming and giving us a viewpoint the retail landscape here. I think you do have some time for some questions from the audience.

Diane Brisebois: Well, maybe just a comment in closing. I apologize. I was kind of trying to rush here because I have the clock ticking the other way, which meant I had gone a bit over. But I was hoping with the wine you wouldn't notice.

So, let me just say in closing -- and someone mentioned that I should for those who are not familiar with Canadians it's said that as Canadians we've been so busy explaining to the Americans that we aren't British and to the British that we aren't Americans that we haven't had time to become Canadians ourselves. But the one thing we know is that Canadians will always defined as value-conscious. So, if that's the last thing I can leave you with, that will be it. Thank you.

Carol Schumacher: So, on behalf of Wal-Mart, we appreciate you being here. And maybe a couple of questions.

Diane Brisebois: (Inaudible) that if I didn't know the answer I'd ask him to stand and answer the question for me. So, Perry, why don't you wave at everybody so they know who you are? He said he would leave and go to the washroom. He didn't so I thought I'd catch him. So, I'd be pleased to answer some questions if there are any.

Carol Schumacher: We do have a couple of people with microphones in the audience. If you have a question, just please raise your hand.

Diane Brisebois: And I will not be offended if there's no question. But, Perry?

## QUESTION AND ANSWER SESSION

Unidentified Audience Member: The [Bull] case on the Canadian opportunity for the American retailers, as you point out, is that it's an under-penetrated market and you reference that retail spending per capita is actually equal to the US, but yet the space is less. So, where else are people doing their shopping? Is it across the border? Obviously, it's not online since the numbers are so low.

Diane Brisebois: Well, we have to be careful when we're using those figures. While the per capita spending is equal, let's keep in mind that we're also comparing it -- and it should have been added on the slide -- with a very strong Canadian dollar. So, it's the strength of the Canadian dollar that has also brought up the strength of spending per capita.

But I will say, though, that there has been increased spending in the country. If you look at up to about two years ago, the growth in retail -- the retail growth in Canada has been substantial. It's between 5% and 10%, depending on the years that we would be looking at. But, certainly, much healthier than growth in the United States.

So, there's no question that we -- and it was a bit confusing for analysts as much as for retailers because it happened fairly quickly. Canadians have always been fairly conservative. And then we saw a fairly rapid shift and we saw a substantial growth in spending. And it has slowed down somewhat, but there's no question if we're looking at the first three months this year, the numbers are very encouraging. So, it appears that Canadian consumers, regardless of the kind of debt they carry, still feel very confident and are out there shopping.

I could say it and make my host happy that they're all shopping at Wal-Mart. Many of them are, obviously. Yes.

Doug McMillan: Diane, what should Wal-Mart do to improve in this market?

Diane Brisebois: That's an unfair question.

Unidentified Audience Member: Speak the truth.

Diane Brisebois: Speak the truth? Okay. I'll speak the truth. With Target coming into Canada, there is a perception -- and I don't think it's fair that it be just about Wal-Mart -- but there's a perception that service in Canada is not as good as service in the United States. I believe there will be an increased expectation that Wal-Mart be very service-oriented.

I think there will be a lot of attention paid to the number of people waiting in line at the cache. That whole check-out experience. There is absolutely no question that Wal-Mart will be compared constantly with Target, fair or unfair. But perception is reality. This is retail. And those who analyze and report often don't care if it's reality.

So, if I have to say one thing, that would be it. I would pay attention to the way the stores look, the feeling in the store and how quickly people are served at the cash register because Target does a good job at that. Is that honest enough? Yes?

Unidentified Audience Member: Can you talk about the challenges the retailers face with the -- certainly versus the US -- the immigration, and as the retailers have to continually change the assortment in their stores? That's the first question. And secondly, can you also just talk about the supply chain and distribution centers and how that's structured here maybe versus the US, especially with so much of the population near the border?

Diane Brisebois: The distribution or logistics is an interesting question. But let me answer, or try to answer, the first part of your question on the dealing with immigration, or high immigration and a changing

population. It's not fairly new for Canada. But saying that, most retailers up to, I would say, maybe 10 or eight years ago were not very good at responding to the special needs of immigrants across the country. Those who did it fairly well I would say were in the food sector.

But most of the large mass merchants today who are doing well in Canada are serving those communities well. They are able and they seem to be able, and that's because they have good systems in place and good data. And they are able to deliver the right assortment in the right regions, in the right stores.

To say that that's happening right across the board in all sectors of retail, no. But I think that that's why specialty retailers will be very, very challenged. Smaller retailers will be challenged as the mass merchants and other big players -- I didn't mention Dollar Stores. I didn't mention warehouse clubs and others. You know, Shoppers Drug Mart. Drug chains are very, very strong in Canada. And very, very good at developing customer assortments across their chains.

As for distribution centers, I can't really comment on that. I don't know as much as I should, so I don't want to mislead you. But, certainly, the gentleman that's sitting behind you there, Dave, is certainly a good guy to talk to after I'm off-stage. Or, in fact, Perry. Would you like to answer that question?

Unidentified Company Representative: I think you'd summarized it as the best of different parts of the world. So, if you took the Wal-Mart system in Canada, fresh replenishment is lifted straight out of the U.K. It's pure stock, nothing's (inaudible) in the DCs. I think it's pretty unique across North America. It allows us to get product to stores very, very quickly. But yet the general notion of slow-moving is straight from the US. We have the same automation, the same systems there. So, it's been one of the advantages in being quite a new business, we've been able to pick and choose from different methodologies around the world.

Obviously, the biggest difference for us here is the drive distances so we're somewhat over 400 miles depot to here versus just over 120, I think it is, in the US, and about 30 in the U.K. So, we have to be pretty passionate about moving things efficiently and cubing out.

So, you'd find that if you're at the back door of the store you'd find a lot more trucks -- I still call them lorries -but trucks will arrive, bulk loaded full to ceiling were being unloaded at store; whereas in the U.K. you'd never see that. It would be pallet size to easy unload. So, it's a bit of the best of everything. It's a hybrid.

Carol Schumacher: Diane, I think we have one more over here on the right side.

Unidentified Audience Member: Hi. Thanks. I'm wondering if you could talk about private label food and general merchandise programs versus branded, and how well they are received in Canada? Thanks.

Diane Brisebois: Our private label is extremely well-received in Canada, both in food and non-food. Obviously, in food, certainly more prominent than in non-food. But non-food is growing at a rapid pace. Just to give you a sense of how strong it is, there's the Canadian Consumer Goods Manufacturers are, in fact, very concerned that the private brands -- retail private brands -- are taking a good chunk of their market. So much so that they've asked the Competition Bureau to look at the practices of retailers. And we've suggested that they should just look at their prices.

But there is -- I think why it works in Canada is because of the profile I provided about the consumer. And also because I think Canadian retailers have done a good job at developing private label. One of the best examples would be President's Choice, which most people know from Labatts. And there are several other examples.

But, certainly, they're used to -- most consumers in Canada will not equate private label with a less-than-good product or cheaper product, but in fact, with equally good if not better. So, that's the reason why we've seen that growth and most retailers have done a very good job at it.

So, I would suspect that we're going to continue to see a private label take a greater share of the market. And I think that that will also occur because Canadian prices will continue to be compared to US prices. And Canadian retailers will have to find a special edge to make sure they remain competitive and keep customers in Canada.

I can't downplay Costco, the shopping we're talking about. Millions and millions of day trips. So, that does have an impact for retailers who have major stores within driving distance of US-Canada border.

The other thing I wanted to add, too, that I did not mention early on but with speaking with Shelly, we were thinking -- we were talking about in Canada there's a mistake when we compare food retailers in the US with food retailers in Canada. And one of the things that stands out the most is if you look at discount food in Canada versus discount food in the US, it's night and day.

It's a lot more sophisticated here. It certainly -- it's a better variety, it's better delivered than it is in the United States. So, it's a fairly sophisticated market. And it's also there's a high concentration of private brand in that segment of the industry. I haven't put anybody to sleep yet. So, that's a good sign. But I think that's it.

Carol Schumacher: Yes. Diane, thank you so much.

Diane Brisebois: It's my pleasure. Thank you very much.

Carol Schumacher: And we do have a couple of announcements about our meeting for tomorrow. So, we kick off with breakfast. Breakfast will be served between 6.30 and 7.30. In true Wal-Mart fashion, we do start early. And Canada is no exception. Our meeting will kick off just as tonight with a webcast. We will be starting our presentations at 7.45. And that presentation will kick off with some information and a presentation from Doug McMillan, the CEO of Wal-Mart International.

And Doug, if you didn't pick up, was the one who asked the second question about what Wal-Mart could do better in Canada. Doug will be also having a partner in his presentation, Kathy Smith, who is our CFO for Wal-Mart International who will join Doug in that presentation.

That'll be followed by a presentation on the region that Dave Cheesewright heads up, which includes EMEA. That stands for Europe, Middle East, and Asia, as well as Canada. And then that will flow into our full presentation on Wal-Mart Canada.

Following the presentation on Wal-Mart Canada, we will have something new in our format for the international meeting. And that is a series of breakout sessions. When you registered, you had the opportunity to pick two of the three topics that we're offering tomorrow. And if you look at the back of your badge, you will see the information about which sessions you'll be attending.

And you will have, again, two of the three on your schedule. All three will eventually be available on our website. Two will be broadcast live, and the second one will be taped and then put on the website for viewing. So, even though you're attending here only two, you will have access to the information for all three on our website.

At that point, then, we're going to break and we will be heading out to stores. We have three really great stores for you to see here. One is the Urban 90 Proto, which many of you have asked about. And that is one of our new formats obviously geared for more of the urban markets. We do have an inbox conversion for you to see. And we also have a relatively new super center, all of which the three have very different characteristics in terms of demographics. So, a very full program for you.

Also, on the back of your tag is bus information. There are some of you who will be heading out immediately to the airport after the tour. If you're on that bus and you've noted that you're going to be going straight to the airport, when we break for lunch, you need to make sure and take all your things with you

because you will be heading right to the airport. For those of you who are coming back, we close with a reception back here tomorrow evening.

And that's a chance for you to meet again with members of the Wal-Mart Canada management team and also come back and have some of the questions that you may still have, especially after the store tours. And so that will be an opportunity for you to gain a little more knowledge about our business.

As you saw tonight, we've given you some hard copies of the presentation that you heard on the retail landscape here in Canada. As you go through the presentations tomorrow, you will get copies of the slides which will allow for easy note taking. But in true Wal-Mart fashion, we're trying to be more sustainable, so the rest of the information that we're giving you will come on a USB drive when you leave and you'll get an index to that as well as a lot more information about our business.

So, we hope that this information that you heard tonight is just setting the stage for much more about what you'll hear from us and what you'll see and learn about our business over the next day here tomorrow.

If you do have any questions, or you haven't had a chance to register tonight, we will have registration set up again at the entrance to the downstairs conference center first thing in the morning. But otherwise, we look forward to seeing you at breakfast and then kicking off with a great meeting tomorrow on Wal-Mart Canada.

So, again, thank you for coming, some of you from far away. We appreciate not only your interest and support of our company, but your particular interest in our Canadian business. So, have a great evening and we'll see you tomorrow.