

Walmart Inc

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Wal-Mart hopes dashed as Asda chain hits record low sales growth

Wal-Mart Stores (NYSE:WMT) has cut back its sales expectations for the year as it missed its forecasts in the final quarter of 2015.

The US retail giant said sales fell by 2.2% to \$14.5bn during the fourth quarter, while full-year revenues were 1.4% lower at \$129.7bn.

The Asda chain owner blamed strengthening currency impacts as well as a hike in its store closure plans for the sales drop, as well as stalling sales growth in its U.S. business.

Wal-Mart shares were 4.1% lower at \$63.45, despite the firm upping its dividend by 2% to \$2 per share.

In the fourth quarter of last year, sales at Wal-Mart's U.S. stores ticked up 0.6%, marking the sixth straight quarterly gain, but this was lower than market hopes for a rise of around 1%.

Doug McMillon, chief executive, said: "We are seeing momentum in our Wal-Mart U.S. business," adding that the company was pleased with its "fundamental trends".

For the quarter, Wal-Mart reported a profit of US\$4.57bn, or \$1.43 per share, down from \$4.97bn, or US\$1.53 a share, a year earlier.

The world's largest retailer, which reported earnings of \$4.57 per share last year, has knocked back its forecasted earnings in 2016 to between \$4 and \$4.30 a share, adding that sales growth will likely be "relatively flat".

Previously, it had forecast revenue growth of between 3% and 4%, but a rise in employee wages, improved stock in its stores and the impact of the recently announced store closures will all adversely impact sales.

Things were no better in the UK, where its Asda brand suffered its worst quarterly sales on record.

The supermarket chain saw revenue drop 5.8% over the final three months of 2015, with like-for-like sales 4.7% lower for the year compared to 2014.

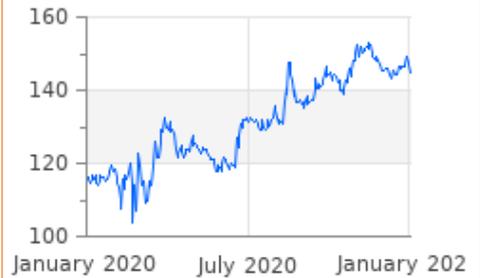
Based on these new numbers, Asda had the worst performance of any of the big supermarkets over Christmas.

Chief executive of Asda, Andy Clarke, said the results "were not what we had forecast," after he said in the second quarter of last year that the grocer had reached its lowest point.

Price: 144.64

Market Cap: \$409.23 billion

1 Year Share Price Graph



Share Information

Code: WMT

Listing: NYSE

52 week	High	Low
	153.4	102

Sector: Retail

Website: stock.walmart.com

Company Synopsis:

Walmart, Inc. (NYSE: WMT) serves customers and members more than 200 million times per week at more than 8,000 retail units under 55 different banners in 15 countries.

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