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<p ALIGN="CENTER"> </p>
</b>

<p ALIGN="CENTER"><b>UNITED STATES<br>
SECURITIES AND EXCHANGE COMMISSION<br>
Washington, D.C. 20549<br>
FORM 10-K</b></p>

<p ALIGN="JUSTIFY">[X] Annual report pursuant to section 13 or 15(d) of the Securities
Exchange<br>
    Act of 1934 for the fiscal year ended January 31, 2000, or<br>
[ ] Transition report pursuant to section 13 or 15(d) of the Securities<br>
    Exchange Act of 1934<br>
    Commission file number 1-6991.</p>

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  </tr>
  <tr>
    <td width="743" colspan="2"><p align="center">(Exact name of registrant as specified in
    its charter)</td>
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    <td width="375" align="center">Delaware</td>
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    <td width="375" align="center">(State or other jurisdiction of</td>
    <td width="364" align="center">(IRS Employer</td>
  </tr>
  <tr>
    <td width="375" align="center">incorporation or organization) </td>
    <td width="364" align="center">Identification No.)</td>
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    <td width="364"></td>
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  <tr>
    <td width="375" align="center">Bentonville, Arkansas</td>
    <td width="364" align="center">72716</td>
  </tr>
  <tr>
    <td width="375" align="center">(Address of principal executive offices)</td>
    <td width="364" align="center">(Zip Code)</td>
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  <tr>
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    <td width="743" colspan="2">Securities registered pursuant to Section 12(b) of the Act:</td>
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  <tr>
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  <tr>
    <td width="375"></td>
    <td width="364" align="center">Name of each exchange</td>
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    <td width="375"><p align="center"><u>Title of each class</u></td>
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    <td width="364" align="center">New York Stock Exchange</td>
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    <td width="375" align="center">per share</td>
    <td width="364" align="center">Pacific Stock Exchange</td>
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    </td>
  </tr>
  <tr>
    <td width="743" colspan="2">Securities registered pursuant to Section 12(g) of the Act:
    None</td>
  </tr>
</TABLE>

<p ALIGN="JUSTIFY">    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. </p>

<p ALIGN="JUSTIFY">Yes <u>X </u>   No <u></p>
</u>

<p ALIGN="JUSTIFY">    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&#146;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.    [ ]</p>

<p ALIGN="JUSTIFY">    The aggregate market value of the voting stock held
by non-affiliates of the registrant, based on the closing price of these shares on the New
York Stock Exchange on March 31, 2000, was $146,684,895,928. For the purposes of this
disclosure only, the registrant has assumed that its directors, officers and</p>

<p ALIGN="center"><strong>Page 1 of 25 (Form 10-K)</strong></p>

<p ALIGN="center"> </p>

<p ALIGN="JUSTIFY">beneficial owners of 5% or more of the registrant&#146;s common stock
are the affiliates of the registrant.</p>

<p ALIGN="JUSTIFY">    The registrant had 4,454,034,171 shares of common
stock outstanding as of March 31, 2000. </p>
<u><b>

<p ALIGN="CENTER">DOCUMENTS INCORPORATED BY REFERENCE</p>
</b></u>

<p ALIGN="JUSTIFY">    Portions of the registrant&#146;s Annual Report to
Shareholders for the fiscal year ended January 31, 2000, are incorporated by reference
into Parts I and II of this Form 10-K.</p>

<p ALIGN="JUSTIFY">    Portions of the registrant&#146;s definitive Proxy
Statement for the Annual Meeting of Shareholders to be held June 2, 2000, are incorporated
by reference into Part III and IV of this Form 10-K.</p>
<u><b>

<p ALIGN="CENTER">FORWARD-LOOKING STATEMENTS OR INFORMATION</p>
</b></u>

<p ALIGN="JUSTIFY">    This Form 10-K includes certain statements that may
be deemed to be &quot;forward-looking statements&quot; within the meaning of the Private
Securities Litigation Reform Act of 1995. Statements included or incorporated by reference
in this Form 10-K which address activities, events or developments that the Company
expects or anticipates will or may occur in the future, including such things as future
capital expenditures (including the amount and nature thereof), expansion and other
development trends of industry segments in which the Company is active, business strategy,
expansion and growth of the Company&#146;s business and operations and other such matters
are forward-looking statements. Although the Company believes the expectations expressed
in such forward-looking statements are based on reasonable assumptions within the bounds
of its knowledge of its business, a number of factors could cause actual results to differ
materially from those expressed in any forward-looking statements, whether oral or
written, made by or on behalf of the Company. Many of these factors have previously been
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identified in filings or statements made by or on behalf of the Company.</p>

<p ALIGN="JUSTIFY">    All phases of the Company&#146;s operations are
subject to influences outside its control. Any one, or a combination, of these factors
could materially affect the results of the Company&#146;s operations. These factors
include: the cost of goods, competitive pressures, inflation, consumer debt levels,
currency exchange fluctuations, trade restrictions, changes in tariff and freight rates,
Year 2000 issues, unemployment levels, interest rate fluctuations and other capital market
and economic conditions. Forward-looking statements made by or on behalf of the Company
are based on a knowledge of its business and the environment in which it operates, but
because of the factors listed above, actual results may differ from those in the
forward-looking statements. Consequently, all of the forward-looking statements made are
qualified by these and other cautionary statements, and there can be no assurance that the
actual results or developments anticipated by the Company will be realized or, even if
substantially realized, that they will have the expected consequences to or effects on the
Company or its business or operations.</p>

<p ALIGN="CENTER"><strong>Page 2 of 25 (Form 10-K)</strong></p>

<p ALIGN="CENTER"> </p>
<b>

<p ALIGN="CENTER">WAL-MART STORES, INC.<br>
ANNUAL REPORT ON FORM 10-K <br>
FOR THE YEAR ENDED JANUARY 31, 2000</p>
<u>

<p ALIGN="CENTER">PART I</p>

<p ALIGN="JUSTIFY">ITEM 1</u>. <u>BUSINESS</p>
</u></b>

<p ALIGN="JUSTIFY">        Wal-Mart Stores, Inc.
(together with its subsidiaries hereinafter referred to as the &quot;Company&quot;) is the
world&#146;s largest retailer measured by total revenues. During the fiscal year ended
January 31, 2000, the Company had net sales of $165,013,000,000.</p>

<blockquote>
  <blockquote>
    <b><p ALIGN="JUSTIFY">(a) <u>Development of Business</p>
    </u></b>
  </blockquote>
</blockquote>

<p ALIGN="JUSTIFY">        Domestically, at January 31,
2000, the Company operated 1,801 discount stores, 721 Supercenters, and 463 SAM&#146;S
Clubs. Tables summarizing information concerning additions of units and square footage for
domestic discount stores, Supercenters and SAM&#146;S Clubs in fiscal years 1995 through
2000, are included as Schedules A and B to Item 1 found on pages 11 and 12 of this annual
report.</p>

<p ALIGN="JUSTIFY">        In the third quarter of
fiscal 2000, the Company acquired ASDA Group PLC (ASDA), the third largest retailer in the
United Kingdom with, at that time, 229 stores. In June and July of 1999, the Company
acquired 29% of the outstanding ASDA shares on the open market and made a cash tender
offer for all remaining ASDA shares other than shares held by shareholders residing in
certain countries. As of the end of the third quarter of fiscal 2000, the Company had
acquired 100% of the outstanding shares of ASDA. The acquired assets are included in the
Company&#146;s consolidated balance sheet as of January 31, 2000, and five months of
results of ASDA operations are included in the Company&#146;s consolidated statements of
income for the year ended January 31, 2000. ASDA reports on a December 31 year-end,
therefore ASDA results are consolidated on a trailing month reporting basis.</p>

<p ALIGN="JUSTIFY">        In fiscal 2000, the Company
increased its investment in Korea by acquiring most of the minority interest in its
operations in Korea from its joint venture partner. The Company anticipates that the
remaining minority interest will be acquired in early fiscal 2001. </p>

<p ALIGN="JUSTIFY">        See Note 6 of Notes to
Consolidated Financial Statements incorporated by reference in Item 8 of Part II found on
page 19 of this annual report for additional information regarding our acquisitions. </p>

<p ALIGN="JUSTIFY">        Internationally, at January
31, 2000, the Company operated units in Argentina(13), Brazil(14), Canada(166),
Germany(95), Korea(5) Mexico(458), Puerto Rico(15)and the United Kingdom (232), and, under
joint venture agreements in China(6). Tables summarizing information concerning additions
of units and square footage for international units operated since January 31, 1995 is
included as Schedule C to Item 1, found on pages 13 and 14 of this annual report.</p>

<p ALIGN="center"><strong>Page 3 of 25 (Form 10-K)</strong></p>

<p ALIGN="center"> </p>

<p ALIGN="JUSTIFY">In the fourth quarter of fiscal 2000, the Company joined with Accel
Partners, a Silicon Valley based venture capital firm, to form Wal-mart.com, Inc.
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Wal-Mart.com, Inc. will base its operations in Palo Alto, California and was formed to
further develop and operate the internet retail site, Wal-Mart.com, and to further the
Company&#146;s efforts to attract customers to the Company&#146;s internet site with the
Wal-Mart name.</p>

<blockquote>
  <blockquote>
    <b><p ALIGN="JUSTIFY">(b) <u>Financial information about the Company&#146;s industry <br>
    </u>    <u>segments</p>
    </u></b>
  </blockquote>
</blockquote>

<p ALIGN="JUSTIFY">        The Company is principally
engaged in the operation of mass merchandising stores, which serve our customers primarily
through the operation of three segments.</p>

<p ALIGN="JUSTIFY">        The Company identifies
segments based on management responsibility within the United States and geographically
for all international units. The Wal-Mart Stores segment includes the Company&#146;s
discount stores and Supercenters in the United States. The SAM&#146;S Club segment
includes the warehouse membership clubs in the United States. The International segment
includes all operations in Argentina, Brazil, Canada, China, Germany, Korea, Mexico,
Puerto Rico and the United Kingdom. For the financial results of the Company&#146;s
operating segments, see Note 9 of Notes to Consolidated Financial Statements incorporated
by reference in Item 8 of Part II, found on page 19 of this annual report.</p>

<blockquote>
  <blockquote>
    <b><p ALIGN="JUSTIFY">(c) <u>Narrative Description of Business</p>
    </u></b>
  </blockquote>
</blockquote>

<p ALIGN="JUSTIFY">        The Company, a Delaware
corporation, has its principal offices in Bentonville, Arkansas. Although the Company was
incorporated in October 1969, the businesses conducted by its predecessors began in 1945
when Sam M. Walton opened a franchise Ben Franklin variety store in Newport, Arkansas. In
1946, his brother, James L. Walton, opened a similar store in Versailles, Missouri. Until
1962, the Company&#146;s business was devoted entirely to the operation of variety stores.
In that year, the first Wal-Mart Discount City (discount store) was opened. In fiscal
1984, the Company opened its first three SAM&#146;S Clubs, and in fiscal 1988, its first
Wal-Mart Supercenter (combination full-line supermarket and discount store). In fiscal
1992, the Company began its first international initiative when the Company entered into a
joint venture in which it had a 50% interest with Cifra S.A. de C.V. (Cifra). The
Company&#146;s international presence has continued to expand and at January 31, 2000, the
Company had international operations in eight countries and Puerto Rico. In February 2000,
Cirfa officially changed its name to Wal-Mart de Mexico, S.A. de C.V.</p>
<u><b>

<p ALIGN="JUSTIFY">WAL-MART STORES OPERATING SEGMENT</p>
</b></u>

<p ALIGN="JUSTIFY">        The Wal-Mart Stores segment,
which includes the Company&#146;s discount stores and Supercenters in the United States,
had sales of $108,721,000,000, $95,395,000,000 and $83,820,000,000 for the three fiscal
years ended January 31, 2000, 1999, and 1998, respectively. During the most recent fiscal
year, no single discount store or Supercenter location accounted for as much as 1% of
total Company sales or net income. See Note 9 of Notes to Consolidated Financial</p>

<p ALIGN="center"><strong>Page 4 of 25 (Form 10-K)</strong></p>

<p ALIGN="center"> </p>

<p ALIGN="JUSTIFY">Statements incorporated by reference in Item 8 of Part II, found on
page 19 of this annual report for additional information regarding our operating segments.
</p>

<p ALIGN="JUSTIFY"><strong>        </strong><u><b>General.</b></u>
The Company operates Wal-Mart discount stores in all 50 states. The average size of a
discount store is approximately 94,800 square feet. Wal-Mart Supercenters are located in
34 states and the average size of a Supercenter is 181,300 square feet. The Supercenter
prototypes range in size from 110,000 square feet to 241,000 square feet. </p>

<p ALIGN="JUSTIFY"><b>        <u>Merchandise.</u></b>
Wal-Mart discount stores and the general merchandise area of the Supercenters are
generally organized with 40 departments and offer a wide variety of merchandise, including
apparel for women, girls, men, boys and infants. Each store also carries domestics,
fabrics and notions, stationery and books, shoes, housewares, hardware, electronics, home
furnishings, small appliances, automotive accessories, horticulture and accessories,
sporting goods, toys, pet food and accessories, cameras and supplies, health and beauty
aids, pharmaceuticals and jewelry. In addition, the stores offer an assortment of grocery
merchandise, with the grocery assortment in Supercenters being broader and including meat,
produce, deli, bakery, dairy, frozen foods and dry grocery.</p>
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<p ALIGN="JUSTIFY">        Nationally advertised
merchandise accounts for a majority of sales in the stores. The Company markets lines of
merchandise under store brands including but not limited to &quot;Sam&#146;s American
Choice&quot;, &quot;One Source&quot;, &quot;Great Value&quot;, &quot;Ol&#146; Roy&quot;
and &quot;Equate&quot;. The Company also markets lines of merchandise under licensed
brands, some of which include &quot;Faded Glory&quot;, &quot;Kathie Lee&quot;, &quot;White
Stag&quot;, &quot;Puritan&quot;, &quot;Better Homes &amp; Gardens&quot;, &quot;Popular
Mechanics&quot;, &quot;Catalina&quot;, &quot;McKids&quot;, and &quot;Basic
Equipment&quot;.</p>

<p ALIGN="JUSTIFY">        During the fiscal year ended
January 31, 2000, sales in discount stores and Supercenters (which are subject to seasonal
variance) by product category were as follows:</p>
</font><div align="center"><center>

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    and beauty aids</small></font></td>
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<p ALIGN="JUSTIFY"> </p>

<p ALIGN="JUSTIFY">   <u>Operations.</u> Hours
of operation for nearly all Supercenters and an increasing number of discount stores are
24 hours each day. Hours of operation</p>

<p ALIGN="center">Page 5 of 25 (Form 10-K)</p>

<p ALIGN="center"> </p>

<p ALIGN="JUSTIFY">for the remaining discount stores vary by location, but generally range
from 7:00a.m. to 11:00 p.m., six days a week, and from 10:00 a.m. to 8:00 p.m. on Sundays.
Wal-Mart discount stores and Supercenters maintain uniform prices, except where lower
prices are necessary to meet local competition. Sales are primarily on a self-service,
cash-and-carry basis with the objective of maximizing sales volume and inventory turnover
while minimizing expenses. Bank credit card programs, operated without recourse to the
Company, are available in all stores.</p>

<p ALIGN="JUSTIFY">   <u>Seasonal Aspects of
Operations.</u> The Wal-Mart Stores operating segment’s business is seasonal to a
certain extent. Generally, the highest volume of sales occurs in the Company’s fourth
fiscal quarter and the lowest volume occurs during its first fiscal quarter.</p>

<p ALIGN="JUSTIFY">   <u>Competition.</u>
Wal-Mart discount stores compete with other discount, department, drug, variety and
specialty stores, many of which are national chains. Wal-Mart Supercenters compete with
other supercenter-type stores, discount stores, supermarkets and specialty stores, many of
which are national or regional chains. The Company also competes with others for new store
sites. As of January 31, 2000, based on net sales, the Wal-Mart Stores segment ranked
first among all retail department store chains and among all discount department store
chains.</p>

<p ALIGN="JUSTIFY">   The Company’s
competitive position within the industry is largely determined by its ability to offer
value and service to its customers. The Company has many programs designed to meet the
competitive pressures within its industry. These include the Company’s "Everyday
Low Price", "Item Merchandising", "Store-Within-a-Store" and
"Price Rollbacks" programs. Although the Company believes it has had a major
influence in most of the retail markets in which its stores are located, there is no
assurance that this influence will continue. </p>

<p ALIGN="JUSTIFY">   <u>Distribution.</u>
During fiscal 2000, approximately 83% of the Wal-Mart discount stores’ and
Supercenters’ purchases were shipped from Wal-Mart’s 45 distribution centers,
ten of which are grocery distribution centers, and two of which are import distribution
centers. The balance of merchandise purchased was shipped directly to the stores from
suppliers. The 45 distribution centers are located throughout the continental United
States. Five distribution centers are located in each of Arkansas and Texas; three in each
of South Carolina and New York; two in each of California, Florida, Georgia, Indiana,
Mississippi, and Pennsylvania; and one in each of Alabama, Arizona, Colorado, Iowa,
Illinois, Kansas, Kentucky, Michigan, New Mexico, North Carolina, Ohio, Oklahoma, Oregon,
Tennessee, Utah, Virginia and Wisconsin. </p>
<u>

<p ALIGN="JUSTIFY">SAM’S CLUB OPERATING SEGMENT</p>
</u>

<p ALIGN="JUSTIFY">   The SAM’S Club segment,
which includes the warehouse membership clubs in the United States, had sales of
$24,801,000,000, $22,881,000,000 and $20,668,000,000 for the three fiscal years ended
January 31, 2000, 1999, and 1998, respectively. During the most recent fiscal year, no
single club location accounted for as much as 1% of total Company sales or net income. See
Note 9 of Notes to Consolidated Financial Statements incorporated by reference in Item 8
of</p>

<p ALIGN="center">Page 6 of 25 (Form 10-K)</p>

<p ALIGN="center"> </p>

<p ALIGN="JUSTIFY">Part II found on page 19 of this annual report for additional
information regarding our segments. </p>

<p ALIGN="JUSTIFY">   <u>General.</u> The
Company operates SAM’S Clubs in 48 states. The average size of a SAM’S Club is
approximately 121,700 square feet, and club sizes generally range between 90,000 and
154,000 square feet of building area.</p>

<p ALIGN="JUSTIFY">   <u>Merchandise</u>. SAM’S
Clubs offer bulk displays of name brand hardgood merchandise, some softgoods and
institutional size grocery items, and selected items under the "Member's Mark"
store brand. Generally each SAM’S Club also carries software, electronic goods,
jewelry, sporting goods, toys, tires, stationery and books. Most clubs have fresh food

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departments, which include bakery, meat and produce. In addition, some clubs offer
one-hour photo, embroidery departments, pharmaceuticals, optical departments and gas
stations. </p>

<p ALIGN="JUSTIFY">        During the fiscal year ended
January 31, 2000, sales in the clubs (which are subject to seasonal variance) by product
category were as follows:</p>
</font><div align="center"><center>

<table BORDER="1" CELLSPACING="1" CELLPADDING="7" WIDTH="337">
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    CATEGORY</small></b></font></td>
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    OF SALES</small></b></font></td>
  </tr>
  <tr>
    <td WIDTH="167" VALIGN="TOP"><font FACE="Courier"><p ALIGN="JUSTIFY"><small>Food</small></font></td>
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<p ALIGN="JUSTIFY"></u> </p>
<b>

<p ALIGN="JUSTIFY">       <u>Operations.</u> </b>Operating
hours vary among SAM&#146;S Clubs, but they are generally open Monday through Friday from
10:00 a.m. to 8:30 p.m. Saturday from 9:30 a.m. to 8:30 p.m. and Sunday from 11:00 a.m. to
6:00 p.m. </p>

<p ALIGN="JUSTIFY">        SAM&#146;S Clubs are
membership only, cash-and-carry operations. However, a financial service credit card
program (Discover Card) is available in all clubs and the &quot;SAM&#146;S Direct&quot;
commercial finance program and &quot;Business Revolving Credit&quot; are available to
qualifying business members. Also, a &quot;Personal Credit&quot; program is available to
qualifying club members. Any credit extended to members under these programs is without
recourse to the Company. Club members include businesses and those individuals who are
members of certain qualifying organizations, such as government and state employees and
credit union members. In fiscal 2000, business members paid an annual membership fee of
$30 for the primary membership card with a spouse card available at no additional cost.
The annual membership fee for an individual member is $35 for the primary membership card
with a spouse card available at no additional cost. During fiscal 2000, SAM&#146;S Clubs
launched an Elite Membership program which offers additional benefits such as long
distance service, roadside assistance, internet access, home improvement, Telebank,
business insurance and financial planning, auto brokering, pharmacy discounts, and
entertainment savings guides to Elite Members. The annual membership fee for an Elite
Member is $100.</p>

<p ALIGN="center"><strong>Page 7 of 25 (Form 10-K)</strong></p>

<p ALIGN="JUSTIFY"> </p>

<p ALIGN="JUSTIFY"><b>        <u>Seasonal Aspects of
Operations.</u></b> The SAM&#146;S Club operating segment&#146;s business is seasonal to a
certain extent. Generally, the highest volume of sales occurs in the Company&#146;s fourth
fiscal quarter and the lowest volume occurs during its first fiscal quarter.</p>

<p ALIGN="JUSTIFY"><b>        <u>Competition.</u></b>
SAM&#146;S Clubs compete with other warehouse clubs, as well as with discount retailers,
wholesale grocers and general merchandise wholesalers and distributors. The Company also
competes with others for new club sites. As of January 31, 2000, based on domestic U.S.
net sales, the SAM&#146;S Club segment ranked first among all warehouse clubs.</p>
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<p ALIGN="JUSTIFY">   <u>Distribution.</u>
During fiscal 2000, approximately 57% of the SAM’S Club purchases were shipped from
the Segment’s distribution facilities. The balance was shipped directly to the clubs
location from suppliers. Operationally, the principal focus is on crossdocking product,
while maintaining stored inventory is minimized. A combination of 6 Company owned and
operated facilities and 19 third-party owned and operated facilities comprise the overall
distribution structure for the SAM’s Club segment. Two of the Company owned and
operated facilities are located in Texas with one located in each of Arkansas, Colorado,
Minnesota and Indiana. Of the third party owned and operated facilities, two are located
in each of Illinois, Ohio and Texas and one in each of Arizona, Arkansas, California,
Florida, Georgia, Maryland, Michigan, Missouri, New Hampshire, Nevada, North Carolina,
Pennsylvania and Washington.</p>

<p ALIGN="JUSTIFY"> </p>
<u>

<p ALIGN="JUSTIFY">INTERNATIONAL OPERATING SEGMENT</p>
</u>

<p ALIGN="JUSTIFY">   The Company’s
International Segment is comprised of wholly owned operations in Argentina, Canada,
Germany, Korea, Puerto Rico and the United Kingdom; of operations through joint ventures
in China; and of opertions through majority-owned subsidiaries in Brazil and Mexico. Sales
for the three fiscal years ended January 31, 2000, 1999 and 1998, were $22,728,000,000,
$12,247,000,000 and $7,517,000,000, respectively. During the most recent fiscal year, no
single location accounted for as much as 1% of total Company sales or net income. See Note
9 of Notes to Consolidated Financial Statements incorporated by reference in Item 8 of
Part II found on page 19 of this annual report for additional information regarding our
segments.</p>

<p ALIGN="JUSTIFY">   <u>General.</u>
Operating formats vary by country, but include Wal-Mart discount stores in Canada and
Puerto Rico; Supercenters in Argentina, Brazil, China, Korea and Mexico; SAM’S Clubs
in Brazil, China, Mexico, and Puerto Rico; Hypermarkets in Germany; Superamas (traditional
supermarket), Bodegas (discount store), Aurreras (combination store), Suburbias (specialty
department store) and Vips (restaurant) in Mexico and ASDA stores (combination grocery and
apparel store) in the United Kingdom. In March 2000, the Company announced the sale of</p>

<p ALIGN="center"> </p>

<p ALIGN="JUSTIFY">all three of the Company’s SAM’S Clubs in Argentina. The sale
is being made so that the Company can concentrate on expanding its Supercenter business
within Argentina.</p>

<p ALIGN="JUSTIFY">   <u>Merchandise.</u>
The merchandising strategy in the International operating segment is similar to that of
domestic segments in the breadth and scope of merchandise offered for sale. While brand
name merchandise accounts for a majority of sales, several store brands not found in the
United States have been developed to serve customers in the different markets in which the
International segment operates. In addition, steps have been taken to develop
relationships with local vendors in each country to ensure reliable sources of quality
merchandise.</p>

<p ALIGN="JUSTIFY">   <u>Operations.</u>
The hours of operation for operating units in the international division vary by country
and by individual markets within countries, depending upon local and national ordinances
governing hours of operation. While sales are primarily on a cash-and-carry basis, credit
cards or other consumer finance programs exist in certain markets to facilitate the
purchase of goods by the customer.</p>

<p ALIGN="JUSTIFY">   <u>Seasonal Aspects of
Operations.</u> The International operating segment’s business is seasonal to a
certain extent. Generally, the highest volume of sales occurs in the Company’s fourth
fiscal quarter. The seasonality of the business varies by country due to different
national and religious holidays, festivals and customs, as well as different climatic
conditions.</p>

<p ALIGN="JUSTIFY">   <u>Competition.</u>
The International operating segment competes with a variety of local, national and
international chains in the discount, department, drug, variety, specialty and wholesale
sectors of the retail market. The segment’s competitive position is determined, to a
large extent, by its ability to offer its customers low prices on quality merchandise that
offers exceptional value. In Supercenters, our ability to effectively operate the food
departments has a major impact on the segment’s competitive position in the markets
where we operate.</p>

<p ALIGN="JUSTIFY">   <u>Distribution.</u>
The International segment operates export consolidation facilities in Los Angeles,
California; Jacksonville, Florida; Seattle, Washington; and Laredo, Texas in support of
product flow to its Mexican, Asian, and Latin American markets. Distribution facilities
are located in Argentina, Brazil, Canada, China, Germany, Puerto Rico, the United Kingdom
and Mexico which process and distribte both imported and domestic product to the operating
units. Operationally, the principal focus is on crossdocking product, while maintaining

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stored inventory is minimized. During fiscal 2000, approximately 80% of the International
merchandise purchases flowed through these distribution facilities. The balance was
shipped directly to the stores from suppliers. A combination of Company owned and operated
facilities and third-party facilities comprises the overall distribution structure for
International logistics.</p>

<p ALIGN="center"><strong>Page 9 of 25 (Form 10-K)</strong></p>

<p ALIGN="center"> </p>
<u><b>

<p ALIGN="JUSTIFY">OTHER</p>
</b></u>

<p ALIGN="JUSTIFY">        The sales reported in the
&quot;Other&quot; category included in Note 9 of Notes to Consolidated Financial
Statements incorporated by reference in Item 8 of Part II found on page 19 of this annual
report, result from sales to third parties by McLane Company, Inc. (McLane). McLane is a
wholly-owned wholesale distributor that sells its merchandise to a variety of retailers,
primarily in the convenience store industry. McLane also services Wal-Mart discount
stores, Supercenters and SAM&#146;S Clubs. Sales to third parties for the three fiscal
years ended January 31, 2000, 1999 and 1998 were $8,763,000,000, $7,111,000,000 and
$5,953,000,000 respectively. McLane offers a wide variety of grocery and non-grocery
products, including perishable and non-perishable items. The non-grocery products consist
primarily of tobacco products, general merchandise, health and beauty aids, toys and
stationery.</p>

<p ALIGN="JUSTIFY">        During fiscal 2000, McLane
divested its food distribution centers and constructed one new grocery distribution center
leaving 16 distribution centers from which its customers, including the Company, are
served. The distribution centers are located in the continental United States with two
located in each of California and Texas, and one each in Arizona, Alabama, Colorado,
Florida, Georgia, Illinois, Kentucky, Mississippi, New York, North Carolina, Virginia and
Washington.</p>
<u><b>

<p ALIGN="JUSTIFY">Employees (Associates).</p>
</b></u>

<p ALIGN="JUSTIFY">As of January 31, 2000, the Company employed approximately 1,140,000
associates worldwide, with approximately 885,000 in the United States and 255,000
internationally. Most associates participate in incentive programs, which provide the
opportunity to receive additional compensation based upon the Company&#146;s productivity
or profitability.</p>

<p ALIGN="center"><strong>Page 10 of 25 (Form 10-K)</strong></p>

<p ALIGN="center"> </p>
<b>

<p ALIGN="CENTER"><font size="3">WAL-MART STORES, INC. AND SUBSIDIARIES<br>
SCHEDULE A TO ITEM 1 -<br>
WAL-MART STORES SEGMENT STORE COUNT AND NET SQUARE FOOTAGE GROWTH<br>
YEARS ENDED JANUARY 31, 1995 THROUGH 2000</font></b></font></p>
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    <td WIDTH="332" VALIGN="bottom" COLSPAN="4"><font FACE="Courier"><p ALIGN="CENTER"><small>Wal-Mart<br>
    <u>Discount stores</u></small></font></td>
    <td WIDTH="120" VALIGN="bottom" COLSPAN="2"><font FACE="Courier"><p ALIGN="CENTER"><small>Wal-Mart<br>
    <u>Supercenters</u></small></font></td>
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    Total</small></u></font></td>
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    <td WIDTH="61" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="left"><small>Closed</small></u></font></td>
    <td WIDTH="95" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="CENTER"><small>Conversions</small><br>
    <small>(1)</small></u></font></td>
    <td WIDTH="62" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="left"><small>Total</small></u></font></td>
    <td WIDTH="59" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="left"><small>Opened</small></u></font></td>
    <td WIDTH="47" VALIGN="TOP"><font FACE="Courier"><u><small>Total</small></u></font></td>
    <td WIDTH="54" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="CENTER"><small>Opened</small><br>
    <small>(2)</small></u></font></td>
    <td WIDTH="52" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="CENTER"><small>Closed</small></u></font></td>
    <td WIDTH="63" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER"><small>Ending<br>
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  <u>Balance</u></small></font></td>
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    <td WIDTH="93" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER"><small>179,335,436</small></font></td>
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<p><small>(1) Wal-Mart discount store locations relocated or expanded as Wal-Mart
Supercenters.</small><br>
<small>(2) Total opened net of conversions of Wal-Mart discount stores to Wal-Mart
Supercenters</small><br>
</p>

<p ALIGN="center"><strong>Page 11 of 25 (Form 10-K)</strong></p>
</font><font SIZE="4">

<p ALIGN="CENTER"> </p>
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<p ALIGN="CENTER">WAL-MART STORES, INC. AND SUBSIDIARIES<br>
SCHEDULE B TO ITEM 1 - <br>
SAM'S CLUB SEGMENT CLUB COUNT AND NET SQUARE FOOTAGE GROWTH<br>
YEARS ENDED JANUARY 31, 1995 THROUGH 2000</p>
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    <small>Ended</small></font></td>
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    Clubs</small></u></font></td>
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    <td WIDTH="62" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="CENTER"><small>Opened</small></u></font></td>
    <td WIDTH="72" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="CENTER"><small>Closed</small></u></font></td>
    <td WIDTH="75" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="CENTER"><small>Total</small></u></font></td>
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    Clubs</small></u></font></td>
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    <td WIDTH="114" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="CENTER"><small>Net
    Additions</small></u></font></td>
    <td WIDTH="96" VALIGN="TOP"><font FACE="Courier"><u><p ALIGN="CENTER"><small>Total</small></u></font></td>
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    <td WIDTH="96" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER"><small>51,710,424</small></font></td>
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<strong>Page 12 of 25 (Form 10-K)</strong></p>

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<p ALIGN="CENTER">WAL-MART STORES, INC. AND SUBSIDIARIES<br>
SCHEDULE C TO ITEM 1 - INTERNATIONAL SEGMENT UNIT COUNT<br>
YEARS ENDED JANUARY 31, 1995 THROUGH 2000</p>
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    <u>Supercenters</u></font></td>
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    <u>Clubs</u></font></td>
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    <u>Supercenters</u></font></td>
    <td WIDTH="59" VALIGN="bottom" height="43" align="center"><font face="Courier" size="2">SAM&#146;S<br>
    <u>Clubs</u></font></td>
    <td WIDTH="42" VALIGN="bottom" height="43" align="center"><font face="Courier" size="2"> 
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    <u>Supercenters</u></font></td>
    <td WIDTH="53" VALIGN="bottom" height="32" align="center"><font face="Courier" size="2">SAM&#146;S<br>
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<p><br>
* At January 31, 2000, includes 36 Aurreras (combination stores), 68 Bodegas (discount
stores), 51 Suburbias (specialty department stores), 38 Superamas (traditional
supermarkets), and 204 Vips (restaurants).</p>

<p align="center"><strong>Page 13 of 25 (Form 10-K)</strong></p>

<p> </p>
<b>

<p ALIGN="CENTER">WAL-MART STORES, INC. AND SUBSIDIARIES<br>
SCHEDULE C TO ITEM 1 - INTERNATIONAL NET SQUARE FOOTAGE GROWTH<br>
YEARS ENDED JANUARY 31, 1995 THROUGH 2000</p>
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    <td WIDTH="81" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
    <td WIDTH="77" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
    <td WIDTH="82" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
    <td WIDTH="81" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
  </tr>
  <tr>
    <td WIDTH="42" VALIGN="TOP"><font face="Courier" size="2">1998</font></td>
    <td WIDTH="77" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">145,558</font></td>
    <td WIDTH="72" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">462,214</font></td>
    <td WIDTH="81" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">2,449,369</font></td>
    <td WIDTH="77" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">2,449,369</font></td>
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  <tr>
    <td WIDTH="42" VALIGN="TOP"><font face="Courier" size="2">1999</font></td>
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    <td WIDTH="72" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">687,041</font></td>
    <td WIDTH="81" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">6,845,491</font></td>
    <td WIDTH="77" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">9,294,860</font></td>
    <td WIDTH="82" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">553,683</font></td>
    <td WIDTH="81" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">553,683</font></td>
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    <td WIDTH="42" VALIGN="TOP"><font face="Courier" size="2">2000</font></td>
    <td WIDTH="77" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">125,150</font></td>
    <td WIDTH="72" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">812,191</font></td>
    <td WIDTH="81" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
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    <td WIDTH="82" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">71,042</font></td>
    <td WIDTH="81" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">624,725</font></td>
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    <td width="695" align="center"><font face="Courier" size="2"><u><b>NET SQUARE FOOTAGE</b></u></font></td>
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    Fisal Year<br>
    <u>Ended</u></font></td>
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</td>
    <td WIDTH="179" VALIGN="bottom" COLSPAN="2" align="center"><font face="Courier" size="2"><u>Puerto
    Rico</u></font></td>
    <td WIDTH="192" VALIGN="bottom" COLSPAN="2" align="center"><font face="Courier" size="2"><u>United
    Kingdom</u></font></td>
  </tr>
  <tr>
    <td WIDTH="88" VALIGN="bottom" align="center"><font face="Courier" size="2">Net<br>
    <u>Additions</u></font></td>
    <td WIDTH="85" VALIGN="bottom" align="center"><font face="Courier" size="2"><u>Total</u></font></td>
    <td WIDTH="99" VALIGN="bottom" align="center"><font face="Courier" size="2">Net<br>
    <u>Additions</u></font></td>
    <td WIDTH="78" VALIGN="bottom" align="center"><font face="Courier" size="2"><u>Total</u></font></td>
    <td WIDTH="91" VALIGN="bottom" align="center"><font face="Courier" size="2">Net<br>
    <u>Additions</u></font></td>
    <td WIDTH="91" VALIGN="bottom" align="center"><font face="Courier" size="2"><u>Total</u></font></td>
  </tr>
  <tr>
    <td WIDTH="55" VALIGN="TOP"> </td>
    <td WIDTH="88" VALIGN="TOP"> </td>
    <td WIDTH="85" VALIGN="TOP"> </td>
    <td WIDTH="99" VALIGN="TOP"> </td>
    <td WIDTH="78" VALIGN="TOP"> </td>
    <td WIDTH="91" VALIGN="TOP"> </td>
    <td WIDTH="91" VALIGN="TOP"> </td>
  </tr>
  <tr>
    <td WIDTH="55" VALIGN="TOP"><font face="Courier" size="2">1995</font></td>
    <td WIDTH="88" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">3,718,910</font></td>
    <td WIDTH="85" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">4,970,473</font></td>
    <td WIDTH="99" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">266,279</font></td>
    <td WIDTH="78" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">835,186</font></td>
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    <td WIDTH="55" VALIGN="TOP"><font face="Courier" size="2">1996</font></td>
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    <td WIDTH="99" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">470,266</font></td>
    <td WIDTH="78" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">1,305,452</font></td>
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    <td WIDTH="91" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
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  <tr>
    <td WIDTH="55" VALIGN="TOP"><font face="Courier" size="2">1997</font></td>
    <td WIDTH="88" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">1,032,603</font></td>
    <td WIDTH="85" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">7,015,810</font></td>
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    <td WIDTH="78" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">1,305,452</font></td>
    <td WIDTH="91" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
    <td WIDTH="91" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
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  <tr>
    <td WIDTH="55" VALIGN="TOP"><font face="Courier" size="2">1998</font></td>
    <td WIDTH="88" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">10,292,640</font></td>
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    <td WIDTH="99" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">342,888</font></td>
    <td WIDTH="78" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">1,648,340</font></td>
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    <td WIDTH="91" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
  </tr>
  <tr>
    <td WIDTH="55" VALIGN="TOP"><font face="Courier" size="2">1999</font></td>
    <td WIDTH="88" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">714,459</font></td>
    <td WIDTH="85" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">18,022,909</font></td>
    <td WIDTH="99" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">100,250</font></td>
    <td WIDTH="78" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">1,748,590</font></td>
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    <td WIDTH="91" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
  </tr>
  <tr>
    <td WIDTH="55" VALIGN="TOP"><font face="Courier" size="2">2000</font></td>
    <td WIDTH="88" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">1,696,475</font></td>
    <td WIDTH="85" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">19,719,384</font></td>
    <td WIDTH="99" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">0</font></td>
    <td WIDTH="78" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">1,748,590</font></td>
    <td WIDTH="91" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">18,825,234</font></td>
    <td WIDTH="91" VALIGN="TOP"><font face="Courier" size="2"><p ALIGN="CENTER">18,825,234</font></td>
  </tr>
</TABLE>
</center></div><font FACE="Courier"><b><u>

<p align="center"></u><strong>Page 14 of 25 (Form 10-K)</strong><u></p>
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</u></b>

<p align="center"> </p>

<p><b><u>ITEM 2.</u> <u>PROPERTIES</u></b></p>

<p ALIGN="JUSTIFY">        The number and location of
domestic and international Wal-Mart discount stores, Supercenters and SAM&#146;S Clubs is
incorporated by reference to the table under the caption &quot;Fiscal 2000 End of Year
Store Counts&quot; on page 6 of the Annual Report to Shareholders for the year ended
January 31, 2000.</p>

<p ALIGN="JUSTIFY">        The Company owns 1,352 of
the properties on which domestic discount stores and Supercenters are located and 295 of
the properties on which domestic SAM&#146;S Clubs are located. In some cases, the Company
owns the land associated with leased buildings. New buildings, both leased and owned, are
constructed by independent contractors.</p>

<p ALIGN="JUSTIFY">        The remaining buildings in
which its present domestic locations are located are either leased from a commercial
property developer, leased pursuant to a sale/leaseback arrangement or leased from a local
governmental entity through an industrial revenue bond transaction. All of the
Company&#146;s leases for its stores provide for fixed annual rentals and, in many cases,
the leases provide for additional rent based on sales volume.</p>

<p ALIGN="JUSTIFY">        Domestically, the Company
operated 45 Wal-Mart distribution facilities and 16 McLane distribution facilities as of
January 31, 2000. These distribution facilities are primarily owned by the Company, and
several are subject to mortgages granted to secure loans. Some of the distribution
facilities are leased under industrial development bond financing arrangements and provide
the option of purchasing these facilities at the end of the lease term for nominal
amounts.</p>

<p ALIGN="JUSTIFY">        The Company owns office
facilities in Bentonville, Arkansas that serve as the home office for the Company and an
office facility in Temple, Texas which serves as the home office for McLane.</p>

<p ALIGN="JUSTIFY">        Internationally, the Company
has a combination of owned and leased properties in each country in which the operating
units are located. The Company owns seven properties in Argentina, nine properties in
Brazil, 11 properties in Canada, one property in China through joint venture, 19
properties in Germany, five properties in Korea, 186 properties in Mexico, two properties
in Puerto Rico  and 83 properties in the Undited Kingdom in which the operating units
are located, with the remaining units in each country being leased.</p>

<p ALIGN="JUSTIFY">        The Company utilizes both
owned and leased properties for office facilities in each country in which it conducts
business.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 3.</b></u> <u><b>LEGAL PROCEEDINGS</p>
</b></u>

<p ALIGN="JUSTIFY">        The Company is not a party
to any material pending legal proceedings. Neither the Company nor any of its properties
is subject to any material pending legal proceeding, other than routine litigation
incidental to the Company&#146;s business.</p>

<p ALIGN="center"><strong>Page 15 of 25 (Form 10-K)</strong></p>

<p ALIGN="center"> </p>

<p ALIGN="JUSTIFY">        The Company recently opened
a Supercenter in Honesdale, Pennsylvania. In February of 1999, the Company settled claims
made by the Pennsylvania Department of Environmental Protection (PDEP) that a
subcontractor&#146;s acts and omissions relating to the construction of the Supercenter
led to excess erosion and sedimentation of a nearby creek. In the settlement, Wal-Mart
agreed to pay a fine of $25,000 and to perform a $75,000 community environmental project
in the Honesdale area. The Company is negotiating settlement of a claim by the United
States Army Corps of Engineers that the construction resulted in the filling of
approximately 0.76 acres in excess of the permitted fill area of waters and wetlands at
the site. The proposed settlement with the Corps will require Wal-Mart to pay $200,000 to
a non-profit corporation for the purchase of local wetlands conservation areas and
easements. The Company has been reimbursed for these amounts by the contractor on the
project.</p>

<p ALIGN="JUSTIFY">        The United States
Environmental Protection Agency (EPA) is threatening to bring suit against the Company and
five of its contractors over alleged violations of a 1992 storm water permit issued with
respect to various Wal-Mart development sites in Texas, New Mexico and Oklahoma. The EPA
has presented the Company with penalty calculations of $5.6 million. </p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 4.</b></u> <u><b>SUBMISSION OF MATTERS TO A VOTE OF SECURITY
HOLDERS</p>
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</b></u>

<p ALIGN="JUSTIFY">        No matters were submitted to
a vote of the Company&#146;s security holders during the last quarter of the year ended
January 31, 2000.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 4A.</b></u> <u><b>EXECUTIVE OFFICERS OF THE REGISTRANT</p>
</b></u>

<p ALIGN="JUSTIFY">        The following information is
furnished with respect to each of the executive officers of the Company, each of whom is
elected by and serves at the pleasure of the Board of Directors. The business experience
shown for each officer has been his principal occupation for at least the past five years.</p>
<b>

<p ALIGN="JUSTIFY"> </p>
</b><div align="center"><center>

<table BORDER="1" CELLSPACING="1" CELLPADDING="7">
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    <td WIDTH="163" VALIGN="bottom"><b><u><p ALIGN="JUSTIFY"><small><br>
    </u>               
    <u>Name</u></small></b></td>
    <td WIDTH="280" VALIGN="bottom"><u><b><p ALIGN="JUSTIFY"> </p>
    <p ALIGN="JUSTIFY"><small>Business Experience</small></b></u></td>
    <td WIDTH="116" VALIGN="bottom"><b><p ALIGN="CENTER"><small>Current<br>
    Position<br>
    <u>Held Since</u></small></b></td>
    <td WIDTH="29" VALIGN="bottom"><u><b><p ALIGN="RIGHT"> </p>
    <p ALIGN="RIGHT"><small>Age</small></b></u></td>
  </tr>
  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>S. Robson Walton</small></td>
    <td WIDTH="280" VALIGN="TOP"><small>Chairman of the Board</small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>1992</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>55</small></td>
  </tr>
  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>David D. Glass</small></td>
    <td WIDTH="280" VALIGN="TOP"><small>Chairman, Executive Committee of the Board. Prior to
    January 2000, he served as President and Chief Executive Officer</small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>2000</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>64</small></td>
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  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>H. Lee Scott, Jr.</small></td>
    <td WIDTH="280" VALIGN="TOP"><small>President and Chief Executive Officer. Prior to
    January 2000, he served as Vice Chairman and Chief Operating Officer. Prior to January
    1999, he served as  President and Chief Executive Officer of Wal-Mart Stores
    Division. Prior to January 1998, he served as Executive Vice President - Merchandising.
    Prior to October 1995, he served as Executive Vice President Logistics. Prior to that, he
    served as Senior Vice President- Logistics.</small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>2000</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>51</small></td>
  </tr>
  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>Donald G. Soderquist</small></td>
    <td WIDTH="280" VALIGN="TOP"><small>Senior Vice Chairman of the Board. Prior to January
    1999, he served  as Vice Chairman and Chief Operating Officer.</small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>1999</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>66</small></td>
  </tr>
  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>Thomas M. Coughlin</small></td>
    <td WIDTH="280" VALIGN="TOP"><small>Executive Vice President and President and Chief
    Executive Officer of Wal-Mart Stores Division. Prior to January 1999, he served as
    Executive Vice President and Chief Operating Officer of Wal-Mart Stores Division. Prior to
    January 1998, he served as Executive Vice President - Store Operations. Prior to 1995, he
    served as Senior Vice President - Specialty Divisions.</small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>1999</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>51</small></td>
  </tr>
  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>Thomas R. Grimm</small></td>
    <td WIDTH="280" VALIGN="TOP"><small>Executive Vice President and President and Chief
    Executive Officer of SAM&#146;S Club Division. Prior to October 1998, he was retired and
    served as a consultant to various organizations. Prior to June 1994, he served as
    President and Chief Executive Officer of Pace Membership Warehouse, a Division of K-Mart
    Corporation.</small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>1998</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>55</small></td>
  </tr>
  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>John B. Menzer</small></td>
```

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    <td WIDTH="280" VALIGN="TOP"><small>Executive Vice President and President and Chief
    Executive Officer of Wal-Mart International Division. Prior to June 1999, he served as
    Executive Vice President and Chief Financial Officer. Prior to September 1995, he served
    as President and Chief Operating Officer of Ben Franklin Retail Stores, Inc. </small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>1999</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>49</small></td>
  </tr>
  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>Thomas M. Schoewe</small></td>
    <td WIDTH="280" VALIGN="TOP"><small>Executive Vice President and Chief Financial Officer.
    Prior to January 2000, he served as Senior Vice President and Chief Financial Officer of
    Black &amp; Decker Corporation. Prior to February 1997, he served as Vice President and
    Chief Financial Officer of Black &amp; Decker Corporation.</small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>2000</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>47</small></td>
  </tr>
  <tr>
    <td WIDTH="163" VALIGN="TOP"><p ALIGN="JUSTIFY"><small>James A. Walker, Jr.</small></td>
    <td WIDTH="280" VALIGN="TOP"><small>Senior Vice President and Controller. Prior to 1995,
    he served as Vice President and Controller. </small></td>
    <td WIDTH="116" VALIGN="TOP"><p ALIGN="CENTER"><small>1995</small></td>
    <td WIDTH="29" VALIGN="TOP"><p ALIGN="RIGHT"><small>53</small></td>
  </tr>
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<p align="center"><strong>Page 16 and 17 (Form 10-K)</strong></p>

<p> </p>
<u><b>

<p ALIGN="CENTER">PART II</p>

<p ALIGN="JUSTIFY">ITEM 5.</b></u> <b><u>MARKET FOR THE REGISTRANT&#146;S COMMON EQUITY</u>
<br>
        <u>AND RELATED SHAREHOLDER MATTERS</p>
</u></b>

<p ALIGN="JUSTIFY">        The information required by
this item is incorporated by reference to the information &quot;Number of
Shareholders&quot; under the caption &quot;11-Year Financial Summary&quot; on pages 18 and
19, and all the information under the captions &quot;Market Price of Common Stock&quot;,
&quot;Listings - Stock Symbol: WMT&quot; and &quot;Dividends Paid Per Share&quot; on page
41 of the Annual Report to Shareholders for the year ended January 31, 2000.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 6.</b></u> <u><b>SELECTED FINANCIAL DATA</p>
</b></u>

<p ALIGN="JUSTIFY">        The information required by
this item is incorporated by reference to all information under the caption &quot;11-Year
Financial Summary&quot; on pages 18 and 19 of the Annual Report to Shareholders for the
year ended January 31, 2000.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 7.</b></u> <b><u>MANAGEMENT&#146;S DISCUSSION AND ANALYSIS OF
FINANCIAL</u> <br>
        <u>CONDITION AND RESULTS OF OPERATIONS</p>
</u></b>

<p ALIGN="JUSTIFY">        The information required by
this item is furnished by incorporation by reference to all information under the caption
&quot;Management&#146;s Discussion and Analysis&quot; on pages 20 through 25 of the Annual
Report to Shareholders for the year ended January 31, 2000.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 7a.</b></u> <u><b>QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT
MARKET RISK</p>
</b></u>

<p ALIGN="JUSTIFY">        The information required by
this item is furnished by incorporation by reference to all information under the
sub-caption &quot;Market Risk&quot; of the caption &quot;Management&#146;s Discussion and
Analysis&quot; on pages 21 through 24 of the Annual</p>

<p ALIGN="center"><strong>Page 18 of 25 (Form 10-K)</strong></p>

<p ALIGN="center"> </p>

<p ALIGN="JUSTIFY">Report to Shareholders for the year ended January 31, 2000.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 8.</b></u> <u><b>FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</p>
</b></u>
```

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<p ALIGN="JUSTIFY">        The information required by
this item is furnished by incorporation by reference to all information under the captions
&quot;Consolidated Statements of Income&quot;, &quot;Consolidated Balance Sheets&quot;,
&quot;Consolidated Statements of Shareholders&#146; Equity&quot;, &quot;Consolidated
Statements of Cash Flows&quot;, &quot;Notes to Consolidated Financial Statements&quot; and
&quot;Report of Independent Auditors&quot; on pages 26 through 40 of the Annual Report to
Shareholders for the year ended January 31, 2000.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 9.</b></u> <b><u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON</u>
<br>
        <u>ACCOUNTING AND FINANCIAL DISCLOSURE</p>
</u></b>

<p ALIGN="JUSTIFY">        None.</p>
<u><b>

<p ALIGN="CENTER">PART III</p>

<p ALIGN="JUSTIFY">ITEM 10.</b></u> <u><b>DIRECTORS AND EXECUTIVE OFFICERS OF THE
REGISTRANT</p>
</b></u>

<p ALIGN="JUSTIFY">        Information required by this
item with respect to the Company&#146;s directors and compliance by the Company&#146;s
directors, executive officers and certain beneficial owners of the Company&#146;s Common
Stock with Section 16(a) of the Securities Exchange Act of 1934 is furnished by
incorporation by reference to all information under the captions entitled &quot;Nominees
for Directors&quot; on pages 2 through 4 and &quot;Section 16(a) Beneficial Ownership
Reporting Compliance&quot; on page 15 of the Company&#146;s definitive Proxy Statement for
its Annual Meeting of Shareholders to be held on Friday, June 2, 2000 (the &quot;Proxy
Statement&quot;). The information required by this item with respect to the Company&#146;s
executive officers is included as Item 4A of Part I found on pages 16 through 18 of this
annual report.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 11.</b></u> <u><b>EXECUTIVE COMPENSATION</p>
</b></u>

<p ALIGN="JUSTIFY">        The information required by
this item is furnished by incorporation by reference to all information under the caption
entitled &quot;Compensation of Directors&quot; on page 4, &quot;Compensation and
Nominating Committee Report on Executive Compensation&quot; on pages 6 through 9, and
&quot;Summary Compensation&quot;, &quot;Option Grants In Last Fiscal Year&quot;, and
&quot;Option Exercises and Fiscal Year End Option Values&quot; on pages 10 through 12 of
the Proxy Statement.</p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 12.</b></u> <u><b>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT</p>
</b></u>

<p ALIGN="JUSTIFY">        The information required by
this item is furnished by incorporation by reference to all information under the caption
entitled &quot;Stock Ownership&quot;, subcaptions &quot;Ownership of Major
Shareholders&quot; and &quot;Holdings of Officers and Directors&quot; on pages 13 through
15 of the Proxy Statement.</p>

<p ALIGN="center"><strong>Page 19 of 25 (Form 10-K)</strong></p>

<p ALIGN="center"> </p>
<u><b>

<p ALIGN="JUSTIFY">ITEM 13.</b></u> <u><b>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</p>
</b></u>

<p ALIGN="JUSTIFY">        The information required by
this item is furnished by incorporation by reference to all information under the caption
&quot;Related-Party Transactions with Wal-Mart&quot; on page 6 of the Proxy Statement.</p>
<u><b>

<p ALIGN="CENTER">PART IV</p>

<p ALIGN="JUSTIFY">ITEM 14.</b></u> <b><u>EXHIBITS, FINANCIAL STATEMENT SCHEDULES,</u><br>
         <u>AND REPORTS ON FORM 8-K</p>
</u>

<p ALIGN="JUSTIFY">(a)</b> 1. &amp; 2. <u>Consolidated Financial Statements</p>
</u>

<p ALIGN="JUSTIFY">The financial statements listed in the Index to Consolidated Financial
Statements, which appears on page 23 of this annual report, are incorporated by reference
herein or filed as part of this Form 10-K.</p>

<p ALIGN="JUSTIFY">    3.   <u>Exhibits</p>
```

```
</u>

<blockquote>
  <blockquote>
    <p ALIGN="JUSTIFY">The following documents are filed as exhibits to this Form 10-K:</p>
  </blockquote>
</blockquote>
<div align="center"><center>

<table border="1" width="80%" height="612">
  <tr>
    <td width="15%" valign="top" height="36"><p align="left">3(a)</td>
    <td width="85%" height="36" valign="top">Restated Certificate of Incorporation of the
    Company is   incorporated herein by reference to Exhibit 3(a) from the AnnualReport
    on Form 10-K of the Company for the year ended January 31, 1989, and the Certificate of
    Amendment to the Restated Certificate of Incorporation is incorporated herein by reference
    to Registration Statement on Form S-8 (File Number 33-43315).</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="64">3(b)</td>
    <td width="85%" height="64" valign="top">By-Laws of the Company, as amended June 3, 1993,
    are incorporated herein by reference to Exhibit 3(b) to the Company&#146;s Annual Report
    on Form 10-K for the year ended January 31, 1994.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="96">4(a)</td>
    <td width="85%" height="96" valign="top">Form of Indenture dated as of June 1, 1985,
    between the Company and Bank of New York, Trustee, (formerly Boatmen&#146;s Trust Company
    and Centerre Trust Company) is incorporated herein by reference to Exhibit 4(c) to
    Registration Statement on Form S-3 (File Number 2-97917).</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="33">4(b)</td>
    <td width="85%" height="33" valign="top">Form of Indenture dated as of August 1, 1985,
    between the Company and Bank of New York, Trustee, (formerly Boatmen&#146;s Trust Company
    and Centerre Trust Company) is incorporated herein by reference to Exhibit 4(c) to
    Registration Statement on Form S-3 (File Number 2-99162).</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="160">4(c)</td>
    <td width="85%" height="160" valign="top">Form of Amended and Restated Indenture, Mortgage
    and Deed of Trust, Assignment of Rents and Security Agreement dated as of December 1,
    1986, among the First National Bank of Boston and James E. Mogavero, Owner Trustees, Rewal
    Corporation I, Estate for Years Holder, Rewal Corporation II, Remainderman, the Company
    and the First National Bank of Chicago and R.D. Manella, Indenture Trustees, is
    incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3
    (File Number 33-11394).</td>
  </tr>
</TABLE>
</center></div>

<p ALIGN="center"><strong>Page 20 of 25 (Form 10-K)</strong></p>
<div align="center"><center>

<table border="1" width="80%" height="767">
  <tr>
    <td width="15%" valign="top" height="11">4(d)</td>
    <td width="85%" height="11">Form of Indenture dated as of July 15, 1990, between the
    Company and Harris Trust and Savings Bank, Trustee, is incorporated herein by reference to
    Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-35710).</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">4(e)</td>
    <td width="85%" height="16">Indenture dated as of April 1, 1991, between the Company and
    The First National Bank of Chicago, Trustee, is incorporated herein by reference to
    Exhibit 4(a) to Registration Statement on Form S-3 (File Number 33-51344).</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">4(f)</td>
    <td width="85%" height="16">First Supplemental Indenture dated as of September 9, 1992, to
    the Indenture dated as of April 1, 1991, between the Company and The First National Bank
    of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(b) to Registration
    Statement on Form S-3 (File Number 33-51344).</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">+10(a)</td>
    <td width="85%" height="16">Form of individual deferred compensation agreements is
    incorporated herein by reference to Exhibit 10(b)from the Annual Report on Form 10-K of
    the Company, as amended, for the year ended January 31, 1986.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">+10(b)</td>
    <td width="85%" height="16">Wal-Mart Stores, Inc. Stock Option Plan of 1984 is
    incorporated herein by reference to Registration Statement on Form S-8 (File Number
    2-94358).</td>
```

```
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">+10(c)</td>
    <td width="85%" height="16">1986 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan
    of 1984 is incorporated herein by reference to Exhibit 10(h) from the Annual Report on
    Form 10-K of the Company for the year ended January 31, 1987.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">+10(d)</td>
    <td width="85%" height="16">1991 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan
    of 1984 is incorporated herein by reference to Exhibit 10(h) from the Annual Report on
    Form 10-K of the Company for the year ended January 31, 1992.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">+10(e)</td>
    <td width="85%" height="16">1993 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan
    of 1984 is incorporated herein by reference to Exhibit 10(i) from the Annual Report on
    Form 10-K of the Company for the year ended January 31, 1993.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">+10(f)</td>
    <td width="85%" height="16">Wal-Mart Stores, Inc. Stock Option Plan of 1994 is
    incorporated herein by reference to Exhibit 4(c) to Registration Statement on Form S-8
    (File Number 33-55325).</td>
  </tr>
</TABLE>
</center></div>

<p ALIGN="center">     <strong>Page 21 of 25 (Form 10-K)</strong></p>
<div align="center"><center>

<table border="1" width="80%" height="551">
  <tr>
    <td width="15%" valign="top" height="64">+10(g)</td>
    <td width="85%" height="64">Wal-Mart Stores, Inc. Director Compensation Plan is
    incorporated herein by reference to Exhibit 4(d) to Registration Statement on Form S-8
    (File Number 333-24259).</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="64">+10(h)</td>
    <td width="85%" height="64">Wal-Mart Stores, Inc. Officer Deferred Compensation Plan is
    incorporated herein by reference to Exhibit 10(i) from the Annual Report on Form 10-K of
    the Company for the year ended January 31, 1996.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="64">+10(i)</td>
    <td width="85%" height="64">Wal-Mart Stores, Inc. Restricted Stock Plan is incorporated
    herein by reference to Exhibit 10(j) from the Annual Report on Form 10-K of the Company
    for the year ended January 31, 1997.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="80">+10(j)</td>
    <td width="85%" height="80">1996 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan
    of 1994 is incorporated herein by reference to Exhibit 10(j) from the Annual Report on
    Form 10-K of the Company for the year ended January 31, 1998.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="80">+10(k)</td>
    <td width="85%" height="80">1997 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan
    of 1994 is incorporated herein by reference to Exhibit 10(k) from the Annual Report on
    Form 10-K of the Company for the year ended January 31, 1998.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="31">+10(l)</td>
    <td width="85%" height="31">Wal-Mart Stores, Inc. Stock Incentive Plan of 1998 is filed
    herewith as an Exhibit to this Form 10-K.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">+10(m)</td>
    <td width="85%" height="16">Wal-Mart Stores, Inc. Management Incentive Plan of 1998 is
    filed herewith as an Exhibit to this Form 10-K.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">*12</td>
    <td width="85%" height="16">Statement re computation of ratios</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">*13</td>
    <td width="85%" height="16">All information incorporated by reference in Items 1, 2, 5, 6,
    7 and 8 of this Annual Report on Form 10-K from the Annual Report to Shareholders for the
    year ended January 31, 2000.</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">*21</td>
    <td width="85%" height="16">List of the Company&#146;s Subsidiaries</td>
```

```html
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">*23</td>
    <td width="85%" height="16">Consent of Independent Auditors</td>
  </tr>
  <tr>
    <td width="15%" valign="top" height="16">*27</td>
    <td width="85%" height="16">Financial Data Schedule</td>
  </tr>
</TABLE>
</center></div>

<p ALIGN="JUSTIFY">*Filed herewith as an Exhibit.</p>

<p ALIGN="JUSTIFY">+Management contract or compensatory plan or arrangement.</p>
<b>

<p ALIGN="JUSTIFY">(b)</b> Reports on Form 8-K</p>

<p>        No reports on Form 8-K were filed during the
fourth quarter of fiscal 2000</font><font SIZE="2">.</p>
</font><font FACE="Courier">

<p ALIGN="CENTER"><strong>Page 22 of 25 (Form 10-K)</strong></p>
</font>

<p ALIGN="CENTER"> </p>
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<table BORDER="1" CELLSPACING="1" CELLPADDING="7">
  <tr>
    <td VALIGN="TOP" COLSPAN="2"><font FACE="Courier"><b><p ALIGN="CENTER">INDEX TO
    CONSOLIDATED FINANCIAL STATEMENTS</b></font></td>
  </tr>
  <tr>
    <td VALIGN="TOP" COLSPAN="2"> </td>
  </tr>
  <tr>
    <td WIDTH="75%" VALIGN="TOP"> </td>
    <td WIDTH="25%" VALIGN="TOP"><font FACE="Courier"><b><p ALIGN="CENTER">Annual<br>
    Report to<br>
    Shareholders<br>
    <u>(page)</u></b></font></td>
  </tr>
  <tr>
    <td VALIGN="TOP" COLSPAN="2"><font FACE="Courier">Covered by Report of Independent<br>
       Auditors:</font></td>
  </tr>
  <tr>
    <td WIDTH="75%" VALIGN="TOP"><font FACE="Courier">   Consolidated Statements of
    Income<br>
         for each of the three years in the<br>
         period ended January 31, 2000</font></td>
    <td WIDTH="25%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">26</font></td>
  </tr>
  <tr>
    <td WIDTH="75%" VALIGN="TOP"><font FACE="Courier">   Consolidated Balance Sheets
    at<br>
         January 31, 2000 and 1999</font></td>
    <td WIDTH="25%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">27</font></td>
  </tr>
  <tr>
    <td WIDTH="75%" VALIGN="TOP"><font FACE="Courier">   Consolidated Statements of <br>
         Shareholders&#146; Equity for each of the <br>
         three years in the period ended <br>
         January 31, 2000</font></td>
    <td WIDTH="25%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">28</font></td>
  </tr>
  <tr>
    <td WIDTH="75%" VALIGN="TOP"><font FACE="Courier">   Consolidated Statements of
    Cash<br>
         Flows for each of the three<br>
         years in the period ended<br>
         January 31, 2000</font></td>
    <td WIDTH="25%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">29</font></td>
  </tr>
  <tr>
    <td WIDTH="75%" VALIGN="TOP"><font FACE="Courier">   Notes to Consolidated
    Financial<br>
         Statements, except Note 10</font></td>
    <td WIDTH="25%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">30-39</font></td>
  </tr>
  <tr>
    <td VALIGN="TOP" COLSPAN="2"><font FACE="Courier">Not Covered by Report of Independent<br>
       Auditors:</font></td>
```

```
  </tr>
  <tr>
    <td WIDTH="75%" VALIGN="TOP"><font FACE="Courier">   Note 10 - Quarterly
    Financial Data<br>
         (Unaudited)</font></td>
    <td WIDTH="25%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">39</font></td>
  </tr>
</TABLE>
</center></div><font FACE="Courier">

<p> </p>

<p ALIGN="JUSTIFY">All schedules have been omitted because the required information is not
present or is not present in amounts sufficient to require submission of the schedule, or
because the information required is included in the financial statements, including the
notes thereto.</p>

<p ALIGN="CENTER"><strong>Page 23 of 25 (Form 10-K)</strong></p>

<p ALIGN="CENTER"> </p>
<u><b>

<p ALIGN="CENTER">SIGNATURES</p>
</b></u>

<p ALIGN="JUSTIFY">        Pursuant to the requirements
of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly
caused this report to be signed on its behalf by the undersigned, thereunto duly
authorized.</p>

<table border="0" width="100%">
  <tr>
    <td width="54%" valign="top">DATE:    April 15, 2000</td>
    <td width="46%"><u>/s/H. Lee Scott          </u><br>
       H. Lee Scott<br>
       President and Chief <br>
       Executive Officer </td>
  </tr>
</TABLE>

<p ALIGN="JUSTIFY">        Pursuant to the requirements
of the Securities Exchange Act of 1934, this report has been signed below by the following
persons on behalf of the registrant and in the capacities and on the dates indicated:</p>

<p ALIGN="JUSTIFY"> </p>

<table border="0" width="100%">
  <tr>
    <td width="54%" valign="top">DATE:    April 15, 2000</td>
    <td width="46%"><u>/s/H. Lee Scott          </u><br>
       H. Lee Scott<br>
       President and Chief <br>
       Executive Officer <br>
    <p> </td>
  </tr>
  <tr>
    <td width="54%" valign="top">DATE:    April 15, 2000</td>
    <td width="46%"><u>/s/S. Robson Walton      </u><br>
       S. Robson Walton<br>
       Chairman of the Board<br>
    <p> </td>
  </tr>
  <tr>
    <td width="54%" valign="top">DATE:    April 15, 2000</td>
    <td width="46%"><u>/s/David D. Glass        </u><br>
       David D. Glass<br>
       Chairman, Executive Committee<br>
      of the Board<br>
    <p> </td>
  </tr>
  <tr>
    <td width="54%" valign="top">DATE:    April 15, 2000</td>
    <td width="46%"><u>/s/Donald G. Soderquist  </u><br>
       Donald G. Soderquist<br>
       Senior Vice Chairman of the <br>
       Board and Director <br>
    <p> </td>
  </tr>
  <tr>
    <td width="54%" valign="top">DATE:    April 15, 2000</td>
    <td width="46%"><u>/s/Thomas M. Schoewe     </u><br>
       Thomas M. Schoewe<br>
       Executive Vice President and<br>
       Chief Financial Officer <br>
      (Principal Financial Officer)<br>
```

```
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%"><u>/s/James A. Walker, Jr.  </u><br>
     James A. Walker, Jr.<br>
     Senior Vice President and<br>
     Controller<br>
     (Principal Accounting Officer)<br>
  <p> </td>
</tr>
<tr>
  <td width="100%" valign="top" colspan="2" align="center"> <p><strong>Page 24 of 25 (Form
  10-K)</strong></p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%"><u>/s/John A. Cooper, Jr.   </u><br>
     John A. Cooper, Jr.<br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%">_________________________<br>
     Stephen Friedman<br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%"><u>/s/Stanley C. Gault      </u><br>
    Stanley C. Gault<br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%">_________________________<br>
    Roland A. Hernandez <br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%">_________________________<br>
     Frederick S. Humphries<br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%"><u>/s/E. Stanley Kroenke    </u><br>
     E. Stanley Kroenke<br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%"><u>/s/Elizabeth A. Sanders  </u><br>
     Elizabeth A. Sanders<br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%"><u>/s/Jack C. Shewmaker     </u><br>
     Jack C. Shewmaker<br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%"><u>/s/Paula Stern
             </u><br>
     Paula Stern<br>
     Director<p> </p>
  <p> </td>
</tr>
<tr>
  <td width="54%" valign="top">DATE:    April 15, 2000</td>
  <td width="46%"><u>/s/Jose H. Villarreal    </u><br>
     Jose H. Villarreal<br>
     Director<p> </p>
```

```
    <p> </td>
  </tr>
  <tr>
    <td width="54%" valign="top">DATE:    April 15, 2000</td>
    <td width="46%">_________________________<br>
      John T. Walton<br>
       Director<p> </p>
    <p> </td>
  </tr>
</TABLE>

<p align="center"><strong>Page 25 of 25 (Form 10-K)</strong></p>
</font>
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```

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<HTML>

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<p ALIGN="CENTER">EXHIBIT 12</p>
</font><div align="center"><center>

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  <tr>
    <td VALIGN="TOP" COLSPAN="8" width="696"><font SIZE="2"><b><p ALIGN="CENTER">Statement re
    computation of ratios</b></font></td>
  </tr>
  <tr>
    <td WIDTH="161" VALIGN="TOP"> </td>
    <td WIDTH="146" VALIGN="TOP" COLSPAN="2"><font SIZE="2"><b><p ALIGN="CENTER">Nine Months
    Ended October 31,</b></font></td>
    <td WIDTH="353" VALIGN="TOP" COLSPAN="5"><font SIZE="2"><b><p ALIGN="CENTER">Fiscal Years
    Ended</b></font></td>
  </tr>
  <tr>
    <td WIDTH="161" VALIGN="TOP"> </td>
    <td WIDTH="63" VALIGN="TOP" align="right"><font SIZE="2"><b><p ALIGN="CENTER">1999</b></font></td>
    <td WIDTH="65" VALIGN="TOP" align="right"><font SIZE="2"><b><p ALIGN="CENTER">1998</b></font></td>
    <td WIDTH="55" VALIGN="TOP" align="right"><font SIZE="2"><b><p ALIGN="CENTER">2000</b></font></td>
    <td WIDTH="55" VALIGN="TOP" align="right"><font SIZE="2"><b><p ALIGN="CENTER">1999</b></font></td>
    <td WIDTH="54" VALIGN="TOP" align="right"><font SIZE="2"><b><p ALIGN="CENTER">1998</b></font></td>
    <td WIDTH="59" VALIGN="TOP" align="right"><font SIZE="2"><b><p ALIGN="CENTER">1997</b></font></td>
    <td WIDTH="58" VALIGN="TOP" align="right"><font SIZE="2"><b><p ALIGN="CENTER">1996</b></font></td>
  </tr>
  <tr>
    <td WIDTH="161" VALIGN="TOP"><font SIZE="2">Income before income taxes</font></td>
    <td WIDTH="63" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">5,903</font></td>
    <td WIDTH="65" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">4,711</font></td>
    <td WIDTH="55" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">9,083</font></td>
    <td WIDTH="55" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">7,323</font></td>
    <td WIDTH="54" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">5,719</font></td>
    <td WIDTH="59" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">4,877</font></td>
    <td WIDTH="58" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">4,359</font></td>
  </tr>
  <tr>
    <td WIDTH="161" VALIGN="TOP"><font SIZE="2">Capitalized</font></td>
    <td WIDTH="63" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(30)</font></td>
    <td WIDTH="65" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(24)</font></td>
    <td WIDTH="55" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(57)</font></td>
    <td WIDTH="55" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(41)</font></td>
    <td WIDTH="54" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(33)</font></td>
    <td WIDTH="59" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(44)</font></td>
    <td WIDTH="58" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(50)</font></td>
  </tr>
  <tr>
    <td WIDTH="161" VALIGN="TOP"><font SIZE="2">Minority interest</font></td>
    <td WIDTH="63" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(85)</font></td>
    <td WIDTH="65" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(97)</font></td>
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    <td WIDTH="55" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">(153)</font></td>
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    <td WIDTH="65" VALIGN="TOP"><font SIZE="2"><p ALIGN="RIGHT">4,590</font></td>
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<p>* Does not include the cumulative effect of accounting change recorded by the Company
in Fiscal 2000</p>
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<p align="center">Wal-Mart Stores, Inc. Annual Report - Page 6</b></p>

<p align="center"><b>Fiscal 2000 End-of-Year Store Count</b></p>
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    <td WIDTH="100" ALIGN="CENTER">Supercenters</td>
    <td WIDTH="100" ALIGN="CENTER">SAM&#146;S Clubs</td>
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    <td WIDTH="100" ALIGN="CENTER">27</td>
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    <td WIDTH="150"><b>INT&#146;L Total</b></td>
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    Grand Total</b></td>
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    <td WIDTH="100" ALIGN="center" valign="bottom"><b>1104</b></td>
    <td WIDTH="100" ALIGN="center" valign="bottom"><b>512</b></td>
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<p align="center">* Includes: 36 Aurreras, 68 Bodegas, 51 Suburbias, 38 Superamas, and 204
Vips.</p>

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<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Pages 18 and 19</b></p>
<b>

<p align="center">11-Year Financial Summary</b></p>

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    <td WIDTH="85" ALIGN="RIGHT">1998  </td>
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    <td WIDTH="78" ALIGN="RIGHT">1996  </td>
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    <td width="174"><b>Net sales</b></td>
    <td ALIGN="RIGHT" width="88">$ <b> 165,013</b>  </td>
    <td ALIGN="RIGHT" width="85">$  137,634  </td>
    <td ALIGN="RIGHT" width="85">$  117,958  </td>
    <td ALIGN="RIGHT" width="85">$  104,859  </td>
    <td ALIGN="RIGHT" width="78">$  93,627  </td>
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    <td width="174">Net sales increase</td>
    <td ALIGN="RIGHT" width="88"><b>20%</b></td>
    <td ALIGN="RIGHT" width="85">17%</td>
    <td ALIGN="RIGHT" width="85">12%</td>
    <td ALIGN="RIGHT" width="85">12%</td>
    <td ALIGN="RIGHT" width="78">13%</td>
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    <td width="174">Comparative store sales increase</td>
    <td ALIGN="RIGHT" width="88"><b>8%</b></td>
    <td ALIGN="RIGHT" width="85">9%</td>
    <td ALIGN="RIGHT" width="85">6%</td>
    <td ALIGN="RIGHT" width="85">5%</td>
    <td ALIGN="RIGHT" width="78">4%</td>
  </tr>
  <tr>
    <td width="174">Other income-net</td>
    <td ALIGN="RIGHT" width="88"><b>1,796</b>  </td>
    <td ALIGN="RIGHT" width="85">1,574  </td>
    <td ALIGN="RIGHT" width="85">1,341  </td>
    <td ALIGN="RIGHT" width="85">1,319  </td>
    <td ALIGN="RIGHT" width="78">1,146  </td>
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    <td ALIGN="RIGHT" width="85">93,438  </td>
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    <td ALIGN="RIGHT" width="88"><b>27,040</b>  </td>
    <td ALIGN="RIGHT" width="85">22,363  </td>
    <td ALIGN="RIGHT" width="85">19,358   </td>
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    <td ALIGN="RIGHT" width="78">15,021  </td>
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    <td COLSPAN="6" width="635">Interest costs:</td>
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    <td width="174">    Debt</td>
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    <td ALIGN="RIGHT" width="85">555  </td>
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  <tr>
    <td width="174">    Capital leases</td>
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    <td ALIGN="RIGHT" width="85">268  </td>
    <td ALIGN="RIGHT" width="85">229  </td>
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    <td width="174">Provision for income taxes</td>
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    <td width="174">Minority interest and equity in unconsolidated subsidiaries</td>
    <td ALIGN="RIGHT" width="88"><b>(170)</b>  </td>
    <td ALIGN="RIGHT" width="85">(153)</td>
    <td ALIGN="RIGHT" width="85">(78)</td>
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    <td ALIGN="RIGHT" width="85">(27)</td>
    <td ALIGN="RIGHT" width="78">(13)</td>
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    <td width="174">Cumulative effect of accounting change, net of tax</td>
    <td ALIGN="RIGHT" width="88"><b>(198)</b>  </td>
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    <td ALIGN="RIGHT" width="85">-  </td>
    <td ALIGN="RIGHT" width="85">-  </td>
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    <td ALIGN="RIGHT" width="88"><b>5,377</b>  </td>
    <td ALIGN="RIGHT" width="85">4,430  </td>
    <td ALIGN="RIGHT" width="85">3,526  </td>
    <td ALIGN="RIGHT" width="85">3,056  </td>
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    <td COLSPAN="6" width="635">Per share of common stock:</td>
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    <td ALIGN="RIGHT" width="85">0.99  </td>
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    <td ALIGN="RIGHT" width="85">0.16  </td>
    <td ALIGN="RIGHT" width="85">0.14  </td>
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    <td ALIGN="RIGHT" width="85">$    19,352  </td>
    <td ALIGN="RIGHT" width="85">$    17,993  </td>
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    <td ALIGN="RIGHT" width="85">16,845  </td>
    <td ALIGN="RIGHT" width="85">16,193  </td>
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    <td ALIGN="RIGHT" width="85">473  </td>
    <td ALIGN="RIGHT" width="85">348  </td>
    <td ALIGN="RIGHT" width="85">296  </td>
    <td ALIGN="RIGHT" width="78">311</td>
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    <td width="174">Net property, plant and equipment and capital leases</td>
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    <td ALIGN="RIGHT" width="85">25,973  </td>
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    <td ALIGN="RIGHT" width="85">20,324  </td>
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    <td ALIGN="RIGHT" width="85">45,384  </td>
    <td ALIGN="RIGHT" width="85">39,604  </td>
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    <td width="174">Long-term obligations under capital leases</td>
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    <td ALIGN="RIGHT" width="85">2,483  </td>
    <td ALIGN="RIGHT" width="85">2,307  </td>
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    <td ALIGN="RIGHT" width="85">1.3  </td>
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    <td ALIGN="RIGHT" width="78">1.5  </td>
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    <td width="174">Inventories/working capital</td>
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    <td ALIGN="RIGHT" width="85">3.4  </td>
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    <td ALIGN="RIGHT" width="78">2.7  </td>
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    <td width="174">Return on assets*</td>
    <td ALIGN="RIGHT" width="88"><b>9.8%***</b></td>
    <td ALIGN="RIGHT" width="85">9.6%</td>
    <td ALIGN="RIGHT" width="85">8.5%</td>
    <td ALIGN="RIGHT" width="85">7.9%</td>
    <td ALIGN="RIGHT" width="78">7.8%</td>
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    <td width="174">Return on shareholders&#146; equity**</td>
    <td ALIGN="RIGHT" width="88"><b>22.9%</b></td>
    <td ALIGN="RIGHT" width="85">22.4%</td>
    <td ALIGN="RIGHT" width="85">19.8%</td>
    <td ALIGN="RIGHT" width="85">19.2%</td>
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    <td COLSPAN="6" width="635"><b>Other Year-End Data</b></td>
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    <td width="174">Number of domestic Wal-Mart stores</td>
    <td ALIGN="RIGHT" width="88"><b>1,801</b>  </td>
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    <td ALIGN="RIGHT" width="85">1,921  </td>
    <td ALIGN="RIGHT" width="85">1,960  </td>
    <td ALIGN="RIGHT" width="78">1,995  </td>
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    <td ALIGN="RIGHT" width="85">564  </td>
    <td ALIGN="RIGHT" width="85">441  </td>
    <td ALIGN="RIGHT" width="85">344  </td>
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    <td width="174">Number of domestic SAM&#146;S Club units</td>
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    <td ALIGN="RIGHT" width="85">451  </td>
    <td ALIGN="RIGHT" width="85">443  </td>
    <td ALIGN="RIGHT" width="85">436  </td>
    <td ALIGN="RIGHT" width="78">433  </td>
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    <td width="174">International units</td>
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    <td ALIGN="RIGHT" width="85">715  </td>
    <td ALIGN="RIGHT" width="85">601  </td>
    <td ALIGN="RIGHT" width="85">314  </td>
    <td ALIGN="RIGHT" width="78">276  </td>
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    <td width="174">Number of Associates</td>
    <td ALIGN="RIGHT" width="88"><b>1,140,000</b>  </td>
    <td ALIGN="RIGHT" width="85">910,000  </td>
    <td ALIGN="RIGHT" width="85">825,000  </td>
    <td ALIGN="RIGHT" width="85">728,000  </td>
    <td ALIGN="RIGHT" width="78">675,000  </td>
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    <td width="174">Number of Shareholders</td>
    <td ALIGN="RIGHT" width="88"><b>341,000</b>  </td>
    <td ALIGN="RIGHT" width="85">261,000  </td>
    <td ALIGN="RIGHT" width="85">246,000  </td>
    <td ALIGN="RIGHT" width="85">257,000  </td>
    <td ALIGN="RIGHT" width="78">244,000  </td>
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    <td WIDTH="84" ALIGN="RIGHT">1994  </td>
    <td WIDTH="81" ALIGN="RIGHT">1993  </td>
    <td WIDTH="87" ALIGN="RIGHT">1992  </td>
    <td WIDTH="82" ALIGN="RIGHT">1991  </td>
    <td WIDTH="80" ALIGN="RIGHT">1990  </td>
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  <tr>
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    <td ALIGN="RIGHT" width="87">$  82,494  </td>
    <td ALIGN="RIGHT" width="84">$  67,344  </td>
    <td ALIGN="RIGHT" width="81">$  55,484  </td>
    <td ALIGN="RIGHT" width="87">$  43,887  </td>
    <td ALIGN="RIGHT" width="82">$  32,602  </td>
    <td ALIGN="RIGHT" width="80">$  25,811  </td>
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    <td ALIGN="RIGHT" width="87">22%</td>
    <td ALIGN="RIGHT" width="84">21%</td>
    <td ALIGN="RIGHT" width="81">26%</td>
    <td ALIGN="RIGHT" width="87">35%</td>
    <td ALIGN="RIGHT" width="82">26%</td>
    <td ALIGN="RIGHT" width="80">25%</td>
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    <td width="177">Comparative store sales increase</td>
    <td ALIGN="RIGHT" width="87">7%</td>
    <td ALIGN="RIGHT" width="84">6%</td>
    <td ALIGN="RIGHT" width="81">11%</td>
    <td ALIGN="RIGHT" width="87">10%</td>
    <td ALIGN="RIGHT" width="82">10%</td>
    <td ALIGN="RIGHT" width="80">11%</td>
```

```
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<tr>
  <td width="177">Other income-net</td>
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  <td ALIGN="RIGHT" width="84">645  </td>
  <td ALIGN="RIGHT" width="81">497  </td>
  <td ALIGN="RIGHT" width="87">404  </td>
  <td ALIGN="RIGHT" width="82">262  </td>
  <td ALIGN="RIGHT" width="80">175   </td>
</tr>
<tr>
  <td width="177">Cost of sales</td>
  <td ALIGN="RIGHT" width="87">65,586  </td>
  <td ALIGN="RIGHT" width="84">53,444  </td>
  <td ALIGN="RIGHT" width="81">44,175  </td>
  <td ALIGN="RIGHT" width="87">34,786   </td>
  <td ALIGN="RIGHT" width="82">25,500  </td>
  <td ALIGN="RIGHT" width="80">20,070   </td>
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  <td width="177">Operating, selling and general and administrative expenses</td>
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  <td ALIGN="RIGHT" width="84">10,333  </td>
  <td ALIGN="RIGHT" width="81">8,321  </td>
  <td ALIGN="RIGHT" width="87">6,684  </td>
  <td ALIGN="RIGHT" width="82">5,152  </td>
  <td ALIGN="RIGHT" width="80">4,070  </td>
</tr>
<tr>
  <td COLSPAN="7" width="725">Interest costs:</td>
</tr>
<tr>
  <td width="177">    Debt</td>
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  <td ALIGN="RIGHT" width="84">331  </td>
  <td ALIGN="RIGHT" width="81">143  </td>
  <td ALIGN="RIGHT" width="87">113  </td>
  <td ALIGN="RIGHT" width="82">43  </td>
  <td ALIGN="RIGHT" width="80">20  </td>
</tr>
<tr>
  <td width="177">    Capital leases</td>
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  <td ALIGN="RIGHT" width="84">186  </td>
  <td ALIGN="RIGHT" width="81">180  </td>
  <td ALIGN="RIGHT" width="87">153  </td>
  <td ALIGN="RIGHT" width="82">126  </td>
  <td ALIGN="RIGHT" width="80">118  </td>
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<tr>
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  <td ALIGN="RIGHT" width="84">1,358  </td>
  <td ALIGN="RIGHT" width="81">1,171  </td>
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</tr>
<tr>
  <td width="177">Minority interest and equity in unconsolidated subsidiaries</td>
  <td ALIGN="RIGHT" width="87">4  </td>
  <td ALIGN="RIGHT" width="84">(4)</td>
  <td ALIGN="RIGHT" width="81">4  </td>
  <td ALIGN="RIGHT" width="87">(1)</td>
  <td ALIGN="RIGHT" width="82">-  </td>
  <td ALIGN="RIGHT" width="80">-  </td>
</tr>
<tr>
  <td width="177">Cumulative effect of accounting change, net of tax</td>
  <td ALIGN="RIGHT" width="87">-  </td>
  <td ALIGN="RIGHT" width="84">-  </td>
  <td ALIGN="RIGHT" width="81">-  </td>
  <td ALIGN="RIGHT" width="87">-  </td>
  <td width="82"><p align="right">-  </td>
  <td ALIGN="RIGHT" width="80">-  </td>
</tr>
<tr>
  <td width="177">Net income</td>
  <td ALIGN="RIGHT" width="87">2,681  </td>
  <td ALIGN="RIGHT" width="84">2,333  </td>
  <td ALIGN="RIGHT" width="81">1,995  </td>
  <td ALIGN="RIGHT" width="87">1,609  </td>
  <td ALIGN="RIGHT" width="82">1,291  </td>
  <td ALIGN="RIGHT" width="80">1,076  </td>
</tr>
```

```
<tr>
  <td COLSPAN="7" width="725">Per share of common stock:</td>
</tr>
<tr>
  <td width="177">    Basic net income</td>
  <td ALIGN="RIGHT" width="87">0.59  </td>
  <td ALIGN="RIGHT" width="84">0.51  </td>
  <td ALIGN="RIGHT" width="81">0.44  </td>
  <td ALIGN="RIGHT" width="87">0.35  </td>
  <td ALIGN="RIGHT" width="82">0.28  </td>
  <td ALIGN="RIGHT" width="80">0.24  </td>
</tr>
<tr>
  <td width="177">    Diluted net income</td>
  <td ALIGN="RIGHT" width="87">0.59  </td>
  <td ALIGN="RIGHT" width="84">0.51  </td>
  <td ALIGN="RIGHT" width="81">0.44  </td>
  <td ALIGN="RIGHT" width="87">0.35  </td>
  <td ALIGN="RIGHT" width="82">0.28  </td>
  <td ALIGN="RIGHT" width="80">0.24  </td>
</tr>
<tr>
  <td width="177">    Dividends</td>
  <td ALIGN="RIGHT" width="87">0.09  </td>
  <td ALIGN="RIGHT" width="84">0.07  </td>
  <td ALIGN="RIGHT" width="81">0.05  </td>
  <td ALIGN="RIGHT" width="87">0.04  </td>
  <td ALIGN="RIGHT" width="82">0.04  </td>
  <td ALIGN="RIGHT" width="80">0.03   </td>
</tr>
<tr>
  <td COLSPAN="7" width="725"><b>Financial Position</b></td>
</tr>
<tr>
  <td width="177">Current assets  </td>
  <td ALIGN="RIGHT" width="87">$  15,338  </td>
  <td ALIGN="RIGHT" width="84">$  12,114  </td>
  <td ALIGN="RIGHT" width="81">$  10,198  </td>
  <td ALIGN="RIGHT" width="87">$    8,575  </td>
  <td ALIGN="RIGHT" width="82">$    6,415  </td>
  <td ALIGN="RIGHT" width="80">$    4,713  </td>
</tr>
<tr>
  <td width="177">Inventories at replacement cost</td>
  <td ALIGN="RIGHT" width="87">14,415  </td>
  <td ALIGN="RIGHT" width="84">11,483  </td>
  <td ALIGN="RIGHT" width="81">9,780  </td>
  <td ALIGN="RIGHT" width="87">7,857  </td>
  <td ALIGN="RIGHT" width="82">6,207  </td>
  <td ALIGN="RIGHT" width="80">4,751  </td>
</tr>
<tr>
  <td width="177">Less LIFO reserve</td>
  <td ALIGN="RIGHT" width="87">351</td>
  <td ALIGN="RIGHT" width="84">469  </td>
  <td ALIGN="RIGHT" width="81">512</td>
  <td ALIGN="RIGHT" width="87">473</td>
  <td width="82"><p align="right">399</td>
  <td ALIGN="RIGHT" width="80">323  </td>
</tr>
<tr>
  <td width="177">Inventories at LIFO cost</td>
  <td ALIGN="RIGHT" width="87">14,064  </td>
  <td ALIGN="RIGHT" width="84">11,014  </td>
  <td ALIGN="RIGHT" width="81">9,268  </td>
  <td ALIGN="RIGHT" width="87">7,384  </td>
  <td ALIGN="RIGHT" width="82">5,808  </td>
  <td ALIGN="RIGHT" width="80">4,428  </td>
</tr>
<tr>
  <td width="177">Net property, plant and equipment and capital leases</td>
  <td ALIGN="RIGHT" width="87">15,874  </td>
  <td ALIGN="RIGHT" width="84">13,176  </td>
  <td ALIGN="RIGHT" width="81">9,793  </td>
  <td ALIGN="RIGHT" width="87">6,434  </td>
  <td ALIGN="RIGHT" width="82">4,712  </td>
  <td ALIGN="RIGHT" width="80">3,430  </td>
</tr>
<tr>
  <td width="177">Total assets</td>
  <td ALIGN="RIGHT" width="87">32,819  </td>
  <td ALIGN="RIGHT" width="84">26,441  </td>
  <td ALIGN="RIGHT" width="81">20,565  </td>
  <td ALIGN="RIGHT" width="87">15,443  </td>
  <td ALIGN="RIGHT" width="82">11,389  </td>
```

```
    <td ALIGN="RIGHT" width="80">8,198  </td>
  </tr>
  <tr>
    <td width="177">Current liabilities</td>
    <td ALIGN="RIGHT" width="87">9,973  </td>
    <td ALIGN="RIGHT" width="84">7,406  </td>
    <td ALIGN="RIGHT" width="81">6,754  </td>
    <td ALIGN="RIGHT" width="87">5,004  </td>
    <td ALIGN="RIGHT" width="82">3,990  </td>
    <td ALIGN="RIGHT" width="80">2,845  </td>
  </tr>
  <tr>
    <td width="177">Long-term debt</td>
    <td ALIGN="RIGHT" width="87">7,871  </td>
    <td ALIGN="RIGHT" width="84">6,156  </td>
    <td ALIGN="RIGHT" width="81">3,073  </td>
    <td ALIGN="RIGHT" width="87">1,722  </td>
    <td ALIGN="RIGHT" width="82">740  </td>
    <td ALIGN="RIGHT" width="80">185  </td>
  </tr>
  <tr>
    <td width="177">Long-term obligations under capital leases</td>
    <td ALIGN="RIGHT" width="87">1,838  </td>
    <td ALIGN="RIGHT" width="84">1,804  </td>
    <td ALIGN="RIGHT" width="81">1,772  </td>
    <td ALIGN="RIGHT" width="87">1,556  </td>
    <td ALIGN="RIGHT" width="82">1,159  </td>
    <td ALIGN="RIGHT" width="80">1,087  </td>
  </tr>
  <tr>
    <td width="177">Shareholders&#146; equity</td>
    <td ALIGN="RIGHT" width="87">12,726  </td>
    <td ALIGN="RIGHT" width="84">10,753  </td>
    <td ALIGN="RIGHT" width="81">8,759  </td>
    <td ALIGN="RIGHT" width="87">6,990  </td>
    <td ALIGN="RIGHT" width="82">5,366  </td>
    <td ALIGN="RIGHT" width="80">3,966  </td>
  </tr>
  <tr>
    <td COLSPAN="7" width="725"><b>Financial Ratios</b></td>
  </tr>
  <tr>
    <td width="177">Current ratio</td>
    <td ALIGN="RIGHT" width="87">1.5  </td>
    <td ALIGN="RIGHT" width="84">1.6  </td>
    <td ALIGN="RIGHT" width="81">1.5  </td>
    <td ALIGN="RIGHT" width="87">1.7  </td>
    <td ALIGN="RIGHT" width="82">1.6  </td>
    <td ALIGN="RIGHT" width="80">1.7  </td>
  </tr>
  <tr>
    <td width="177">Inventories/working capital</td>
    <td ALIGN="RIGHT" width="87">2.6  </td>
    <td ALIGN="RIGHT" width="84">2.3  </td>
    <td ALIGN="RIGHT" width="81">2.7  </td>
    <td ALIGN="RIGHT" width="87">2.1  </td>
    <td ALIGN="RIGHT" width="82">2.4  </td>
    <td ALIGN="RIGHT" width="80">2.4  </td>
  </tr>
  <tr>
    <td width="177">Return on assets*</td>
    <td ALIGN="RIGHT" width="87">9.0%</td>
    <td ALIGN="RIGHT" width="84">9.9%</td>
    <td ALIGN="RIGHT" width="81">11.1%</td>
    <td ALIGN="RIGHT" width="87">12.0%</td>
    <td ALIGN="RIGHT" width="82">13.2%</td>
    <td ALIGN="RIGHT" width="80">14.8%</td>
  </tr>
  <tr>
    <td width="177">Return on shareholders&#146; equity**</td>
    <td ALIGN="RIGHT" width="87">22.8%</td>
    <td ALIGN="RIGHT" width="84">23.9%</td>
    <td ALIGN="RIGHT" width="81">25.3%</td>
    <td ALIGN="RIGHT" width="87">26.0%</td>
    <td ALIGN="RIGHT" width="82">27.7%</td>
    <td ALIGN="RIGHT" width="80">30.9%</td>
  </tr>
  <tr>
    <td COLSPAN="7" width="725"><b>Other Year-End Data</b></td>
  </tr>
  <tr>
    <td width="177">Number of domestic Wal-Mart stores</td>
    <td ALIGN="RIGHT" width="87">1,985  </td>
    <td ALIGN="RIGHT" width="84">1,950  </td>
    <td ALIGN="RIGHT" width="81">1,848  </td>
```

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    <td ALIGN="RIGHT" width="87">1,714  </td>
    <td ALIGN="RIGHT" width="82">1,568  </td>
    <td ALIGN="RIGHT" width="80">1,399  </td>
  </tr>
  <tr>
    <td width="177">Number of domestic Supercenters</td>
    <td ALIGN="RIGHT" width="87">147  </td>
    <td ALIGN="RIGHT" width="84">72  </td>
    <td ALIGN="RIGHT" width="81">34  </td>
    <td ALIGN="RIGHT" width="87">10  </td>
    <td ALIGN="RIGHT" width="82">9  </td>
    <td ALIGN="RIGHT" width="80">6  </td>
  </tr>
  <tr>
    <td width="177">Number of domestic SAM&#146;S Club units</td>
    <td ALIGN="RIGHT" width="87">426  </td>
    <td ALIGN="RIGHT" width="84">417  </td>
    <td ALIGN="RIGHT" width="81">256  </td>
    <td ALIGN="RIGHT" width="87">208  </td>
    <td ALIGN="RIGHT" width="82">148  </td>
    <td ALIGN="RIGHT" width="80">123  </td>
  </tr>
  <tr>
    <td width="177">International units</td>
    <td ALIGN="RIGHT" width="87">226  </td>
    <td ALIGN="RIGHT" width="84">24  </td>
    <td ALIGN="RIGHT" width="81">10  </td>
    <td ALIGN="RIGHT" width="87">-  </td>
    <td ALIGN="RIGHT" width="82">-  </td>
    <td ALIGN="RIGHT" width="80">-  </td>
  </tr>
  <tr>
    <td width="177">Number of Associates</td>
    <td ALIGN="RIGHT" width="87">622,000  </td>
    <td ALIGN="RIGHT" width="84">528,000  </td>
    <td ALIGN="RIGHT" width="81">434,000  </td>
    <td ALIGN="RIGHT" width="87">371,000  </td>
    <td ALIGN="RIGHT" width="82">328,000  </td>
    <td ALIGN="RIGHT" width="80">271,000  </td>
  </tr>
  <tr>
    <td width="177">Number of Shareholders</td>
    <td ALIGN="RIGHT" width="87">259,000  </td>
    <td ALIGN="RIGHT" width="84">258,000  </td>
    <td ALIGN="RIGHT" width="81">181,000  </td>
    <td ALIGN="RIGHT" width="87">150,000  </td>
    <td ALIGN="RIGHT" width="82">122,000  </td>
    <td ALIGN="RIGHT" width="80">80,000  </td>
  </tr>
</TABLE>

<p><br>
<i>    * Net income before minority interest, equity in unconsolidated
subsidiaries and cumulative effect of <br>
     accounting change/average assets<br>
  ** Net income/average shareholders&#146; equity<br>
*** Calculated without giving effect to the amount by which a lawsuit settlement exceeded
established <br>
     reserves. See Management&#146;s Discussion and Analysis.</i></p>

<p>The effects of the change in accounting method for SAM&#146;S Club membership revenue
recognition would not have a material impact on this summary prior to 1998. Therefore, pro
forma information as if the accounting change had been in effect for all years presented
has not been provided. See Management&#146;s Discussion and Analysis for discussion of the
impact of the accounting change in fiscal 2000, 1999 and 1998.</p>

<p>The acquisition of the ASDA Group PLC and the Company&#146;s related debt issuance had
a significant impact on the fiscal 2000 amounts in this summary. See Notes 3 and 6 to the
Consolidated Financial Statements.</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 20</b></p>
<b>

<p align="center">Management&#146;s Discussion and Analysis</b></p>

<p><b>Net Sales</b><br>
Sales (in millions) by operating segment for the three fiscal years ended January 31, are
as follows:</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="75" ALIGN="CENTER">Fiscal Year</td>
    <td WIDTH="75" ALIGN="CENTER">Wal-Mart Stores</td>
```

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    <td WIDTH="75" ALIGN="CENTER">SAM&#146;S Club</td>
    <td WIDTH="75" ALIGN="CENTER">International</td>
    <td WIDTH="75" ALIGN="CENTER">Other (McLane)</td>
    <td WIDTH="75" ALIGN="CENTER">Total Company</td>
    <td WIDTH="75" ALIGN="CENTER">Total Company Increase</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">2000</td>
    <td ALIGN="CENTER">$108,721</td>
    <td ALIGN="CENTER">$24,801</td>
    <td ALIGN="CENTER">$22,728</td>
    <td ALIGN="CENTER">$8,763</td>
    <td ALIGN="CENTER">$165,013</td>
    <td ALIGN="CENTER">20%</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">1999</td>
    <td ALIGN="CENTER">95,395</td>
    <td ALIGN="CENTER">22,881</td>
    <td ALIGN="CENTER">12,247</td>
    <td ALIGN="CENTER">7,111</td>
    <td ALIGN="CENTER">137,634</td>
    <td ALIGN="CENTER">17%</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">1998</td>
    <td ALIGN="CENTER">83,820</td>
    <td ALIGN="CENTER">20,668</td>
    <td ALIGN="CENTER">7,517</td>
    <td ALIGN="CENTER">5,953</td>
    <td ALIGN="CENTER">117,958</td>
    <td ALIGN="CENTER">12%</td>
  </tr>
</TABLE>

<p><br>
The Company&#146;s sales growth of 20% in fiscal 2000, when compared to fiscal 1999, is
the result of the Company&#146;s expansion program, including international acquisition,
and a domestic comparative store sales increase of 8%. The sales increase of 17% in fiscal
1999, when compared to fiscal 1998, was also attributable to our expansion program and a
domestic comparative store sales increase of 9%.</p>

<p><b>Costs and Expenses</b><br>
Cost of sales, as a percentage of sales, decreased, resulting in increases in gross margin
of .4% and .2% in fiscal 2000 and fiscal 1999, respectively. These improvements in gross
margin occurred even with continued price rollbacks, our continuing commitment to always
providing low prices and higher international and food department sales which generally
have lower gross margins than domestic general merchandise. The fiscal 2000 improvement in
gross margin can be attributed to a favorable sales mix of higher margin categories,
improvements in shrinkage and markdowns, a favorable LIFO inventory adjustment and the
slower growth of SAM&#146;S Club, which is our lowest gross margin retail operation. The
gross margin improvement in fiscal 1999 was the result of lower inventory levels, which
resulted in reduced markdowns and decreased shrinkage.</p>

<p>Operating, selling, general and administrative expenses increased .1% as a percentage
of sales in fiscal 2000 when compared with fiscal 1999. This increase was partially due to
increased payroll cost incurred during the year. Additionally, in the second quarter of
fiscal 2000, a $624 million jury verdict was rendered against the Company in a lawsuit.
The Company agreed to settle the lawsuit for an amount less than the jury verdict. The
Company had previously established reserves related to this lawsuit, which were not
material to its results of operations or financial position. The settlement exceeded the
Company&#146;s estimated reserves for this lawsuit and resulted in a charge in the second
quarter of fiscal 2000 of $.03 per share net of taxes.</p>

<p>Operating, selling, general and administrative expenses decreased .2% as a percentage
of sales in fiscal 1999 when compared with fiscal 1998. The strong sales increase along
with lower inventory levels combined to reduce expenses as a percentage of sales. The
expense leverage was mitigated in the consolidated results due to the percentage of the
total volume decreasing in the SAM&#146;S Club segment, which has lower expenses as a
percentage of sales, while the percentage of total volume increased in the International
segment, which has higher expenses as a percentage of sales than the other operating
segments. Every operating segment was flat or down in expenses as a percent of sales in
fiscal 1999 when compared with fiscal 1998.</p>

<p><b>Wal-Mart Stores</b><br>
Sales for the Company&#146;s Wal-Mart Stores segment increased by 14.0% in fiscal 2000
when compared to fiscal 1999, and 13.8% in fiscal 1999 when compared to fiscal 1998. The
fiscal 2000 growth is the result of comparative store sales increases and the
Company&#146;s expansion program. Segment expansion during fiscal 2000 included the
opening of 29 Wal-Mart stores and 157 Supercenters (including the conversion of 96
existing Wal-Mart stores into Supercenters). Fiscal 1999 growth is also the result of
comparative store sales increases and the Company&#146;s expansion program. Segment
expansion during fiscal 1999 included the opening of 37 Wal-Mart stores and 123
Supercenters (including the conversion of 88 existing Wal-Mart stores into Supercenters).
Operating income for the segment for fiscal 2000 increased by 19%, from $7.0 billion in
```

fiscal 1999 to $8.4 billion in fiscal 2000. 1999 segment operating income increased by 21%, from $5.8 billion in 1998 to $7.0 billion in 1999. The improvement in operating income in 2000 has been driven by margin improvements resulting from improvements in markdowns and shrinkage. However, these margin improvements were somewhat offset by increased payroll costs. Fiscal 1999 margin improvements were the result of lower inventory levels, which generated lower markdowns and reduced shrinkage.</p>

<p>SAM’S Club
Sales for the Company’s SAM’S Club segment increased by 8.4% in fiscal 2000 when compared to fiscal 1999, and by 10.7% in fiscal 1999 when compared to fiscal 1998. SAM’S Club sales continued to decrease as a percentage of total Company sales, decreasing from 17.5% in fiscal 1998 to 16.6% in fiscal 1999 and to 15.0% in fiscal 2000. This decrease as a percentage of total Company sales is primarily the result of the increased growth rate in the international segment. SAM’S Club segment expansion during fiscal 2000 and 1999 consisted of the opening of twelve and eight clubs, respectively, and the Company has plans for continued new club openings in fiscal 2001. Additionally, the Company intends to continue its program of remodeling its existing SAM’S Club. After consideration of the effects of the change in accounting method for membership revenue recognition, operating income for the segment in fiscal 2000 increased by 16.8%, from $650 million in fiscal 1999 to $759 million in fiscal 2000. The pretax impact of the change in accounting method would have been $57 million in fiscal 1999 and was $16 million in fiscal 2000. The impact of the accounting method change is greater on fiscal 1999 due to an increase in the cost of SAM’S Club membership that occurred during that year. If the effect of this accounting change is not considered, operating income would have been basically flat as a percent of segment sales when comparing fiscal 1999 to fiscal 2000. Fiscal 1999 saw a 7.6% increase in operating income after consideration of the accounting change, when operating income increased from $604 million in fiscal 1998 to $650 million in fiscal 1999. The pretax impact of the accounting change on fiscal 1998 would have been $12 million. Ignoring the effect of this change, operating income increased from 3.0% of segment sales in fiscal 1998 to 3.1% of segment sales in fiscal 1999.</p>

<p align="center">Wal-Mart Stores, Inc. Annual Report - Page 21</p>

<p>International
International sales accounted for approximately 13.8% of total Company sales in fiscal 2000 compared with 8.9% in fiscal 1999. The largest portion of the increase in International sales is the result of the acquisition of the ASDA Group PLC (ASDA), which consisted of 229 stores and was completed during the third quarter of fiscal 2000. Additionally, fiscal 2000 was the first full year containing the operating results of the 74 units of the German Interspar hypermarket chain, which were acquired in the fourth quarter of fiscal 1999. Expansion in the international segment for fiscal 2000 consisted of the opening or acquisition of 288 units.</p>

<p>International sales accounted for approximately 8.9% of total Company sales in fiscal 1999 compared with 6.4% in fiscal 1998. The growth in International is partially due to acquisitions during 1999 and 1998. Expansion in the international segment for fiscal 1999 consisted of the opening or acquisition of 114 units. In the third quarter of fiscal 1998, the Company acquired a controlling interest of Cifra, S.A de C.V. (Cifra), which at acquisition date included 250 units in varying formats including Aurreras, Bodegas, Suburbias, Superamas, and Vips. In the fourth quarter of fiscal 1998, the Company acquired the 21 units of the Wertkauf hypermarket chain in Germany. In fiscal 1999, the Company acquired four units in South Korea which were previously operated by Korea Makro. See Note 6 of Notes to Consolidated Financial Statements for additional information on acquisitions.</p>

<p>The Company’s foreign operations are comprised of wholly-owned operations in Argentina, Canada, Germany, Korea, Puerto Rico and the United Kingdom; joint ventures in China; and majority-owned subsidiaries in Brazil and Mexico. As a result, the Company’s financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which the Company does business. The Company minimizes exposure to the risk of devaluation of foreign currencies by operating in local currencies and through buying forward contracts, where feasible, for most known transactions.</p>

<p>Prior to fiscal 2000, Mexico’s economy was considered highly-inflationary. Accordingly, the results of the operations of the Company’s Mexican subsidiary were reported using United States dollars. Beginning in fiscal 2000, Mexico ceased to be considered a highly-inflationary economy and began reporting its operations in its local currency. The impact on the consolidated or international segment results of operations or financial position as a result of the change was not material. In fiscal 2000, the foreign currency translation adjustment decreased by $54 million to $455 million primarily due to the United States dollar weakening against the British pound and the Canadian dollar. This was partially offset by the United States dollar strengthening against the Brazilian real. In fiscal 1999, the foreign currency translation adjustment increased by $36 million to $509 million, primarily due to the exchange rates in Brazil and Canada.</p>

<p>After consideration of the effects of the change of accounting method for SAM’S membership revenues, the international segment’s operating profit increased from $549 million in fiscal 1999 to $817 million in fiscal 2000. The largest portion of the increase in international operating profit is the result of the ASDA acquisition which was completed during the third quarter of fiscal 2000. Additionally, the Company’s operations in Canada, Mexico and Puerto Rico had operating profit increases in fiscal 2000.</p>

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<p>After consideration of the effects of the change of accounting method, the
international segment&#146;s operating profit increased from $260 million in fiscal 1998
to $549 million in fiscal 1999. Because the Cifra and Wertkauf acquisitions occurred
during the last half of fiscal 1998, the additional operating profit resulting from these
acquisitions accounts for a part of the increase in the international segment&#146;s
operating profit when comparing fiscal 1999 to fiscal 1998.</p>

<p>In February 2000, Cifra officially changed its name to Wal-Mart de Mexico, S.A. de C.V.</p>

<p>In March 2000, the Company announced the sale of all three of the Company&#146;s
SAM&#146;S Clubs in Argentina. The sale is being made so that the Company can concentrate
on expanding its Supercenter business within Argentina.</p>

<p><b>Interest Costs</b><br>
Debt interest costs increased .08% as a percentage of sales from .38% in fiscal 1999 to
 .46% in fiscal 2000. This increase is the result of increased fiscal 2000 borrowings
incurred as the result of the ASDA acquisition. Interest cost related to capital leases
decreased by .03% as a percentage of sales from .19% in fiscal 1999 to .16% in fiscal
2000.</p>

<p>Interest costs decreased .09% as a percentage of sales in fiscal 1999 when compared
with fiscal 1998. The Company met cash requirements without short-term borrowings
throughout most of fiscal 1999 due to enhanced operating cash flows. The interest on the
Company&#146;s capital leases increased over fiscal 1998 due to continuing expansion. See
Note 3 of the Notes to Consolidated Financial Statements for additional information on
interest and debt.</p>

<p><b>Liquidity and Capital Resources Cash Flows Information</b><br>
Cash flows from operating activities were $8,194 million in fiscal 2000, up from $7,580
million in fiscal 1999. In fiscal 2000, the Company invested $6,183 million in capital
assets, paid dividends of $890 million, and had a net cash outlay of $10.4 billion
primarily for acquisition of ASDA Group PLC, the third largest retailer in the United
Kingdom. The ASDA cash outlay was financed with the issuance of long-term debt and
commercial paper. See Note 6 of Notes to Consolidated Financial Statements for additional
information on acquisitions.</p>

<p><b>Market Risk</b><br>
Market risks relating to the Company&#146;s operations result primarily from changes in
interest rates and changes in foreign exchange rates.</p>

<p>The Company enters into interest rate and cross currency swaps to minimize the risk and
costs associated with financing activities and to hedge its net investment in certain
foreign subsidiaries. The swap agreements are contracts to exchange fixed or variable
rates for variable or fixed interest rate payments periodically over the life of the
instruments. The following tables provide information about the Company&#146;s derivative
financial instruments and other financial instruments that are sensitive to changes in
interest rates. For debt obligations, the table presents principal cash flows and related
weighted-average interest rates by expected maturity dates. For interest rate and cross
currency swaps, the table presents notional amounts and interest rates by contractual
maturity dates. The applicable floating rate index is included for variable rate
instruments. All amounts are stated in United States dollar equivalents.</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 22</b></p>
<b>

<p align="center">Interest Rate Sensitivity As of January 31, 2000</b><br>
Principal (Notional) Amount by Expected Maturity<br>
Average Interest (Swap) Rate</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="204" VALIGN="BOTTOM"><small>(Amounts in millions)</small></td>
    <td WIDTH="57" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2001  </small></td>
    <td WIDTH="63" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2002  </small></td>
    <td WIDTH="46" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2003  </small></td>
    <td WIDTH="53" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2004  </small></td>
    <td WIDTH="57" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2005  </small></td>
    <td WIDTH="64" ALIGN="CENTER" VALIGN="BOTTOM"><small>Thereafter</small></td>
    <td WIDTH="64" ALIGN="CENTER" VALIGN="BOTTOM"><small>Total</small></td>
    <td WIDTH="65" ALIGN="CENTER" VALIGN="BOTTOM"><small>Fair value<br>
    1/31/00</small></td>
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  <tr>
    <td COLSPAN="9" width="669"><small><b>Liabilities</b></small></td>
  </tr>
  <tr>
    <td COLSPAN="9" width="669"><small>Long-term debt including current portion </small></td>
  </tr>
  <tr>
    <td width="204"><small>    Fixed rate debt</small></td>
    <td ALIGN="RIGHT" width="57"><small>$  1,964  </small></td>
    <td WIDTH="63" ALIGN="RIGHT"><small>$  2,070  </small></td>
```

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    <td WIDTH="46" ALIGN="RIGHT"><small>$  659  </small></td>
    <td WIDTH="53" ALIGN="RIGHT"><small>$  742  </small></td>
    <td WIDTH="57" ALIGN="RIGHT"><small>$  1,854  </small></td>
    <td WIDTH="64" ALIGN="RIGHT"><small>$  8,347  </small></td>
    <td WIDTH="64" ALIGN="RIGHT"><small>$  15,636  </small></td>
    <td WIDTH="65" ALIGN="RIGHT"><small>$  14,992  </small></td>
  </tr>
  <tr>
    <td width="204"><small>    Average interest rate -</small><br>
    <small>        USD rate</small></td>
    <td ALIGN="RIGHT" width="57"><small>6.9%</small></td>
    <td ALIGN="RIGHT" width="63"><small>6.8%</small></td>
    <td ALIGN="RIGHT" width="46"><small>6.8%</small></td>
    <td ALIGN="RIGHT" width="53"><small>6.8%</small></td>
    <td ALIGN="RIGHT" width="57"><small>6.8%</small></td>
    <td ALIGN="RIGHT" width="64"><small>6.9%</small></td>
    <td ALIGN="RIGHT" width="64"><small>6.9%</small></td>
    <td width="65"> </td>
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  <tr>
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    Related to Debt</b></small></td>
  </tr>
  <tr>
    <td COLSPAN="9" width="669"><small>Interest rate swap</small></td>
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    <td ALIGN="RIGHT" width="57"><small>500  </small></td>
    <td ALIGN="RIGHT" width="63"><small>-  </small></td>
    <td ALIGN="RIGHT" width="46"><small>-  </small></td>
    <td ALIGN="RIGHT" width="53"><small>-  </small></td>
    <td ALIGN="RIGHT" width="57"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>500  </small></td>
    <td ALIGN="RIGHT" width="65"><small>(1)</small></td>
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  <tr>
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    commercial<br>
            paper non-financial plus .245%</small></td>
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    <small>        rate</small></td>
    <td ALIGN="RIGHT" width="57"><small>5.9%</small></td>
    <td ALIGN="RIGHT" width="63"><small>-  </small></td>
    <td ALIGN="RIGHT" width="46"><small>-  </small></td>
    <td ALIGN="RIGHT" width="53"><small>-  </small></td>
    <td ALIGN="RIGHT" width="57"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>5.9%</small></td>
    <td width="65"> </td>
  </tr>
  <tr>
    <td COLSPAN="9" width="669"><small>Interest rate swap</small></td>
  </tr>
  <tr>
    <td width="204"><small>    Pay variable/receive fixed</small></td>
    <td ALIGN="RIGHT" width="57"><small>500  </small></td>
    <td ALIGN="RIGHT" width="63"><small>-  </small></td>
    <td ALIGN="RIGHT" width="46"><small>-  </small></td>
    <td ALIGN="RIGHT" width="53"><small>-  </small></td>
    <td ALIGN="RIGHT" width="57"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>500  </small></td>
    <td ALIGN="RIGHT" width="65"><small>-  </small></td>
  </tr>
  <tr>
    <td COLSPAN="9" width="669"><small>    Average rate paid - 30-day U.S.
    commercial<br>
            paper non-financial plus .134%</small></td>
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  <tr>
    <td width="204"><small>    Fixed rate received - USD</small><br>
    <small>        rate</small></td>
    <td ALIGN="RIGHT" width="57"><small>5.7%</small></td>
    <td ALIGN="RIGHT" width="63"><small>-  </small></td>
    <td ALIGN="RIGHT" width="46"><small>-  </small></td>
    <td ALIGN="RIGHT" width="53"><small>-  </small></td>
    <td ALIGN="RIGHT" width="57"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>5.7%</small></td>
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```

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<tr>
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  <td ALIGN="RIGHT" width="46"><small>49  </small></td>
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  <td ALIGN="RIGHT" width="64"><small>266  </small></td>
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  <td ALIGN="RIGHT" width="65"><small>(7)</small></td>
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<tr>
  <td COLSPAN="9" width="669"><small>    Average rate paid - 30-day U.S.
  commercial<br>
          paper non-financial</small></td>
</tr>
<tr>
  <td width="204"><small>    Fixed rate received - USD</small><br>
  <small>        rate</small></td>
  <td ALIGN="RIGHT" width="57"><small>7.0%</small></td>
  <td ALIGN="RIGHT" width="63"><small>7.0%</small></td>
  <td ALIGN="RIGHT" width="46"><small>7.0%</small></td>
  <td ALIGN="RIGHT" width="53"><small>7.0%</small></td>
  <td ALIGN="RIGHT" width="57"><small>7.0%</small></td>
  <td ALIGN="RIGHT" width="64"><small>7.0%</small></td>
  <td ALIGN="RIGHT" width="64"><small>7.0%</small></td>
  <td width="65"> </td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>Interest rate swap</small></td>
</tr>
<tr>
  <td width="204"><small>    Pay variable/receive fixed</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>230  </small></td>
  <td ALIGN="RIGHT" width="64"><small>230  </small></td>
  <td ALIGN="RIGHT" width="65"><small>(14)</small></td>
</tr>
<tr>
  <td width="204"><small>    Floating rate paid -</small><br>
  <small>        6-month U.S. LIBOR</small></td>
</tr>
<tr>
  <td width="204"><small>    Fixed rate received - USD</small><br>
  <small>        rate</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>7.0%</small></td>
  <td ALIGN="RIGHT" width="64"><small>7.0%</small></td>
  <td width="65"> </td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>Interest rate swap</small></td>
</tr>
<tr>
  <td width="204"><small>    Pay fixed/receive variable</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>151  </small></td>
  <td ALIGN="RIGHT" width="64"><small>151  </small></td>
  <td ALIGN="RIGHT" width="65"><small>(11)</small></td>
</tr>
<tr>
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  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>8.1%</small></td>
  <td ALIGN="RIGHT" width="64"><small>8.1%</small></td>
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```

```
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  <small>        3-month U.S. LIBOR</small></td>
</tr>
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  Related to Currency Swaps</b></small></td>
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  <td COLSPAN="9" width="669"><small>Currency swap- German Deutschemarks</small></td>
</tr>
<tr>
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  <small>        variable</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>1,101  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>1,101  </small></td>
  <td ALIGN="RIGHT" width="65"><small>122</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>    Floating rate paid- 3-month
  German<br>
          Deutschemark LIBOR minus .0676%</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>    Average rate received- 30-day
  U.S. commercial<br>
          paper non-financial</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>Interest rate swap- German Deutschemarks</small></td>
</tr>
<tr>
  <td width="204"><small>    Pay fixed/receive variable</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>1,101  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>1,101  </small></td>
  <td ALIGN="RIGHT" width="65"><small>6  </small></td>
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<tr>
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  <small>        Deutschemark rate</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>4.5%</small></td>
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  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
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  German<br>
          Deutschemark LIBOR minus .0676%</small></td>
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  <td ALIGN="RIGHT" width="46"><small>1,101  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
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  <td ALIGN="RIGHT" width="65"><small>(38)</small></td>
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  commercial<br>
          paper non-financial</small></td>
</tr>
<tr>
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  <small>        rate</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>5.8%</small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>5.8%</small></td>
  <td width="65"> </td>
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<tr>
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  <small>        variable</small></td>
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  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>809  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>809  </small></td>
  <td ALIGN="RIGHT" width="65"><small>129  </small></td>
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<tr>
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  German<br>
          Deutschemark LIBOR minus .055%</small></td>
</tr>
<tr>
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  U.S. commercial<br>
          paper non-financial</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>Interest rate swap- German Deutschemarks</small></td>
</tr>
<tr>
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  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>809  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>-  </small></td>
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  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>3.4%</small></td>
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  German<br>
          Deutschemark LIBOR minus .055%</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>Interest rate swap- U.S. Dollars</small></td>
</tr>
<tr>
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  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>809  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>809  </small></td>
  <td ALIGN="RIGHT" width="65"><small>(57)</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>    Average rate paid- 30-day U.S.
  commercial<br>
          paper non-financial</small></td>
```

```
</tr>
<tr>
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  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>5.2%</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>5.2%</small></td>
  <td width="65"> </td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>Currency swap- Great Britain Pounds</small></td>
</tr>
<tr>
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  <small>        variable</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>3,500  </small></td>
  <td ALIGN="RIGHT" width="64"><small>3,500  </small></td>
  <td ALIGN="RIGHT" width="65"><small>(29)</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>    Floating rate paid- 6-month
  Great Britain<br>
          Pound LIBOR minus .1203%</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>    Floating rate received- 3-month
  U.S.<br>
          Dollar LIBOR minus .0842%</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>Interest rate swap- Great Britain Pounds</small></td>
</tr>
<tr>
  <td width="204"><small>    Pay fixed/receive variable</small></td>
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  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>3,500  </small></td>
  <td ALIGN="RIGHT" width="64"><small>3,500  </small></td>
  <td ALIGN="RIGHT" width="65"><small>83  </small></td>
</tr>
<tr>
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  <small>        Britain Pound rate</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>6.2%</small></td>
  <td ALIGN="RIGHT" width="64"><small>6.2%</small></td>
  <td width="65"> </td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>    Floating rate received- 3-month
  Great Britain<br>
          Pound LIBOR minus .1203%</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>Interest rate swap- U.S. Dollars</small></td>
</tr>
<tr>
  <td width="204"><small>    Pay variable/receive fixed</small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="63"><small>-  </small></td>
  <td ALIGN="RIGHT" width="46"><small>-  </small></td>
  <td ALIGN="RIGHT" width="53"><small>-  </small></td>
  <td ALIGN="RIGHT" width="57"><small>-  </small></td>
  <td ALIGN="RIGHT" width="64"><small>3,500  </small></td>
  <td ALIGN="RIGHT" width="64"><small>3,500  </small></td>
  <td ALIGN="RIGHT" width="65"><small>(71)</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="669"><small>    Floating rate paid- 3-month
```

```
    U.S.<br>
            Dollar LIBOR minus .0842%</small></td>
  </tr>
  <tr>
    <td width="204"><small>    Fixed rate received- USD</small><br>
    <small>        rate</small></td>
    <td ALIGN="RIGHT" width="57"><small>-  </small></td>
    <td ALIGN="RIGHT" width="63"><small>-  </small></td>
    <td ALIGN="RIGHT" width="46"><small>-  </small></td>
    <td ALIGN="RIGHT" width="53"><small>-  </small></td>
    <td ALIGN="RIGHT" width="57"><small>-  </small></td>
    <td ALIGN="RIGHT" width="64"><small>6.9%</small></td>
    <td ALIGN="RIGHT" width="64"><small>6.9%</small></td>
    <td width="65"> </td>
  </tr>
</TABLE>

<p align="center"><br>
<b>Wal-Mart Stores, Inc. Annual Report - Page 23</b></p>
<b>

<p align="center">Interest Rate Sensitivity As of January 31, 1999</b><br>
Principal (Notional) Amount by Expected Maturity<br>
Average Interest (Swap) Rate</p>

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    <td WIDTH="49" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2000  </small></td>
    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2001  </small></td>
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    <td WIDTH="46" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2003  </small></td>
    <td WIDTH="44" ALIGN="RIGHT" VALIGN="BOTTOM"><small>2004  </small></td>
    <td WIDTH="69" ALIGN="CENTER" VALIGN="BOTTOM"><small>Thereafter</small></td>
    <td WIDTH="57" ALIGN="CENTER" VALIGN="BOTTOM"><small>Total</small></td>
    <td WIDTH="57" ALIGN="CENTER" VALIGN="BOTTOM"><small>Fair value<br>
    1/31/99</small></td>
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  <tr>
    <td COLSPAN="9" width="692"><small><b>Liabilities</b></small></td>
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  <tr>
    <td COLSPAN="9" width="692"><small>Long-term debt including current portion </small></td>
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  <tr>
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    <td WIDTH="46" ALIGN="RIGHT"><small>$  801  </small></td>
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    <td WIDTH="44" ALIGN="RIGHT"><small>$  739  </small></td>
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    <td ALIGN="RIGHT" width="46"><small>7.1%</small></td>
    <td ALIGN="RIGHT" width="46"><small>6.9%</small></td>
    <td ALIGN="RIGHT" width="44"><small>7.0%</small></td>
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  <tr>
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            real estate investment trust</small></td>
  </tr>
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    <td WIDTH="50" ALIGN="RIGHT"><small>43  </small></td>
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    <td WIDTH="46" ALIGN="RIGHT"><small>50  </small></td>
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    <td WIDTH="69" ALIGN="RIGHT"><small>327  </small></td>
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```

```
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  <td WIDTH="46" ALIGN="RIGHT"><small>8.4%</small></td>
  <td WIDTH="44" ALIGN="RIGHT"><small>8.4%</small></td>
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  <td width="57"> </td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small><b>Interest Rate Derivative Financial Instruments<br>
  Related to Debt</b></small></td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>Interest rate swap</small></td>
</tr>
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  <td ALIGN="RIGHT" width="49"><small>-  </small></td>
  <td WIDTH="50" ALIGN="RIGHT"><small>500  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
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  <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>500  </small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>10  </small></td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>    Average rate paid-30-day U. S.
  commercial<br>
          paper non-financial plus .134%</small></td>
</tr>
<tr>
  <td width="210"><small>    Fixed rate received-USD rate</small></td>
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  <td WIDTH="50" ALIGN="RIGHT"><small>5.7%</small></td>
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</tr>
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  <td width="210"><small>    Pay variable/receive fixed</small></td>
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  <td WIDTH="50" ALIGN="RIGHT"><small>500  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
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          paper non-financial plus .245%</small></td>
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  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="44" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
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  Related to Real Estate Investment Trust Obligation</b></small></td>
</tr>
<tr>
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</tr>
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  <td WIDTH="44" ALIGN="RIGHT"><small>54  </small></td>
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  commercial<br>
          paper non-financial</small></td>
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<tr>
  <td width="210"><small>    Fixed rate received-USD rate</small></td>
  <td ALIGN="RIGHT" width="49"><small>7.0%</small></td>
  <td WIDTH="50" ALIGN="RIGHT"><small>7.0%</small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>7.0%</small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>7.0%</small></td>
  <td WIDTH="44" ALIGN="RIGHT"><small>7.0%</small></td>
  <td WIDTH="69" ALIGN="RIGHT"><small>7.0%</small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>7.0%</small></td>
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</tr>
<tr>
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  <td ALIGN="RIGHT" width="49"><small>-  </small></td>
  <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="44" ALIGN="RIGHT"><small>-  </small></td>
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  <td WIDTH="57" ALIGN="RIGHT"><small>30  </small></td>
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<tr>
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  LIBOR</small></td>
</tr>
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  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="44" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="69" ALIGN="RIGHT"><small>7.0%</small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>7.0%</small></td>
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</tr>
<tr>
  <td COLSPAN="9" width="692"><small><b>Interest Rate Derivative Financial Instruments<br>
  Related to Currency Swaps</b></small></td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>Currency swap-German Deutschemarks</small></td>
</tr>
<tr>
  <td width="210"><small>    Pay variable/receive variable</small></td>
  <td ALIGN="RIGHT" width="49"><small>-  </small></td>
  <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>1,101  </small></td>
  <td WIDTH="44" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>1,101  </small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>(43)</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>    Floating rate paid-3-month
  German<br>
          Deutschemark LIBOR minus .0676%</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>    Average rate received-30-day
  U.S. commercial<br>
          paper non-financial</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>Interest rate swap-German Deutschemarks</small></td>
</tr>
<tr>
  <td width="210"><small>    Pay fixed/receive variable</small></td>
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  <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>1,101  </small></td>
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<tr>
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  <small>        Deutschemark rate</small></td>
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  <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>4.5%</small></td>
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  <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
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  German<br>
          Deutschemark LIBOR minus .0676%</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>Interest rate swap-U. S. Dollars</small></td>
</tr>
<tr>
  <td width="210"><small>    Pay variable/receive fixed</small></td>
  <td ALIGN="RIGHT" width="49"><small>-  </small></td>
  <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
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  <td WIDTH="44" ALIGN="RIGHT"><small>-  </small></td>
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  <td WIDTH="57" ALIGN="RIGHT"><small>28  </small></td>
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<tr>
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  commercial<br>
          paper non-financial</small></td>
</tr>
<tr>
  <td width="210"><small>    Fixed rate received-USD rate</small></td>
  <td ALIGN="RIGHT" width="49"><small>-  </small></td>
  <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>5.8%</small></td>
  <td WIDTH="44" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>5.8%</small></td>
  <td width="57"> </td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>Currency swap-German Deutschemarks</small></td>
</tr>
<tr>
  <td width="210"><small>    Pay variable/receive variable</small></td>
  <td ALIGN="RIGHT" width="49"><small>-  </small></td>
  <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="44" ALIGN="RIGHT"><small>809  </small></td>
  <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>809  </small></td>
  <td WIDTH="57" ALIGN="RIGHT"><small>18  </small></td>
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  German<br>
          Deutschemark LIBOR minus .055%</small></td>
</tr>
<tr>
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  U.S. commercial<br>
          paper non-financial</small></td>
</tr>
<tr>
  <td COLSPAN="9" width="692"><small>Interest rate swap-German Deutschemarks</small></td>
</tr>
<tr>
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  <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
  <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
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  <tr>
    <td width="210"><small>    Fixed rate paid-German </small><br>
    <small>        Deutschemark rate</small></td>
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    <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="44" ALIGN="RIGHT"><small>3.4%</small></td>
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    <td WIDTH="57" ALIGN="RIGHT"><small>3.4%</small></td>
    <td width="57"> </td>
  </tr>
  <tr>
    <td COLSPAN="9" width="692"><small>    Floating rate received-3-month
    German<br>
            Deutschemark LIBOR minus .055%</small></td>
  </tr>
  <tr>
    <td COLSPAN="9" width="692"><small>Interest rate swap-U.S. Dollars</small></td>
  </tr>
  <tr>
    <td width="210"><small>    Pay variable/receive fixed</small></td>
    <td ALIGN="RIGHT" width="49"><small>-  </small></td>
    <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="44" ALIGN="RIGHT"><small>809  </small></td>
    <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="57" ALIGN="RIGHT"><small>809  </small></td>
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  </tr>
  <tr>
    <td COLSPAN="9" width="692"><small>    Average rate paid-30-day U.S.
    commercial<br>
            paper non-financial</small></td>
  </tr>
  <tr>
    <td width="210"><small>    Fixed rate received-USD rate</small></td>
    <td ALIGN="RIGHT" width="49"><small>-  </small></td>
    <td WIDTH="50" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="46" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="44" ALIGN="RIGHT"><small>5.2%</small></td>
    <td WIDTH="69" ALIGN="RIGHT"><small>-  </small></td>
    <td WIDTH="57" ALIGN="RIGHT"><small>5.2%</small></td>
    <td width="57"> </td>
  </tr>
</TABLE>

<p><br>
In fiscal 2000, the Company converted the long-term obligation related to a real estate
investment trust in which it acquired the equity interest to long-term debt and,
accordingly, has included this debt in the long-term debt section above.</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 24</b></p>

<p>The Company routinely enters into forward currency exchange contracts in the regular
course of business to manage its exposure against foreign currency fluctuations on
cross-border purchases of inventory. These contracts are generally for durations of six
months or less. In addition, the Company entered into a series of foreign currency swaps
to hedge the net investment in Germany and the United Kingdom.</p>

<p>The following tables provide information about the Company&#146;s derivative financial
instruments, including foreign currency forward exchange agreements and currency swap
agreements by functional currency, and presents the information in United States dollar
equivalents. For foreign currency forward exchange agreements, the table presents the
notional amounts and weighted average exchange rates by contractual maturity dates.</p>

<p align="center"><b>Foreign Currency Exchange Rate Sensitivity As of January 31, 2000</b><br>
Principal (Notional) Amount by Expected Maturity</p>

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    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2001  </td>
    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2002  </td>
    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2003  </td>
```

```
  <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2004  </td>
  <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2005  </td>
  <td WIDTH="50" ALIGN="CENTER" VALIGN="BOTTOM">Thereafter</td>
  <td WIDTH="50" ALIGN="CENTER" VALIGN="BOTTOM">Total</td>
  <td WIDTH="50" ALIGN="CENTER" VALIGN="BOTTOM">Fair value<br>
  1/31/2000</td>
</tr>
<tr>
  <td COLSPAN="9"><b>Forward Contracts to Sell Canadian<br>
      Dollars for Foreign Currencies</b></td>
</tr>
<tr>
  <td COLSPAN="9">United States Dollars</td>
</tr>
<tr>
  <td>    Notional amount</td>
  <td ALIGN="RIGHT">$  91  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">$  91  </td>
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</tr>
<tr>
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  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
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  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">1.5  </td>
  <td> </td>
</tr>
<tr>
  <td COLSPAN="9"><b>Forward Contracts to Sell British<br>
      Pounds for Foreign Currencies</b></td>
</tr>
<tr>
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  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">70  </td>
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  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">-  </td>
  <td WIDTH="50" ALIGN="RIGHT">12.8  </td>
  <td> </td>
</tr>
<tr>
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</tr>
<tr>
  <td>    Notional amount</td>
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  <td WIDTH="50" ALIGN="RIGHT">-  </td>
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  <tr>
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  <tr>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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  <tr>
    <td COLSPAN="9"><b>Currency Swap Agreements</b></td>
  </tr>
  <tr>
    <td COLSPAN="9">Payment of German Deutschemarks</td>
  </tr>
  <tr>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">1.8  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">1.8  </td>
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  </tr>
  <tr>
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  <tr>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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  </tr>
  <tr>
    <td COLSPAN="9">Payment of Great Britain Pounds</td>
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  </tr>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">0.6  </td>
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<p align="center"><b>Foreign Currency Exchange Rate Sensitivity As of January 31, 1999</b><br>
Principal (Notional) Amount by Expected Maturity</p>

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    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2000  </td>
    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2001  </td>
    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2002  </td>
    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2003  </td>
    <td WIDTH="50" ALIGN="RIGHT" VALIGN="BOTTOM">2004  </td>
    <td WIDTH="50" ALIGN="CENTER" VALIGN="BOTTOM">Thereafter</td>
    <td WIDTH="50" ALIGN="CENTER" VALIGN="BOTTOM">Total</td>
    <td WIDTH="50" ALIGN="CENTER" VALIGN="BOTTOM">Fair value<br>
    1/31/99</td>
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  <tr>
    <td COLSPAN="9"><b>Forward Contracts to Sell Canadian<br>
        Dollars for Foreign Currencies</b></td>
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  <tr>
    <td COLSPAN="9">United States Dollars</td>
  </tr>
  <tr>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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  <tr>
    <td COLSPAN="9"><b>Forward Contracts to Sell German<br>
        Deutschemarks for Foreign Currencies</b></td>
  </tr>
  <tr>
    <td COLSPAN="9">Hong Kong Dollars</td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">0.2  </td>
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  </tr>
  <tr>
    <td COLSPAN="9">United States Dollars</td>
  </tr>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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  <tr>
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  </tr>
  <tr>
    <td COLSPAN="9"><b>Currency Swap Agreements</b></td>
  </tr>
  <tr>
    <td COLSPAN="9">Payment of German Deutschemarks</td>
  </tr>
  <tr>
    <td>    Notional amount</td>
    <td ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">1,101  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">1,101  </td>
    <td WIDTH="50" ALIGN="RIGHT">(43)</td>
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    <td WIDTH="50" ALIGN="RIGHT">1.8  </td>
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    <td WIDTH="50" ALIGN="RIGHT">1.8  </td>
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  </tr>
  <tr>
    <td COLSPAN="9">Payment of German Deutschemarks</td>
  </tr>
  <tr>
    <td>     Notional amount</td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">-  </td>
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    <td WIDTH="50" ALIGN="RIGHT">1.7  </td>
    <td WIDTH="50" ALIGN="RIGHT">-  </td>
    <td WIDTH="50" ALIGN="RIGHT">1.7  </td>
    <td> </td>
  </tr>
</TABLE>

<p align="center"> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 25</b></p>
<b>

<p>Company Stock Purchase and Common Stock Dividends</b></p>

<p>In fiscal 2000 and 1999, the Company repurchased over 2 million and 21 million shares
of its common stock for $101 million and $1,202 million, respectively. In the
Company&#146;s quarterly report on Form 10-Q for the third quarter of fiscal 2000, the
Company announced its intent to postpone any further share repurchases until the ratio of
debt to total book capitalization was approximately 40%. At January 31, 2000, the
Company&#146;s total debt to capitalization ratio including commercial paper was 46%.
Subsequent to year-end, the Company&#146;s stock price decreased and in February and March
2000, the Company repurchased 4.1 million shares of its common stock for $193 million.</p>

<p>The Company paid dividends totaling $.20 per share in fiscal 2000. In March 2000, the
Company increased its dividend 20% to $.24 per share for fiscal 2001. This marks the 28th
consecutive yearly increase in dividends.</p>

<p><b>Borrowing Information</b></p>

<p>The Company had committed lines of credit with 85 firms and banks, aggregating $4,872
million and informal lines of credit with various other banks, totaling an additional
$1,500 million, which were used to support commercial paper. These lines of credit and
their anticipated cyclical increases should be sufficient to finance the seasonal buildups
in merchandise inventories and other cash requirements.</p>

<p>The Company anticipates generating sufficient operating cash flow to pay the increased
dividend and to fund all capital expenditures. Accordingly, management does not plan to
finance future capital expenditures with debt. However, the Company plans to refinance
existing long-term debt as it matures and may desire to obtain additional long-term
financing for other uses of cash or for strategic reasons. The Company anticipates no
difficulty in obtaining long-term financing in view of an excellent credit rating and
favorable experiences in the debt market in the recent past. In addition to the available
credit lines mentioned above, and after consideration of $1 billion in notes issued in
February and March of 2000, the Company is permitted to sell up to $3.5 billion of public
debt under shelf registration statements previously filed with the United States
Securities and Exchange Commission.</p>

<p><b>Expansion</b></p>

<p>Domestically, the Company plans to open approximately 40 new Wal-Mart stores and
approximately 165 new Supercenters in fiscal 2000. Relocations or expansions of existing
discount stores will account for 107 of the Supercenters, while approximately 58 will be
new locations. Due to the continued positive customer feedback on the Neighborhood Market
concept, which is being tested in seven locations, the Company plans to add five to ten
new locations. Also planned for fiscal 2001 are 19 new SAM&#146;S Clubs, including eight
relocations. In addition, the Company will remodel approximately 140 of the existing
SAM&#146;S Clubs and expand two units. In order to serve these and future developments,
the Company will begin shipping from 11 new distribution centers (including one
replacement unit) in the next fiscal year. Internationally, plans are to develop or
relocate 90 to 100 retail units. These units are planned in Argentina, Brazil, Canada,
China, Germany, Korea, Mexico, Puerto Rico and the United Kingdom. Total planned growth
represents approximately 34.9 million square feet of net additional retail space.</p>

<p>Total planned capital expenditures for fiscal 2001 approximate $8 billion. We plan to
finance our expansion primarily with operating cash flows.</p>

<p>In the fourth quarter of fiscal 2000, the Company joined with Accel Partners, a venture
capital firm, to form Wal-Mart.com, Inc. Wal-Mart.com, Inc. will base its operations in
Palo Alto, California and was formed to further develop and operate the Internet retail
site, Wal-Mart.com, and to further the Company&#146;s efforts to attract customers to the
Internet with the Wal-Mart name.</p>

<p><b>Year 2000 Issue Update</b></p>

<p>The Company did not experience any significant malfunctions or errors in its operating
or business systems when the date changed from 1999 to 2000. Based on operations since
January 1, 2000, the Company does not expect any significant impact to its ongoing
business as a result of the &#146;Year 2000 issue.&#146; However, it is possible that the
full impact of the date change, which was of concern due to computer programs that use two
digits instead of four digits to define years, has not been fully recognized. For example,
it is possible that Year 2000 or similar issues such as leap year-related problems may
occur with billing, payroll, or financial closings at month, quarter, or year end. The
Company believes that any such problems are unlikely and that should they occur, they will
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be minor and correctable. In addition, the Company could still be negatively affected if
its suppliers are adversely affected by the Year 2000 or similar issues. The Company
currently is not aware of any significant Year 2000 or similar problems that have arisen
for its suppliers.</p>

<p>The Company expended $28.2 million on Year 2000 readiness efforts through January 31,
2000. Of this, $18.7 million is related to reprogramming, replacement, extensive testing
and validation of software, which was expensed as incurred, while $9.5 million was related
to acquisition of hardware, which is being capitalized. $2.2 million of the cost was
assumed as a result of the acquisition of ASDA Group PLC.</p>

<p><b>Forward-Looking Statements</b></p>

<p>The Private Securities Litigation Reform Act of 1995 provides a safe harbor for
forward-looking statements made by or on behalf of the Company. Certain statements
contained in Management&#146;s Discussion and Analysis, in other parts of this report and
in other Company filings are forward-looking statements. These statements discuss, among
other things, expected growth, future revenues, future cash flows and future performance.
The forward-looking statements are subject to risks and uncertainties including but not
limited to the cost of goods, competitive pressures, inflation, consumer debt levels,
currency exchange fluctuations, trade restrictions, changes in tariff and freight rates,
Year 2000 issues, interest rate fluctuations and other capital market conditions, and
other risks indicated in the Company&#146;s filings with the United States Securities and
Exchange Commission. Actual results may materially differ from anticipated results
described in these statements.</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 26</b></p>
<b>

<p align="center">Consolidated Statements of Income</b></p>

<p>(Amounts in millions except per share data)<br>
</p>

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    <td WIDTH="100" ALIGN="RIGHT">1999  </td>
    <td WIDTH="100" ALIGN="RIGHT">1998  </td>
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    <td>    Net sales</td>
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    <td ALIGN="RIGHT">$  137,634  </td>
    <td ALIGN="RIGHT">$  117,958  </td>
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    <td>    Other income-net</td>
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    <td ALIGN="RIGHT">1,574  </td>
    <td ALIGN="RIGHT">1,341  </td>
  </tr>
  <tr>
    <td> </td>
    <td ALIGN="RIGHT"><b>166,809</b>  </td>
    <td ALIGN="RIGHT">139,208  </td>
    <td ALIGN="RIGHT">119,299  </td>
  </tr>
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    <td COLSPAN="4"><b>Costs and Expenses:</b></td>
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    <td ALIGN="RIGHT">108,725  </td>
    <td ALIGN="RIGHT">93,438   </td>
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  <tr>
    <td VALIGN="BOTTOM">    Operating, selling and general<br>
            and administrative expenses</td>
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    <td ALIGN="RIGHT" VALIGN="BOTTOM">22,363  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">19,358  </td>
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    <td>    Debt</td>
```

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    <td ALIGN="RIGHT">529  </td>
    <td ALIGN="RIGHT">555   </td>
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    <td ALIGN="RIGHT">268  </td>
    <td ALIGN="RIGHT">229  </td>
  </tr>
  <tr>
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    <td ALIGN="RIGHT">113,580   </td>
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  <tr>
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        Equity in Unconsolidated Subsidiaries and <br>
        Cumulative Effect of Accounting Change</b></td>
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    <td ALIGN="RIGHT" VALIGN="BOTTOM">7,323  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">5,719  </td>
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    <td ALIGN="RIGHT"><b>3,476</b>  </td>
    <td ALIGN="RIGHT">3,380  </td>
    <td ALIGN="RIGHT">2,095  </td>
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  <tr>
    <td>    Deferred</td>
    <td ALIGN="RIGHT"><b>(138)</b></td>
    <td ALIGN="RIGHT">(640)</td>
    <td ALIGN="RIGHT">20  </td>
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    <td> </td>
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    <td ALIGN="RIGHT">2,740  </td>
    <td ALIGN="RIGHT">2,115  </td>
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        Unconsolidated Subsidiaries and Cumulative<br>
        Effect of Accounting Change</b></td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM"><b>5,745</b>  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">4,583  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">3,604  </td>
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  <tr>
    <td><b>Minority Interest and Equity in Unconsolidated Subsidiaries</b></td>
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    <td ALIGN="RIGHT">(153)</td>
    <td ALIGN="RIGHT">(78)</td>
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  <tr>
    <td><b>Income Before Cumulative Effect of Accounting Change</b></td>
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    <td ALIGN="RIGHT">4,430  </td>
    <td ALIGN="RIGHT">3,526  </td>
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    <td VALIGN="BOTTOM"><b>Cumulative Effect of Accounting Change, net of tax<br>
        benefit of $119</b></td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM"><b>(198)</b></td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">-  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">-  </td>
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  <tr>
    <td><b>Net Income</b></td>
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    <td ALIGN="RIGHT">$  4,430  </td>
    <td ALIGN="RIGHT">$  3,526  </td>
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  <tr>
    <td COLSPAN="4"><b>Net Income Per Common Share:<br>
        Basic Net Income Per Common Share:</b></td>
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    <td>        Income before cumulative effect of
    accounting change</td>
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  <tr>
    <td>        Cumulative effect of accounting
    change, net of tax</td>
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    <td ALIGN="RIGHT">-  </td>
  </tr>
  <tr>
    <td>    <b>Net Income Per Common Share</b></td>
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    <td ALIGN="RIGHT">$  0.78  </td>
  </tr>
  <tr>
    <td>    <b>Average number of Common Shares</b></td>
    <td ALIGN="RIGHT"><b>4,451</b>  </td>
    <td ALIGN="RIGHT">4,464  </td>
    <td ALIGN="RIGHT">4,516  </td>
  </tr>
  <tr>
    <td COLSPAN="4">    <b>Diluted Net Income Per Common Share:</b></td>
  </tr>
  <tr>
    <td>        Income before cumulative effect of
    accounting change</td>
    <td ALIGN="RIGHT"><b>$  1.25</b>  </td>
    <td ALIGN="RIGHT">$  0.99  </td>
    <td ALIGN="RIGHT">$  0.78  </td>
  </tr>
  <tr>
    <td>        Cumulative effect of accounting
    change, net of tax</td>
    <td ALIGN="RIGHT"><b>(0.04)</b></td>
    <td ALIGN="RIGHT">0.00  </td>
    <td ALIGN="RIGHT">0.00  </td>
  </tr>
  <tr>
    <td>    <b>Net Income Per Common Share</b></td>
    <td ALIGN="RIGHT"><b>$  1.20</b>  </td>
    <td ALIGN="RIGHT">$  0.99  </td>
    <td ALIGN="RIGHT">$  0.78  </td>
  </tr>
  <tr>
    <td>    <b>Average number of Common Shares</b></td>
    <td ALIGN="RIGHT"><b>4,474</b>  </td>
    <td ALIGN="RIGHT">4,485  </td>
    <td ALIGN="RIGHT">4,533  </td>
  </tr>
  <tr>
    <td COLSPAN="4"><b>Pro forma amounts assuming accounting change had<br>
        been in effect in fiscal 2000, 1999 and 1998:</b></td>
  </tr>
  <tr>
    <td>        Net Income</td>
    <td ALIGN="RIGHT"><b>$  5,575</b>  </td>
    <td ALIGN="RIGHT">$  4,393  </td>
    <td ALIGN="RIGHT">$  3,517  </td>
  </tr>
  <tr>
    <td>        Net income per common share, basic and
    diluted</td>
    <td ALIGN="RIGHT"><b>$  1.25</b>  </td>
    <td ALIGN="RIGHT">$  0.98  </td>
    <td ALIGN="RIGHT">$  0.78  </td>
  </tr>
</TABLE>

<p><br>
<i>See accompanying notes.</i></p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 27</b></p>
<b>

<p align="center">Consolidated Balance Sheets</b></p>

<p>(Amounts in millions)<br>
</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
```

```
<tr>
  <td WIDTH="500">January 31,</td>
  <td WIDTH="100" ALIGN="RIGHT"><b>2000</b>  </td>
  <td WIDTH="100" ALIGN="RIGHT">1999  </td>
</tr>
<tr>
  <td COLSPAN="3"><b>Assets</b></td>
</tr>
<tr>
  <td COLSPAN="3"><i>Current Assets:</i></td>
</tr>
<tr>
  <td>    Cash and cash equivalents</td>
  <td ALIGN="RIGHT"><b>$  1,856</b>  </td>
  <td ALIGN="RIGHT">$  1,879  </td>
</tr>
<tr>
  <td>    Receivables</td>
  <td ALIGN="RIGHT"><b>1,341</b>  </td>
  <td ALIGN="RIGHT">1,118  </td>
</tr>
<tr>
  <td COLSPAN="3">    Inventories</td>
</tr>
<tr>
  <td>        At replacement cost</td>
  <td ALIGN="RIGHT"><b>20,171</b>  </td>
  <td ALIGN="RIGHT">17,549  </td>
</tr>
<tr>
  <td>        Less LIFO reserve</td>
  <td ALIGN="RIGHT"><b>378</b>  </td>
  <td ALIGN="RIGHT">473   </td>
</tr>
<tr>
  <td>            Inventories at
  LIFO cost</td>
  <td ALIGN="RIGHT"><b>19,793</b>  </td>
  <td ALIGN="RIGHT">17,076  </td>
</tr>
<tr>
  <td>    Prepaid expenses and other</td>
  <td ALIGN="RIGHT"><b>1,366</b>  </td>
  <td ALIGN="RIGHT">1,059  </td>
</tr>
<tr>
  <td>        <b>Total Current Assets</b></td>
  <td ALIGN="RIGHT"><b>24,356</b>  </td>
  <td ALIGN="RIGHT">21,132  </td>
</tr>
<tr>
  <td COLSPAN="3"><i>Property, Plant and Equipment, at Cost:</i> </td>
</tr>
<tr>
  <td>    Land</td>
  <td ALIGN="RIGHT"><b>8,785</b>  </td>
  <td ALIGN="RIGHT">5,219  </td>
</tr>
<tr>
  <td>    Building and improvements</td>
  <td ALIGN="RIGHT"><b>21,169</b>  </td>
  <td ALIGN="RIGHT">16,061  </td>
</tr>
<tr>
  <td>    Fixtures and equipment</td>
  <td ALIGN="RIGHT"><b>10,362</b>  </td>
  <td ALIGN="RIGHT">9,296  </td>
</tr>
<tr>
  <td>    Transportation equipment</td>
  <td ALIGN="RIGHT"><b>747</b>  </td>
  <td ALIGN="RIGHT">553  </td>
</tr>
<tr>
  <td> </td>
  <td ALIGN="RIGHT"><b>41,063</b>  </td>
  <td ALIGN="RIGHT">31,129  </td>
</tr>
<tr>
  <td>    Less accumulated depreciation</td>
  <td ALIGN="RIGHT"><b>8,224</b>  </td>
  <td ALIGN="RIGHT">7,455  </td>
</tr>
<tr>
  <td>    Net property, plant and equipment</td>
```

```
  <td ALIGN="RIGHT"><b>32,839</b>  </td>
  <td ALIGN="RIGHT">23,674  </td>
</tr>
<tr>
  <td COLSPAN="3"><i>Property Under Capital Lease:</i></td>
</tr>
<tr>
  <td>    Property under capital lease</td>
  <td ALIGN="RIGHT"><b>4,285</b>  </td>
  <td ALIGN="RIGHT">3,335  </td>
</tr>
<tr>
  <td>    Less accumulated amortization</td>
  <td ALIGN="RIGHT"><b>1,155</b>  </td>
  <td ALIGN="RIGHT">1,036  </td>
</tr>
<tr>
  <td>        Net property under capital leases</td>
  <td ALIGN="RIGHT"><b>3,130</b>  </td>
  <td ALIGN="RIGHT">2,299  </td>
</tr>
<tr>
  <td COLSPAN="3"><i>Other Assets and Deferred Charges:</i></td>
</tr>
<tr>
  <td>    Net goodwill and other acquired intangible assets</td>
  <td ALIGN="RIGHT"><b>9,392</b>  </td>
  <td ALIGN="RIGHT">2,538  </td>
</tr>
<tr>
  <td>    Other assets and deferred charges</td>
  <td ALIGN="RIGHT"><b>632</b>  </td>
  <td ALIGN="RIGHT">353  </td>
</tr>
<tr>
  <td>        <b>Total Assets</b></td>
  <td ALIGN="RIGHT"><b>$  70,349</b>  </td>
  <td ALIGN="RIGHT">$  49,996  </td>
</tr>
<tr>
  <td COLSPAN="3"><b>Liabilities and Shareholders&#146; Equity</b></td>
</tr>
<tr>
  <td COLSPAN="3"><i>Current Liabilities:</i></td>
</tr>
<tr>
  <td>    Commercial paper</td>
  <td ALIGN="RIGHT"><b>$  3,323</b>  </td>
  <td ALIGN="RIGHT">$            -  </td>
</tr>
<tr>
  <td>    Accounts payable</td>
  <td ALIGN="RIGHT"><b>13,105</b>  </td>
  <td ALIGN="RIGHT">10,257  </td>
</tr>
<tr>
  <td>    Accrued liabilities</td>
  <td ALIGN="RIGHT"><b>6,161</b>  </td>
  <td ALIGN="RIGHT">4,998  </td>
</tr>
<tr>
  <td>    Accrued income taxes</td>
  <td ALIGN="RIGHT"><b>1,129</b>  </td>
  <td ALIGN="RIGHT">501  </td>
</tr>
<tr>
  <td>    Long-term debt due within one year</td>
  <td ALIGN="RIGHT"><b>1,964</b>  </td>
  <td ALIGN="RIGHT">900  </td>
</tr>
<tr>
  <td>    Obligations under capital leases due within one year</td>
  <td ALIGN="RIGHT"><b>121</b>  </td>
  <td ALIGN="RIGHT">106  </td>
</tr>
<tr>
  <td>        <b>Total Current Liabilities</b></td>
  <td ALIGN="RIGHT"><b>25,803</b>  </td>
  <td ALIGN="RIGHT">16,762  </td>
</tr>
<tr>
  <td>Long-Term Debt</td>
  <td ALIGN="RIGHT"><b>13,672</b>  </td>
  <td ALIGN="RIGHT">6,908  </td>
</tr>
```

```
  <tr>
    <td>Long-Term Obligations Under Capital Leases</td>
    <td ALIGN="RIGHT"><b>3,002</b>  </td>
    <td ALIGN="RIGHT">2,699  </td>
  </tr>
  <tr>
    <td>Deferred Income Taxes and Other</td>
    <td ALIGN="RIGHT"><b>759</b>  </td>
    <td ALIGN="RIGHT">716  </td>
  </tr>
  <tr>
    <td>Minority Interest</td>
    <td ALIGN="RIGHT"><b>1,279</b>  </td>
    <td ALIGN="RIGHT">1,799  </td>
  </tr>
  <tr>
    <td COLSPAN="3"><i>Shareholders&#146; Equity</i></td>
  </tr>
  <tr>
    <td COLSPAN="3">    Preferred stock ($.10 par value; 100 shares
    authorized, none issued)</td>
  </tr>
  <tr>
    <td VALIGN="BOTTOM">    Common stock ($.10 par value; 5,500 shares
    authorized, 4,457<br>
            and 4,448 issued and outstanding in 2000
    and 1999, respectively)</td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM"><b>446</b>  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">445  </td>
  </tr>
  <tr>
    <td>    Capital in excess of par value</td>
    <td ALIGN="RIGHT"><b>714</b>  </td>
    <td ALIGN="RIGHT">435  </td>
  </tr>
  <tr>
    <td>    Retained earnings</td>
    <td ALIGN="RIGHT"><b>25,129</b>  </td>
    <td ALIGN="RIGHT">20,741  </td>
  </tr>
  <tr>
    <td>    Other accumulated comprehensive income</td>
    <td ALIGN="RIGHT"><b>(455)</b></td>
    <td ALIGN="RIGHT">(509)</td>
  </tr>
  <tr>
    <td>    <b>Total Shareholders&#146; Equity</b></td>
    <td ALIGN="RIGHT"><b>25,834</b>  </td>
    <td ALIGN="RIGHT">21,112  </td>
  </tr>
  <tr>
    <td>    <b>Total Liabilities and Shareholders&#146; Equity</b></td>
    <td ALIGN="RIGHT"><b>$  70,349</b>  </td>
    <td ALIGN="RIGHT">$  49,996  </td>
  </tr>
</TABLE>

<p><br>
<i>See accompanying notes.</i></p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 28</b></p>
<b>

<p align="center">Consolidated Statements of Shareholders&#146; Equity</b></p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="225" VALIGN="BOTTOM">(Amounts in millions except per share data)</td>
    <td WIDTH="75" ALIGN="RIGHT" VALIGN="BOTTOM">Number  <br>
    of shares  </td>
    <td WIDTH="75" ALIGN="RIGHT" VALIGN="BOTTOM">Common  <br>
    stock  </td>
    <td WIDTH="75" ALIGN="RIGHT" VALIGN="BOTTOM">Capital in  <br>
    excess of  <br>
    par value  </td>
    <td WIDTH="75" ALIGN="RIGHT" VALIGN="BOTTOM">Retained  <br>
    earnings  </td>
    <td WIDTH="100" ALIGN="RIGHT" VALIGN="BOTTOM">Other  <br>
    accumulated  <br>
    comprehensive  <br>
    income  </td>
    <td WIDTH="75" ALIGN="RIGHT" VALIGN="BOTTOM">Total</td>
  </tr>
```

```
<tr>
  <td><b>Balance - January 31, 1997</b></td>
  <td ALIGN="RIGHT">2,285  </td>
  <td ALIGN="RIGHT">228  </td>
  <td ALIGN="RIGHT">547  </td>
  <td ALIGN="RIGHT">16,768  </td>
  <td ALIGN="RIGHT">(400)</td>
  <td ALIGN="RIGHT">$  17,143  </td>
</tr>
<tr>
  <td COLSPAN="7">Comprehensive Income</td>
</tr>
<tr>
  <td>    Net income</td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT">3,526  </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT">3,526  </td>
</tr>
<tr>
  <td COLSPAN="7">    Other accumulated comprehensive income</td>
</tr>
<tr>
  <td>        Foreign currency translation
  adjustment</td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT">(73)</td>
  <td ALIGN="RIGHT">(73)</td>
</tr>
<tr>
  <td><b>Total Comprehensive Income</b></td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"><b>$  3,453</b>  </td>
</tr>
<tr>
  <td>    Cash dividends ($.14 per share)</td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT">(611)</td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT">(611)</td>
</tr>
<tr>
  <td>    Purchase of Company stock</td>
  <td ALIGN="RIGHT">(47)</td>
  <td ALIGN="RIGHT">(5)</td>
  <td ALIGN="RIGHT">(48)</td>
  <td ALIGN="RIGHT">(1,516)</td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT">(1,569)</td>
</tr>
<tr>
  <td>    Stock options exercised and other</td>
  <td ALIGN="RIGHT">3  </td>
  <td ALIGN="RIGHT">1  </td>
  <td ALIGN="RIGHT">86  </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT"> </td>
  <td ALIGN="RIGHT">87  </td>
</tr>
<tr>
  <td><b>Balance - January 31, 1998</b></td>
  <td ALIGN="RIGHT">2,241  </td>
  <td ALIGN="RIGHT">224  </td>
  <td ALIGN="RIGHT">585  </td>
  <td ALIGN="RIGHT">18,167  </td>
  <td ALIGN="RIGHT">(473)</td>
  <td ALIGN="RIGHT">18,503  </td>
</tr>
<tr>
  <td COLSPAN="7">Comprehensive Income</td>
</tr>
<tr>
  <td>    Net income</td>
  <td ALIGN="RIGHT"> </td>
```

```
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">4,430  </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">4,430  </td>
  </tr>
  <tr>
    <td COLSPAN="7">    Other accumulated comprehensive income</td>
  </tr>
  <tr>
    <td>        Foreign currency translation
    adjustment</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(36)</td>
    <td ALIGN="RIGHT">(36)</td>
  </tr>
  <tr>
    <td><b>Total Comprehensive Income</b></td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">$  4,394  </td>
  </tr>
  <tr>
    <td>    Cash dividends ($.16 per share)</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(693)</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(693)</td>
  </tr>
  <tr>
    <td>    Purchase of Company stock</td>
    <td ALIGN="RIGHT">(21)</td>
    <td ALIGN="RIGHT">(2)</td>
    <td ALIGN="RIGHT">(37)</td>
    <td ALIGN="RIGHT">(1,163)</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(1,202)</td>
  </tr>
  <tr>
    <td>    Two-for-one stock split</td>
    <td ALIGN="RIGHT">2,224  </td>
    <td ALIGN="RIGHT">223  </td>
    <td ALIGN="RIGHT">(223)</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">-  </td>
  </tr>
  <tr>
    <td>    Stock options exercised and other</td>
    <td ALIGN="RIGHT">4  </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">110  </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">110  </td>
  </tr>
  <tr>
    <td><b>Balance - January 31, 1999</b></td>
    <td ALIGN="RIGHT">4,448  </td>
    <td ALIGN="RIGHT">445  </td>
    <td ALIGN="RIGHT">435  </td>
    <td ALIGN="RIGHT">20,741  </td>
    <td ALIGN="RIGHT">(509)</td>
    <td ALIGN="RIGHT">21,112  </td>
  </tr>
  <tr>
    <td COLSPAN="7">Comprehensive Income</td>
  </tr>
  <tr>
    <td>    Net income</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">5,377  </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">5,377  </td>
  </tr>
```

```
  <tr>
    <td COLSPAN="7">    Other accumulated comprehensive income</td>
  </tr>
  <tr>
    <td>        Foreign currency translation
    adjustment</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">54  </td>
    <td ALIGN="RIGHT">54  </td>
  </tr>
  <tr>
    <td><b>Total Comprehensive Income</b></td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">$ 5,431  </td>
  </tr>
  <tr>
    <td>    Cash dividends ($.20 per share)</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(890)</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(890)</td>
  </tr>
  <tr>
    <td>    Purchase of Company stock</td>
    <td ALIGN="RIGHT">(2)</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(2)</td>
    <td ALIGN="RIGHT">(99)</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(101)</td>
  </tr>
  <tr>
    <td>    Stock options exercised and other</td>
    <td ALIGN="RIGHT">11  </td>
    <td ALIGN="RIGHT">1  </td>
    <td ALIGN="RIGHT">281  </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">282  </td>
  </tr>
  <tr>
    <td><b>Balance - January 31, 2000</b></td>
    <td ALIGN="RIGHT">4,457  </td>
    <td ALIGN="RIGHT">$  446  </td>
    <td ALIGN="RIGHT">$  714  </td>
    <td ALIGN="RIGHT">$  25,129  </td>
    <td ALIGN="RIGHT">($455)  </td>
    <td ALIGN="RIGHT">$  25,834  </td>
  </tr>
</TABLE>

<p><br>
<i>See accompanying notes.</i></p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 29</b></p>
<b>

<p align="center">Consolidated Statements of Cash Flows</b></p>

<p>(Amounts in millions)<br>
</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="400">Fiscal years ended January 31,</td>
    <td WIDTH="100" ALIGN="RIGHT"><b>2000</b>  </td>
    <td WIDTH="100" ALIGN="RIGHT">1999  </td>
    <td WIDTH="100" ALIGN="RIGHT">1998  </td>
  </tr>
  <tr>
    <td COLSPAN="4"><b>Cash flows from operating activities</b></td>
  </tr>
  <tr>
    <td>    Net Income</td>
```

```
  <td ALIGN="RIGHT"><b>$  5,377</b>  </td>
  <td ALIGN="RIGHT">$  4,430  </td>
  <td ALIGN="RIGHT">$  3,526  </td>
</tr>
<tr>
  <td COLSPAN="4">Adjustments to reconcile net income to net cash<br>
      provided by operating activities:</td>
</tr>
<tr>
  <td>    Depreciation and amortization</td>
  <td ALIGN="RIGHT"><b>2,375</b>  </td>
  <td ALIGN="RIGHT">1,872  </td>
  <td ALIGN="RIGHT">1,634  </td>
</tr>
<tr>
  <td>    Cumulative effect of accounting change, net of tax</td>
  <td ALIGN="RIGHT"><b>198</b>  </td>
  <td ALIGN="RIGHT">-  </td>
  <td ALIGN="RIGHT">-  </td>
</tr>
<tr>
  <td>    Increase in accounts receivable</td>
  <td ALIGN="RIGHT"><b>(255)</b></td>
  <td ALIGN="RIGHT">(148)</td>
  <td ALIGN="RIGHT">(78)</td>
</tr>
<tr>
  <td>    Increase in inventories</td>
  <td ALIGN="RIGHT"><b>(2,088)</b></td>
  <td ALIGN="RIGHT">(379)</td>
  <td ALIGN="RIGHT">(365) </td>
</tr>
<tr>
  <td>    Increase in accounts payable</td>
  <td ALIGN="RIGHT"><b>1,849</b>  </td>
  <td ALIGN="RIGHT">1,108  </td>
  <td ALIGN="RIGHT">1,048  </td>
</tr>
<tr>
  <td>    Increase in accrued liabilities</td>
  <td ALIGN="RIGHT"><b>1,015</b>  </td>
  <td ALIGN="RIGHT">1,259  </td>
  <td ALIGN="RIGHT">1,329  </td>
</tr>
<tr>
  <td>    Deferred income taxes</td>
  <td ALIGN="RIGHT"><b>(138)</b></td>
  <td ALIGN="RIGHT">(640)</td>
  <td ALIGN="RIGHT">20  </td>
</tr>
<tr>
  <td>    Other</td>
  <td ALIGN="RIGHT"><b>(139)</b></td>
  <td ALIGN="RIGHT">78  </td>
  <td ALIGN="RIGHT">9  </td>
</tr>
<tr>
  <td>Net cash provided by operating activities</td>
  <td ALIGN="RIGHT"><b>8,194</b>  </td>
  <td ALIGN="RIGHT">7,580  </td>
  <td ALIGN="RIGHT">7,123  </td>
</tr>
<tr>
  <td COLSPAN="4"><b>Cash flows from investing activities</b></td>
</tr>
<tr>
  <td>    Payments for property, plant and equipment</td>
  <td ALIGN="RIGHT"><b>(6,183)</b></td>
  <td ALIGN="RIGHT">(3,734)</td>
  <td ALIGN="RIGHT">(2,636)</td>
</tr>
<tr>
  <td VALIGN="BOTTOM">    Investment in international operations (net of
  cash acquired,<br>
          $195 million in Fiscal 2000)</td>
  <td ALIGN="RIGHT" VALIGN="BOTTOM"><b>(10,419)</b></td>
  <td ALIGN="RIGHT" VALIGN="BOTTOM">(855)</td>
  <td ALIGN="RIGHT" VALIGN="BOTTOM">(1,865)</td>
</tr>
<tr>
  <td>    Other investing activities</td>
  <td ALIGN="RIGHT"><b>(244)</b></td>
  <td ALIGN="RIGHT">171  </td>
  <td ALIGN="RIGHT">80  </td>
</tr>
```

```
<tr>
  <td>Net cash used in investing activities</td>
  <td ALIGN="RIGHT"><b>(16,846)</b></td>
  <td ALIGN="RIGHT">(4,418)</td>
  <td ALIGN="RIGHT">(4,421)</td>
</tr>
<tr>
  <td COLSPAN="4"><b>Cash flows from financing activities</b></td>
</tr>
<tr>
  <td>    Increase in commercial paper</td>
  <td ALIGN="RIGHT"><b>4,316</b>  </td>
  <td ALIGN="RIGHT">-  </td>
  <td ALIGN="RIGHT">-  </td>
</tr>
<tr>
  <td>    Proceeds from issuance of long-term debt</td>
  <td ALIGN="RIGHT"><b>6,000</b>  </td>
  <td ALIGN="RIGHT">536  </td>
  <td ALIGN="RIGHT">547  </td>
</tr>
<tr>
  <td>    Purchase of Company stock</td>
  <td ALIGN="RIGHT"><b>(101)</b></td>
  <td ALIGN="RIGHT">(1,202)</td>
  <td ALIGN="RIGHT">(1,569)</td>
</tr>
<tr>
  <td>    Dividends paid</td>
  <td ALIGN="RIGHT"><b>(890)</b></td>
  <td ALIGN="RIGHT">(693)</td>
  <td ALIGN="RIGHT">(611)</td>
</tr>
<tr>
  <td>    Payment of long-term debt</td>
  <td ALIGN="RIGHT"><b>(863)</b></td>
  <td ALIGN="RIGHT">(1,075)</td>
  <td ALIGN="RIGHT">(554)</td>
</tr>
<tr>
  <td>    Payment of capital lease obligations</td>
  <td ALIGN="RIGHT"><b>(133)</b></td>
  <td ALIGN="RIGHT">(101)</td>
  <td ALIGN="RIGHT">(94)</td>
</tr>
<tr>
  <td>    Other financing activities</td>
  <td ALIGN="RIGHT"><b>300</b>  </td>
  <td ALIGN="RIGHT">(195)</td>
  <td ALIGN="RIGHT">143  </td>
</tr>
<tr>
  <td>Net cash provided by (used in) financing activities</td>
  <td ALIGN="RIGHT"><b>8,629</b>  </td>
  <td ALIGN="RIGHT">(2,730)</td>
  <td ALIGN="RIGHT">(2,138)</td>
</tr>
<tr>
  <td>Net (decrease)/increase in cash and cash equivalents</td>
  <td ALIGN="RIGHT"><b>(23)</b></td>
  <td ALIGN="RIGHT">432  </td>
  <td ALIGN="RIGHT">564  </td>
</tr>
<tr>
  <td>Cash and cash equivalents at beginning of year</td>
  <td ALIGN="RIGHT"><b>1,879</b>  </td>
  <td ALIGN="RIGHT">1,447  </td>
  <td ALIGN="RIGHT">883  </td>
</tr>
<tr>
  <td>Cash and cash equivalents at end of year</td>
  <td ALIGN="RIGHT"><b>$  1,856</b>  </td>
  <td ALIGN="RIGHT">$  1,879  </td>
  <td ALIGN="RIGHT">$  1,447  </td>
</tr>
<tr>
  <td COLSPAN="4"><b>Supplemental disclosure of cash flow information</b></td>
</tr>
<tr>
  <td>    Income tax paid</td>
  <td ALIGN="RIGHT"><b>$  2,780</b>  </td>
  <td ALIGN="RIGHT">$  3,458  </td>
  <td ALIGN="RIGHT">$  1,971  </td>
</tr>
<tr>
```

```
    <td>    Interest paid</td>
    <td ALIGN="RIGHT"><b>849</b>  </td>
    <td ALIGN="RIGHT">805  </td>
    <td ALIGN="RIGHT">796  </td>
  </tr>
  <tr>
    <td>    Capital lease obligations incurred</td>
    <td ALIGN="RIGHT"><b>378</b>  </td>
    <td ALIGN="RIGHT">347  </td>
    <td ALIGN="RIGHT">309  </td>
  </tr>
  <tr>
    <td VALIGN="BOTTOM">    Investment in unconsolidated subsidiary
    exchanged<br>
            in acquisition</td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM"><b>-</b>  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">-  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">226  </td>
  </tr>
  <tr>
    <td>    Property, plant and equipment acquired with debt</td>
    <td ALIGN="RIGHT"><b>65</b>  </td>
    <td ALIGN="RIGHT">-  </td>
    <td ALIGN="RIGHT">-  </td>
  </tr>
  <tr>
    <td>    ASDA acquisition cost satisfied with debt</td>
    <td ALIGN="RIGHT"><b>264</b>  </td>
    <td ALIGN="RIGHT">-  </td>
    <td ALIGN="RIGHT">-  </td>
  </tr>
  <tr>
    <td>    ASDA acquisition cost satisfied with Company stock</td>
    <td ALIGN="RIGHT"><b>175</b>  </td>
    <td ALIGN="RIGHT">-  </td>
    <td ALIGN="RIGHT">-  </td>
  </tr>
</TABLE>

<p><br>
<i>See accompanying notes.</i></p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 30</b></p>
<b>

<p align="center">Notes to Consolidated Financial Statements</b></p>

<p><b>1 Summary of Significant Accounting Policies</b></p>

<p><i>Consolidation</i><br>
The consolidated financial statements include the accounts of subsidiaries. Significant
intercompany transactions have been eliminated in consolidation.</p>

<p><i>Cash and cash equivalents</i><br>
The Company considers investments with a maturity of three months or less when purchased
to be cash equivalents.</p>

<p><i>Inventories</i><br>
The Company uses the retail last in first out (LIFO) method for domestic Wal-Mart discount
stores and Supercenters and cost LIFO for SAM&#146;S Clubs. International inventories are
on other cost methods. Inventories are not in excess of market value.</p>

<p><i>Pre-opening costs</i><br>
During fiscal 1999, the Company adopted Statement of Position (SOP) 98-5, &quot;Reporting
on the Costs of Start-Up Activities.&#146; The SOP requires that the costs of start-up
activities, including organization costs, be expensed as incurred. The impact of the
adoption of SOP 98-5 on fiscal 1999 was $8 million net of taxes. Due to the immateriality
to the Company&#146;s results of operations, the initial application was not reported as a
cumulative effect of a change in an accounting principle. The impact of the change did not
have a material effect on any of the years presented.</p>

<p><i>Interest during construction</i><br>
In order that interest costs properly reflect only that portion relating to current
operations, interest on borrowed funds during the construction of property, plant and
equipment is capitalized. Interest costs capitalized were $57 million, $41 million, and
$33 million in 2000, 1999 and 1998, respectively.</p>

<p><i>Financial Instruments</i><br>
The Company uses derivative financial instruments for purposes other than trading to
reduce its exposure to fluctuations in foreign currencies and to minimize the risk and
cost associated with financial and global operating activities. Contracts that effectively
meet risk reduction and correlation criteria are recorded using hedge accounting.
Unrealized gains and losses resulting from market movements are not recognized. Hedges of
```

firm commitments are deferred and recognized when the hedged transaction occurs.</p>

<p><i>Advertising costs</i>
Advertising costs are expensed as incurred and were $523 million, $405 million and $292
million in 2000, 1999 and 1998, respectively.</p>

<p><i>Operating, selling and general and administrative expenses</i>
Buying, warehousing and occupancy costs are included in operating, selling and general and
administrative expenses.</p>

<p><i>Depreciation and amortization</i>
Depreciation and amortization for financial statement purposes is provided on the
straight-line method over the estimated useful lives of the various assets. Depreciation
expense for the years 2000, 1999 and 1998 was $1,998 million, $1,648 million and $1,426
million, respectively. For income tax purposes, accelerated methods are used with
recognition of deferred income taxes for the resulting temporary differences. Estimated
useful lives are as follows:</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
<tr>
<td WIDTH="200">Building and improvements</td>
<td WIDTH="100" ALIGN="RIGHT">5 - 50 years</td>
</tr>
<tr>
<td>Fixtures and equipment</td>
<td ALIGN="RIGHT">5 - 12 years</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td ALIGN="RIGHT">2 - 5 years</td>
</tr>
<tr>
<td VALIGN="BOTTOM">Goodwill and other acquired
    intangible assets</td>
<td ALIGN="RIGHT" VALIGN="BOTTOM">20 - 40 years</td>
</tr>
<tr>
<td>Internally developed software</td>
<td ALIGN="RIGHT">3 years</td>
</tr>
</TABLE>

<p>
<i>Costs of computer software</i>
During fiscal 2000, the Company adopted the Accounting Standards Executive Committee
Statement of Position (SOP) 98-1, ’Accounting For the Costs of Computer Software
Developed For or Obtained For Internal Use.’ This SOP requires the capitalization of
certain costs incurred in connection with developing or obtaining software for internal
use. Previously, costs related to developing internal-use software were expensed as
incurred. Under the new method these costs are capitalized and amortized over a three year
life. The impact of the adoption of SOP 98-1 was to capitalize $32 million of costs in
fiscal 2000, which would have previously been expensed. The impact of the change would not
have a material effect on any of the years presented prior to fiscal 2000.</p>

<p><i>Accounting for derivative instruments and hedging activities</i>
In June 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133,
’Accounting for Derivative Instruments and Hedging Activities.’ The new
Statement requires all derivatives to be recorded on the balance sheet at fair value and
establishes accounting treatment for three types of hedges: hedges of changes in the fair
value of assets, liabilities, or firm commitments; hedges of the variable cash flows of
forecasted transactions; and hedges of foreign currency exposures of net investments in
foreign operations. In July 1999, the FASB issued Statement No. 137 "Accounting for
Derivative Instruments and Hedging Activities - Deferral of the effective Date of FASB
Statement No. 133", which postponed the effective date of Statement No. 133 for one
year. Statement 133 will now be effective for the Company beginning February 1, 2001. The
Company currently does not anticipate there will be a material impact on the results of
operations or financial position upon adoption of Statement No. 133.</p>

<p><i>Goodwill and other acquired intangible assets</i>
Goodwill and other acquired intangible assets are amortized on a straight-line basis over
the periods that expected economic benefits will be provided. Management estimates such
periods of economic benefits using factors such as entry barriers in certain countries,
operating rights and estimated lives of other operating assets acquired. The realizability
of goodwill and other intangibles is evaluated periodically when events or circumstances
indicate a possible inability to recover the carrying amount. Su ch evaluation is based on
cash flow and profitability projections that incorporate the impact of existing Company
businesses. The analyses necessarily involve significant management judgment to evaluate
the capacity of an acquired business to perform within projections. Historically, the
Company has generated sufficient returns from acquired businesses to recover the cost of
the goodwill and other intangible assets.</p>

<p><i>Long-lived assets</i>
The Company periodically reviews long-lived assets and certain intangible assets when
indicators of impairments exist and if the value of the assets is impaired, an impairment
loss would be recognized.</p>

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<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 31</b></p>
<i>

<p>Stock split</i><br>
On March 4, 1999, the Company announced a two-for-one stock split issued in the form of a
100% stock dividend. The date of record was March 19, 1999, and it was distributed April
19, 1999. Consequently, the stock option data and per share data for fiscal 1999 and 1998
have been restated to reflect the stock split.</p>

<p><i>Net income per share</i><br>
Basic net income per share is based on the weighted average outstanding common shares.
Diluted net income per share is based on the weighted average outstanding shares reduced
by the dilutive effect of stock options (23 million, 21 million and 17 million shares in
2000, 1999 and 1998, respectively).</p>

<p><i>Foreign currency translation</i><br>
The assets and liabilities of all foreign subsidiaries are translated at current exchange
rates and any related translation adjustments are recorded as a component of accumulated
comprehensive income.</p>

<p><i>Estimates and assumptions</i><br>
The preparation of consolidated financial statements in conformity with generally accepted
accounting principles requires management to make estimates and assumptions. These
estimates and assumptions affect the reported amounts of assets and liabilities and
disclosure of contingent assets and liabilities at the date of the consolidated financial
statements and the reported amounts of revenues and expenses during the reporting period.
Actual results could differ from those estimates.</p>

<p><i>New accounting pronouncement</i><br>
In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin
No. 101 - &#146;Revenue Recognition in Financial Statements&#146; (SAB 101). This SAB
deals with various revenue recognition issues, several of which are common within the
retail industry. As a result of the issuance of this SAB, the Company changed its method
of recognizing revenues for SAM&#146;S Club membership fees effective as of the beginning
of fiscal 2000. The Company is currently evaluating the effects of the SAB on its method
of recognizing revenues related to layaway sales and will make any accounting method
changes necessary during the first quarter of fiscal 2001.</p>

<p><i>Accounting principle change</i><br>
In fiscal 2000 the Company changed its method of accounting for SAM&#146;S membership fee
revenue both domestically and internationally. Previously the Company had recognized
membership fee revenues when received. Under the new accounting method the Company
recognizes membership fee revenues over the term of the membership, which is 12 months.
The Company recorded a non-cash charge of $198 million (after reduction for income taxes
of $119 million), or $.04 per share, to reflect the cumulative effect of the accounting
change as of the beginning of the fiscal year. The effect of this change on the year ended
January 31, 2000, before the cumulative effect of the accounting change was to decrease
net income $12 million, or almost $.01 per share. If the new accounting method had been in
effect in fiscal 1999 and 1998, net income would have been $4,393 million, or $.98 per
basic or dilutive share and $3,517 million, or $.78 per basic or dilutive share,
respectively.</p>

<p>The following table provides unearned revenues, membership fees received from members
and the amount of revenues recognized in earnings for each of the fiscal years ended 1998,
1999 and 2000 as if the accounting change had been in effect for each of those years<br>
(in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="200">Deferred revenue January 31, 1997</td>
    <td WIDTH="100" ALIGN="RIGHT">$  244  </td>
  </tr>
  <tr>
    <td>    Membership fees received</td>
    <td ALIGN="RIGHT">494  </td>
  </tr>
  <tr>
    <td>    Membership revenue recognized</td>
    <td ALIGN="RIGHT">(480)</td>
  </tr>
  <tr>
    <td>Deferred revenue January 31, 1998</td>
    <td ALIGN="RIGHT">258  </td>
  </tr>
  <tr>
    <td>    Membership fees received</td>
    <td ALIGN="RIGHT">600  </td>
  </tr>
  <tr>
    <td>    Membership revenue recognized</td>
    <td ALIGN="RIGHT">(541)</td>
  </tr>
```

```
  <tr>
    <td>Deferred revenue January 31, 1999</td>
    <td ALIGN="RIGHT">317  </td>
  </tr>
  <tr>
    <td>    Membership fees received</td>
    <td ALIGN="RIGHT">646  </td>
  </tr>
  <tr>
    <td>    Membership revenue recognized</td>
    <td ALIGN="RIGHT">(626)</td>
  </tr>
  <tr>
    <td>Deferred revenue January 31, 2000</td>
    <td ALIGN="RIGHT">$  337  </td>
  </tr>
</TABLE>

<p><br>
The Company&#146;s deferred revenue is included in accrued liabilities in the January 31,
2000 consolidated balance sheet. The Company&#146;s analysis of historical membership fee
refunds indicates that such refunds have been de minimis. Accordingly, no reserve has been
established for membership fee refunds at January 31, 2000.</p>

<p><i>Revenue recognition</i><br>
The Company recognizes sales revenue at the time the sale is made to the customer.
Effective as of the first quarter of fiscal 2000, the Company began recognizing SAM&#146;S
Club membership fee revenue over the term of the membership, which is 12 months.</p>

<p><i>Reclassifications</i><br>
Certain reclassifications have been made to prior periods to conform to current
presentations.</p>

<p><b>2 Defined Contribution Plans</b></p>

<p>The Company maintains profit sharing plans under which most full-time and many
part-time associates become participants following one year of employment and a 401(k)
plan in which the same associates may elect to contribute a percentage of their earnings.
During fiscal 2000 participants could contribute up to 10% of their earnings. Effective
fiscal 2001 the allowable participant contributions were increased to 15%.</p>

<p>The Company will make annual contributions to these plans on behalf of all eligible
associates, including those who have not elected to contribute to the 401(k) plan.</p>

<p>Annual Company contributions are made at the sole discretion of the Company, and were
$429 million, $388 million and $321 million in 2000, 1999 and 1998, respectively.</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 32</b></p>
<b>

<p>3 Commercial Paper and Long-term Debt</b></p>

<p>Information on short-term borrowings and interest rates is as follows (dollar amounts
in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="400">Fiscal years ended January 31,</td>
    <td WIDTH="100" ALIGN="RIGHT">2000  </td>
    <td WIDTH="100" ALIGN="RIGHT">1999  </td>
    <td WIDTH="100" ALIGN="RIGHT">1998  </td>
  </tr>
  <tr>
    <td>Maximum amount outstanding at month-end</td>
    <td ALIGN="RIGHT">$  6,588  </td>
    <td ALIGN="RIGHT">$  1,976  </td>
    <td ALIGN="RIGHT">$  1,530  </td>
  </tr>
  <tr>
    <td>Average daily short-term borrowings</td>
    <td ALIGN="RIGHT">2,233  </td>
    <td ALIGN="RIGHT">256  </td>
    <td ALIGN="RIGHT">212  </td>
  </tr>
  <tr>
    <td>Weighted average interest rate</td>
    <td ALIGN="RIGHT">5.4%</td>
    <td ALIGN="RIGHT">5.1%</td>
    <td ALIGN="RIGHT">5.6%</td>
  </tr>
</TABLE>

<p><br>
```

At January 31, 2000, short-term borrowings consisting of $3,323 million of commercial paper were outstanding. At January 31, 1999, there were no short-term borrowings outstanding. At January 31, 2000, the Company had committed lines of $4,872 million with 85 firms and banks and informal lines of credit with various banks totaling an additional $1,500 million, which were used to support commercial paper.</p>

<p>Long-term debt at January 31, consist of (amounts in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
<tr>
<td WIDTH="500">Fiscal years ended January 31,</td>
<td WIDTH="100" ALIGN="RIGHT">2000</td>
<td WIDTH="100" ALIGN="RIGHT">1999</td>
</tr>
<tr>
<td>6.875% Notes due August 2009</td>
<td ALIGN="RIGHT">$ 3,500</td>
<td ALIGN="RIGHT">-</td>
</tr>
<tr>
<td>6.550% Notes due August 2004</td>
<td ALIGN="RIGHT">1,250</td>
<td ALIGN="RIGHT">-</td>
</tr>
<tr>
<td>6.150% Notes due August 2001</td>
<td ALIGN="RIGHT">1,250</td>
<td ALIGN="RIGHT">-</td>
</tr>
<tr>
<td>8.625% Notes due April 2001</td>
<td ALIGN="RIGHT">750</td>
<td ALIGN="RIGHT">750</td>
</tr>
<tr>
<td>5.875% Notes due October 2005 </td>
<td ALIGN="RIGHT">597</td>
<td ALIGN="RIGHT">597</td>
</tr>
<tr>
<td>7.500% Notes due May 2004</td>
<td ALIGN="RIGHT">500</td>
<td ALIGN="RIGHT">500</td>
</tr>
<tr>
<td>6.500% Notes due June 2003</td>
<td ALIGN="RIGHT">454</td>
<td ALIGN="RIGHT">454</td>
</tr>
<tr>
<td>7.250% Notes due June 2013</td>
<td ALIGN="RIGHT">445</td>
<td ALIGN="RIGHT">445</td>
</tr>
<tr>
<td>7.800% - 8.250%Obligations from sale/leaseback transactions due 2014</td>
<td ALIGN="RIGHT">398</td>
<td ALIGN="RIGHT">427</td>
</tr>
<tr>
<td>6.750% Notes due May 2002</td>
<td ALIGN="RIGHT">300</td>
<td ALIGN="RIGHT">300</td>
</tr>
<tr>
<td>7.000% - 8.000%Obligations from sale/leaseback transactions due 2013</td>
<td ALIGN="RIGHT">275</td>
<td ALIGN="RIGHT">292</td>
</tr>
<tr>
<td>8.500% Notes due September 2024</td>
<td ALIGN="RIGHT">250</td>
<td ALIGN="RIGHT">250</td>
</tr>
<tr>
<td>6.750% Notes due October 2023</td>
<td ALIGN="RIGHT">250</td>
<td ALIGN="RIGHT">250</td>
</tr>
<tr>
<td>8.000% Notes due September 2006</td>
<td ALIGN="RIGHT">250</td>
<td ALIGN="RIGHT">250</td>
</tr>
<tr>

```
    <td>6.375% Notes due March 2003</td>
    <td ALIGN="RIGHT"><b>228</b></td>
    <td ALIGN="RIGHT">228</td>
  </tr>
  <tr>
    <td>6.750% Eurobond due May 2002</td>
    <td ALIGN="RIGHT"><b>200</b></td>
    <td ALIGN="RIGHT">200</td>
  </tr>
  <tr>
    <td>5.850% Notes due June 2018 with biannual put options</td>
    <td ALIGN="RIGHT"><b>-</b></td>
    <td ALIGN="RIGHT">500</td>
  </tr>
  <tr>
    <td>5.650% Notes due February 2010 with biannual put options</td>
    <td ALIGN="RIGHT"><b>-</b></td>
    <td ALIGN="RIGHT">500</td>
  </tr>
  <tr>
    <td>9.100% Notes due July 2000</td>
    <td ALIGN="RIGHT"><b>-</b></td>
    <td ALIGN="RIGHT">500</td>
  </tr>
  <tr>
    <td>6.125% Eurobond due November 2000</td>
    <td ALIGN="RIGHT"><b>-</b></td>
    <td ALIGN="RIGHT">250</td>
  </tr>
  <tr>
    <td>7.290% Notes due July 2006</td>
    <td ALIGN="RIGHT"><b>435</b></td>
    <td ALIGN="RIGHT"> </td>
  </tr>
  <tr>
    <td>4.410% - 10.880%Notes acquired in ASDA acquisition due 2002-2015</td>
    <td ALIGN="RIGHT"><b>1,026</b></td>
    <td ALIGN="RIGHT">-</td>
  </tr>
  <tr>
    <td>Commercial paper classified as long-term debt</td>
    <td ALIGN="RIGHT"><b>993</b></td>
    <td ALIGN="RIGHT">-</td>
  </tr>
  <tr>
    <td>Other</td>
    <td ALIGN="RIGHT"><b>321</b></td>
    <td ALIGN="RIGHT">215</td>
  </tr>
  <tr>
    <td> </td>
    <td ALIGN="RIGHT"><b>$  13,672</b></td>
    <td ALIGN="RIGHT">$  6,908</td>
  </tr>
</TABLE>

<p><br>
The Company has $1 billion of outstanding debt with imbedded put options. Beginning in
fiscal 2001, and every second year thereafter, the holders of debt may require the Company
to repurchase the debt at face value. In February 2000, $500 million of this debt was put
to the Company. The debt was refinanced with commercial paper at that time. The remaining
$500 million of debt can be put to the Company later in 2000 and has been classified as a
current liability in the January 31, 2000 consolidated balance sheet.</p>

<p>In February and March of 2000, the Company sold notes totaling $1 billion. These notes
bear interest at 7.55% and will be due in 2030. The proceeds from the sale of these notes
were used to reduce the commercial paper balance and, therefore, the Company classified
$993 million of commercial paper as long-term debt in its January 31, 2000 consolidated
balance sheet.</p>

<p>Long-term debt is unsecured except for $170 million which is collateralized by property
with an aggregate carrying value of approximately $516 million. Annual maturities of
long-term debt during the next five years are (in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="150">Fiscal year ended<br>
    January 31,</td>
    <td WIDTH="50" ALIGN="RIGHT">Annual<br>
    maturity</td>
  </tr>
  <tr>
    <td>2001</td>
    <td ALIGN="RIGHT">$  1,964</td>
  </tr>
```

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  <tr>
    <td>2002</td>
    <td ALIGN="RIGHT">2,070</td>
  </tr>
  <tr>
    <td>2003</td>
    <td ALIGN="RIGHT">659</td>
  </tr>
  <tr>
    <td>2004</td>
    <td ALIGN="RIGHT">742</td>
  </tr>
  <tr>
    <td>2005</td>
    <td ALIGN="RIGHT">1,854</td>
  </tr>
  <tr>
    <td>Thereafter</td>
    <td ALIGN="RIGHT">8,347</td>
  </tr>
</TABLE>

<p><br>
The Company has agreed to observe certain covenants under the terms of its note
agreements, the most restrictive of which relates to amounts of additional secured debt
and long-term leases.</p>

<p>The Company has entered into sale/leaseback transactions involving buildings while
retaining title to the underlying land. These transactions were accounted for as
financings and are included in long-term debt and the annual maturities schedules above.
The resulting obligations are amortized over the lease terms.</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 33</b></p>

<p>Future minimum lease payments for each of the five succeeding years as of January 31,
2000, are (in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="150">Fiscal year ended<br>
    January 31,</td>
    <td WIDTH="50" ALIGN="RIGHT">Minimum<br>
    payments</td>
  </tr>
  <tr>
    <td>2001</td>
    <td ALIGN="RIGHT">$  100</td>
  </tr>
  <tr>
    <td>2002</td>
    <td ALIGN="RIGHT">94</td>
  </tr>
  <tr>
    <td>2003</td>
    <td ALIGN="RIGHT">98</td>
  </tr>
  <tr>
    <td>2004</td>
    <td ALIGN="RIGHT">93</td>
  </tr>
  <tr>
    <td>2005</td>
    <td ALIGN="RIGHT">130</td>
  </tr>
  <tr>
    <td>Thereafter</td>
    <td ALIGN="RIGHT">594</td>
  </tr>
</TABLE>

<p><br>
At January 31, 2000 and 1999, the Company had letters of credit outstanding totaling $902
million and $767 million, respectively. These letters of credit were issued primarily for
the purchase of inventory.</p>

<p>Under shelf registration statements previously filed with the Securities and Exchange
Commission, and after consideration of the $1 billion in notes issued in February and
March of 2000 discussed previously, the Company is permitted to issue debt securities
aggregating $3.5 billion. </p>

<p><b>4 Financial Instruments</b></p>

<p><i>Interest rate instruments</i><br>
```

```
The Company enters into interest rate swaps to minimize the risks and costs associated
with its financial activities. The swap agreements are contracts to exchange fixed or
variable rate interest for variable or fixed interest rate payments periodically over the
life of the instruments. The notional amounts are used to measure interest to be paid or
received and do not represent the exposure due to credit loss. Settlements of interest
rate swaps are accounted for by recording the net interest received or paid as an
adjustment to interest expense on a current basis.</p>

<p><i>Net Investment instruments</i><br>
The Company has entered into cross currency interest rate swap agreements to hedge its net
investments in Germany and the United Kingdom. The swap agreements are contracts to
exchange fixed rate payments in United States dollars for fixed rate payments in foreign
currencies. Settlements of currency swaps are accounted for by recording the net payments
as an adjustment to currency translation adjustment. In February and March 2000, the
Company entered into two interest rate swap agreements to hedge an additio nal $1 billion
of net investments in Great Britain pounds. These instruments are not recorded on the
balance sheet, and as of January 31, 2000 and 1999, are as follows:</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">USD notional<br>
    (amounts<br>
    in millions)</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">FX notional<br>
    (amounts<br>
    in millions)</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Fiscal<br>
    maturity<br>
    date</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Rate<br>
    received</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Rate<br>
    paid</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Fair <br>
    value<br>
    1/31/2000</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Fair <br>
    value<br>
    1/31/1999</td>
  </tr>
  <tr>
    <td COLSPAN="7" ALIGN="CENTER"><b>Interest Rate Instruments</b></td>
  </tr>
  <tr>
    <td ALIGN="CENTER">$ 500</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2001</td>
    <td ALIGN="CENTER">5.9% (USD rate)</td>
    <td ALIGN="CENTER">Rate A plus .245%</td>
    <td ALIGN="CENTER">$ (1)</td>
    <td ALIGN="CENTER">$ 5</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">500</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2001</td>
    <td ALIGN="CENTER">5.7% (USD rate)</td>
    <td ALIGN="CENTER">Rate A plus .134%</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">10 </td>
  </tr>
  <tr>
    <td ALIGN="CENTER">513 ($551 in FYE 1999)</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2027</td>
    <td ALIGN="CENTER">7.0% (USD rate)</td>
    <td ALIGN="CENTER">Rate A</td>
    <td ALIGN="CENTER">(7)</td>
    <td ALIGN="CENTER">44</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">230</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2027</td>
    <td ALIGN="CENTER">7.0% (USD rate)</td>
    <td ALIGN="CENTER">Rate B</td>
    <td ALIGN="CENTER">(14)</td>
    <td ALIGN="CENTER">30</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">151</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2027</td>
    <td ALIGN="CENTER">Rate C</td>
    <td ALIGN="CENTER">8.1% (USD rate)</td>
```

```
    <td ALIGN="CENTER">(11)</td>
    <td ALIGN="CENTER">N/A</td>
  </tr>
  <tr>
    <td COLSPAN="7" ALIGN="CENTER"><b>Cross Currency Instruments</b></td>
  </tr>
  <tr>
    <td ALIGN="CENTER">3,500</td>
    <td ALIGN="CENTER">2,010 GBP</td>
    <td ALIGN="CENTER">2010</td>
    <td ALIGN="CENTER">Rate C minus .0842%</td>
    <td ALIGN="CENTER">Rate D minus .1203%</td>
    <td ALIGN="CENTER">(29)</td>
    <td ALIGN="CENTER">N/A</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">3,500</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2010</td>
    <td ALIGN="CENTER">6.9% (USD rate)</td>
    <td ALIGN="CENTER">Rate C minus .0842%</td>
    <td ALIGN="CENTER">(71)</td>
    <td ALIGN="CENTER">N/A</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2,010 GBP</td>
    <td ALIGN="CENTER">2010</td>
    <td ALIGN="CENTER">Rate D minus .1203%</td>
    <td ALIGN="CENTER">6.2% (GBP rate)</td>
    <td ALIGN="CENTER">83</td>
    <td ALIGN="CENTER">N/A</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">1,101</td>
    <td ALIGN="CENTER">1,960 DEM</td>
    <td ALIGN="CENTER">2003</td>
    <td ALIGN="CENTER">Rate A</td>
    <td ALIGN="CENTER">Rate E minus .0676%</td>
    <td ALIGN="CENTER">122</td>
    <td ALIGN="CENTER">(43)</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">1,101</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2003</td>
    <td ALIGN="CENTER">5.8% (USD rate)</td>
    <td ALIGN="CENTER">Rate A</td>
    <td ALIGN="CENTER">(38)</td>
    <td ALIGN="CENTER">28</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">1,960 DEM</td>
    <td ALIGN="CENTER">2003</td>
    <td ALIGN="CENTER">Rate E minus .0676%</td>
    <td ALIGN="CENTER">4.5% (DEM rate)</td>
    <td ALIGN="CENTER">6</td>
    <td ALIGN="CENTER">(58)</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">809</td>
    <td ALIGN="CENTER">1,360 DEM</td>
    <td ALIGN="CENTER">2004</td>
    <td ALIGN="CENTER">Rate A</td>
    <td ALIGN="CENTER">Rate E minus .055%</td>
    <td ALIGN="CENTER">129</td>
    <td ALIGN="CENTER">18</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">809</td>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">2004</td>
    <td ALIGN="CENTER">5.2% (USD rate)</td>
    <td ALIGN="CENTER">Rate A</td>
    <td ALIGN="CENTER">(57)</td>
    <td ALIGN="CENTER">1</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">-</td>
    <td ALIGN="CENTER">1,360 DEM</td>
    <td ALIGN="CENTER">2004</td>
    <td ALIGN="CENTER">Rate E minus .055%</td>
    <td ALIGN="CENTER">3.4% (DEM rate)</td>
    <td ALIGN="CENTER">40</td>
```

```
    <td ALIGN="CENTER">3</td>
  </tr>
</TABLE>

<p><br>
Rate A 30-day U.S. dollar commercial paper non-financial<br>
Rate B 6-month U.S. dollar LIBOR<br>
Rate C 3-month U.S. dollar LIBOR<br>
Rate D 6-month Great Britain pound LIBOR<br>
Rate E 3-month German DEM LIBOR</p>

<p>The Company routinely enters into forward currency exchange contracts in the regular
course of business to manage its exposure against foreign currency fluctuations on
cross-border purchases of inventory. These contracts are generally for short durations of
six months or less and are insignificant to the Company&#146;s operations or financial
position. There were approximately $246 million and $47 million notional outstanding at
January 31, 2000 and 1999, respectively. These contracts had a fair value of approximately
$(1) million at January 31, 2000 and 1999, respectively.</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 34</b></p>
<i>

<p>Fair value of financial instruments</i><br>
<i>Cash and cash equivalents: </i>The carrying amount approximates fair value due to the
short maturity of these instruments.<br>
<i>Long-term debt:</i> Fair value approximates $14,992 million at January 31, 2000 and is
based on the Company&#146;s current incremental borrowing rate for similar types of
borrowing arrangements.<br>
<i>Interest rate instruments and net investment instruments:</i> The fair values are
estimated amounts the Company would receive or pay to terminate the agreements as of the
reporting dates.<br>
<i>Foreign currency contracts:</i> The fair value of foreign currency contracts are
estimated by obtaining quotes from external sources.</p>

<p><b>5 Income Taxes</b></p>

<p>The income tax provision consists of the following (in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="400">Fiscal years ended January 31,</td>
    <td WIDTH="100" ALIGN="RIGHT"><b>2000</b>  </td>
    <td WIDTH="100" ALIGN="RIGHT">1999  </td>
    <td WIDTH="100" ALIGN="RIGHT">1998  </td>
  </tr>
  <tr>
    <td COLSPAN="4">Current</td>
  </tr>
  <tr>
    <td>    Federal</td>
    <td ALIGN="RIGHT"><b>$  2,920</b>  </td>
    <td ALIGN="RIGHT">$  3,043  </td>
    <td ALIGN="RIGHT">$  1,891  </td>
  </tr>
  <tr>
    <td>    State and local</td>
    <td ALIGN="RIGHT"><b>299</b>  </td>
    <td ALIGN="RIGHT">254  </td>
    <td ALIGN="RIGHT">186  </td>
  </tr>
  <tr>
    <td>    International</td>
    <td ALIGN="RIGHT"><b>257</b>  </td>
    <td ALIGN="RIGHT">83  </td>
    <td ALIGN="RIGHT">18  </td>
  </tr>
  <tr>
    <td>Total current tax provision</td>
    <td ALIGN="RIGHT"><b>3,476</b>  </td>
    <td ALIGN="RIGHT">3,380  </td>
    <td ALIGN="RIGHT">2,095  </td>
  </tr>
  <tr>
    <td COLSPAN="4">Deferred</td>
  </tr>
  <tr>
    <td>    Federal</td>
    <td ALIGN="RIGHT"><b>(71)</b></td>
    <td ALIGN="RIGHT">(655)</td>
    <td ALIGN="RIGHT">(5)</td>
  </tr>
  <tr>
    <td>    State and local</td>
```

```html
    <td ALIGN="RIGHT"><b>(3)</b></td>
    <td ALIGN="RIGHT">(28)</td>
    <td ALIGN="RIGHT">(2)</td>
  </tr>
  <tr>
    <td>    International</td>
    <td ALIGN="RIGHT"><b>(183)</b></td>
    <td ALIGN="RIGHT">43</td>
    <td ALIGN="RIGHT">27</td>
  </tr>
  <tr>
    <td>Total deferred tax provision</td>
    <td ALIGN="RIGHT"><b>(257)</b></td>
    <td ALIGN="RIGHT">(640)</td>
    <td ALIGN="RIGHT">20  </td>
  </tr>
  <tr>
    <td>Total provision for income taxes</td>
    <td ALIGN="RIGHT"><b>$  3,219</b> (a)</td>
    <td ALIGN="RIGHT">$  2,740  </td>
    <td ALIGN="RIGHT">$  2,115  </td>
  </tr>
</TABLE>

<p><br>
(a) Total provision for income tax includes a provision on income before the cumulative
effect of accounting change of $3,338 and a tax benefit of $119 resulting from the
cumulative effect of the accounting change.</p>

<p>Earnings before income taxes are as follows (in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="400">Fiscal years ended January 31,</td>
    <td WIDTH="100" ALIGN="RIGHT"><b>2000</b>  </td>
    <td WIDTH="100" ALIGN="RIGHT">1999  </td>
    <td WIDTH="100" ALIGN="RIGHT">1998  </td>
  </tr>
  <tr>
    <td>    Domestic</td>
    <td ALIGN="RIGHT"><b>$  8,414</b>  </td>
    <td ALIGN="RIGHT">$  6,866  </td>
    <td ALIGN="RIGHT">$  5,528  </td>
  </tr>
  <tr>
    <td>    International</td>
    <td ALIGN="RIGHT"><b>669</b>  </td>
    <td ALIGN="RIGHT">457  </td>
    <td ALIGN="RIGHT">191  </td>
  </tr>
  <tr>
    <td>Total earnings before income taxes</td>
    <td ALIGN="RIGHT"><b>$  9,083</b>  </td>
    <td ALIGN="RIGHT">$  7,323  </td>
    <td ALIGN="RIGHT">$  5,719  </td>
  </tr>
</TABLE>

<p><br>
Items that give rise to significant portions of the deferred tax accounts at January 31,
are as follows (in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="400"> </td>
    <td WIDTH="100" ALIGN="RIGHT"><b>2000</b>  </td>
    <td WIDTH="100" ALIGN="RIGHT">1999  </td>
    <td WIDTH="100" ALIGN="RIGHT">1998  </td>
  </tr>
  <tr>
    <td COLSPAN="4">Deferred tax liabilities:</td>
  </tr>
  <tr>
    <td>Property, plant, and equipment</td>
    <td ALIGN="RIGHT"><b>$  748</b>  </td>
    <td ALIGN="RIGHT">$  695  </td>
    <td ALIGN="RIGHT">$  797  </td>
  </tr>
  <tr>
    <td>Inventory</td>
    <td ALIGN="RIGHT"><b>393</b>  </td>
    <td ALIGN="RIGHT">286  </td>
    <td ALIGN="RIGHT">275  </td>
  </tr>
  <tr>
```

```
    <td>International, principally asset basis difference</td>
    <td ALIGN="RIGHT"><b>348</b>  </td>
    <td ALIGN="RIGHT">272  </td>
    <td ALIGN="RIGHT">387  </td>
  </tr>
  <tr>
    <td>Acquired asset basis difference</td>
    <td ALIGN="RIGHT"><b>314</b>  </td>
    <td ALIGN="RIGHT">-  </td>
    <td ALIGN="RIGHT">-  </td>
  </tr>
  <tr>
    <td>Other</td>
    <td ALIGN="RIGHT"><b>66</b>  </td>
    <td ALIGN="RIGHT">36  </td>
    <td ALIGN="RIGHT">33  </td>
  </tr>
  <tr>
    <td>Total deferred tax liabilities</td>
    <td ALIGN="RIGHT"><b>1,869</b>  </td>
    <td ALIGN="RIGHT">1,289  </td>
    <td ALIGN="RIGHT">1,492  </td>
  </tr>
  <tr>
    <td COLSPAN="4">Deferred tax assets:</td>
  </tr>
  <tr>
    <td VALIGN="BOTTOM">Amounts accrued for financial reporting purposes<br>
        not yet deductible for tax purposes</td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM"><b>1,098</b>  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">985  </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">441  </td>
  </tr>
  <tr>
    <td>Capital leases</td>
    <td ALIGN="RIGHT"><b>193</b>  </td>
    <td ALIGN="RIGHT">188  </td>
    <td ALIGN="RIGHT">190  </td>
  </tr>
  <tr>
    <td>International, asset basis and loss carryforwards</td>
    <td ALIGN="RIGHT"><b>402</b>  </td>
    <td ALIGN="RIGHT">143  </td>
    <td ALIGN="RIGHT">258  </td>
  </tr>
  <tr>
    <td>Deferred revenue</td>
    <td ALIGN="RIGHT"><b>181</b>  </td>
    <td ALIGN="RIGHT">66  </td>
    <td ALIGN="RIGHT">89  </td>
  </tr>
  <tr>
    <td>Other</td>
    <td ALIGN="RIGHT"><b>215</b>  </td>
    <td ALIGN="RIGHT">184  </td>
    <td ALIGN="RIGHT">108  </td>
  </tr>
  <tr>
    <td>Total deferred tax assets</td>
    <td ALIGN="RIGHT"><b>2,089</b>  </td>
    <td ALIGN="RIGHT">1,566  </td>
    <td ALIGN="RIGHT">1,086  </td>
  </tr>
  <tr>
    <td>Net deferred tax liabilities (assets)</td>
    <td ALIGN="RIGHT"><b>$  (220)</b></td>
    <td ALIGN="RIGHT">$  (277)</td>
    <td ALIGN="RIGHT">$  406  </td>
  </tr>
</TABLE>

<p><br>
A reconciliation of the significant differences between the effective income tax rate and
the federal statutory rate on pretax income follows:</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="400">Fiscal years ended January 31,</td>
    <td WIDTH="100" ALIGN="RIGHT"><b>2000</b>  </td>
    <td WIDTH="100" ALIGN="RIGHT">1999  </td>
    <td WIDTH="100" ALIGN="RIGHT">1998  </td>
  </tr>
  <tr>
    <td>Statutory tax rate</td>
    <td ALIGN="RIGHT"><b>35.00%</b></td>
```

```
    <td ALIGN="RIGHT">35.00%</td>
    <td ALIGN="RIGHT">35.00%</td>
  </tr>
  <tr>
    <td>State income taxes, net of federal income tax benefit</td>
    <td ALIGN="RIGHT"><b>2.18%</b></td>
    <td ALIGN="RIGHT">2.01%</td>
    <td ALIGN="RIGHT">2.07%</td>
  </tr>
  <tr>
    <td>International</td>
    <td ALIGN="RIGHT"><b>-0.74%</b></td>
    <td ALIGN="RIGHT">-0.50%</td>
    <td ALIGN="RIGHT">-0.30%</td>
  </tr>
  <tr>
    <td>Other</td>
    <td ALIGN="RIGHT"><b>0.31%</b></td>
    <td ALIGN="RIGHT">0.90%</td>
    <td ALIGN="RIGHT">0.20%</td>
  </tr>
  <tr>
    <td> </td>
    <td ALIGN="RIGHT"><b>36.75%</b></td>
    <td ALIGN="RIGHT">37.41%</td>
    <td ALIGN="RIGHT">36.97%</td>
  </tr>
</TABLE>

<p align="center"> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 35</b></p>
<b>

<p>6 Acquisitions</b></p>

<p>During the second quarter of fiscal 2000, the Company began acquiring ASDA Group PLC
(ASDA), the third largest retailer in the United Kingdom with 229 stores. The Company
acquired approximately 29% of the outstanding ASDA shares on the open market during June
and July 1999. On July 27, 1999, a tender offer for all remaining ASDA shares became
unconditional and the majority of the remaining shares were tendered. The Company owned
100% of the outstanding shares of ASDA as of the end of the third quarter of fiscal 2000.
The transaction has been accounted for as a purchase. The purchase price of approximately
$11 billion has been allocated to the net assets acquired and liabilities assumed based on
their estimated fair value. The resulting goodwill and other acquired intangible assets of
approximately $7 billion are being amortized over 40 years. ASDA reports on a December 31
fiscal year-end, therefore, the ASDA financial statements are consolidated on a trailing
month reporting basis. The results of operations are included in the consolidated Company
results since the date of acquisition.</p>

<p>On January 1, 1999, the Company took possession of 74 units from the Interspar
hypermarket chain in Germany. The units were acquired from Spar Handels AG, a German
company that owns multiple retail formats and wholesale operations throughout Germany. The
transaction closed on December 29, 1998; therefore, the assets are included in the January
31, 1999 consolidated balance sheet and the results of operations are included in fiscal
2000. The transaction has been recorded as a purchase. The net assets and liabilities
acquired are recorded at fair value. Resulting goodwill is being amortized over 40 years.</p>

<p>In July 1998, the Company extended its presence in Asia with an investment in Korea.
The Company acquired a majority interest in four units previously operated by Korea Makro
as well as six undeveloped sites. The transaction has been accounted for as a purchase.
The net assets and liabilities acquired are recorded at fair value. The goodwill is being
amortized over 40 years. The results of operations since the effective date of the
acquisition have been included in the Company&#146;s results. In December 1999, the
Company acquired most of the minority interest of its operation in Korea from its joint
venture partner and anticipates that the remaining minority interest will be acquired in
early fiscal 2001.</p>

<p>A merger of the Mexican joint venture companies owned by Wal-Mart Stores, Inc. and
Cifra, S.A. de C.V. (Cifra) was consummated with an effective merger date of September 1,
1997. The Company received voting shares of Cifra equaling approximately 33.5% of the
outstanding voting shares of Cifra in exchange for the Company&#146;s joint venture
interests having a net book value of approximately $644 million.</p>

<p>The Company then acquired 593,100,000 shares of the Series &#146;A&#146; Common Shares
and Series &#146;B&#146; Common Shares of Cifra, for approximately $1.2 billion. The
transaction has been accounted for as a purchase. The net assets and liabilities acquired
are recorded at fair value. Resulting goodwill is being amortized over 40 years. As a
result of the merger and tender offer, Wal-Mart holds a majority of the outstanding voting
shares of Cifra. The results of operations for Cifra, since the effective merger date,
have been included in the Company&#146;s results.</p>

<p>In December 1997, the Company acquired the Wertkauf hypermarket chain in Germany, as
well as certain real estate. The 21 hypermarkets are one-stop shopping centers that offer
a broad assortment of high quality general merchandise and food and are similar to the
```

Wal-Mart Supercenter format in the United States. The transaction has been accounted for as a purchase. Net assets and liabilities of Wertkauf and the real estate are recorded at fair value. The goodwill is being amortized over 40 years. The transaction closed on December 30, 1997; therefore, the results of operations are included beginning in fiscal 1999.</p>

<p>In December 1997, the Company acquired the minority interest in its Brazilian joint venture from Lojas Americanas, and then sold a lesser share to an individual. The purchase price of the minority interest approximated book value. Because the transaction closed on December 30, 1997, the results of operations for fiscal 1998 include the Company’s original ownership percentage of the joint venture.</p>

<p>The fair value of the assets and liabilities recorded as a result of these transactions is as follows (in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="400"> </td>
    <td WIDTH="100" ALIGN="RIGHT">2000 </td>
    <td WIDTH="100" ALIGN="RIGHT">1999 </td>
    <td WIDTH="100" ALIGN="RIGHT">1998 </td>
  </tr>
  <tr>
    <td>Cash and cash equivalents</td>
    <td ALIGN="RIGHT">$ 195 </td>
    <td ALIGN="RIGHT">$ 137 </td>
    <td ALIGN="RIGHT">$ 500 </td>
  </tr>
  <tr>
    <td>Receivables</td>
    <td ALIGN="RIGHT">16 </td>
    <td ALIGN="RIGHT">- </td>
    <td ALIGN="RIGHT">97 </td>
  </tr>
  <tr>
    <td>Inventories</td>
    <td ALIGN="RIGHT">655 </td>
    <td ALIGN="RIGHT">200 </td>
    <td ALIGN="RIGHT">266 </td>
  </tr>
  <tr>
    <td>Prepaid expenses and other</td>
    <td ALIGN="RIGHT">403 </td>
    <td ALIGN="RIGHT">- </td>
    <td ALIGN="RIGHT">- </td>
  </tr>
  <tr>
    <td>Net property, plant and equipment</td>
    <td ALIGN="RIGHT">5,290 </td>
    <td ALIGN="RIGHT">219 </td>
    <td ALIGN="RIGHT">2,105 </td>
  </tr>
  <tr>
    <td>Net property under capital leases</td>
    <td ALIGN="RIGHT">612 </td>
    <td ALIGN="RIGHT">- </td>
    <td ALIGN="RIGHT">- </td>
  </tr>
  <tr>
    <td>Goodwill</td>
    <td ALIGN="RIGHT">7,020 </td>
    <td ALIGN="RIGHT">576 </td>
    <td ALIGN="RIGHT">1,213 </td>
  </tr>
  <tr>
    <td>Accounts payable</td>
    <td ALIGN="RIGHT">(1,159)</td>
    <td ALIGN="RIGHT">(112)</td>
    <td ALIGN="RIGHT">(431)</td>
  </tr>
  <tr>
    <td>Accrued liabilities</td>
    <td ALIGN="RIGHT">(564)</td>
    <td ALIGN="RIGHT">(60)</td>
    <td ALIGN="RIGHT">(132)</td>
  </tr>
  <tr>
    <td>Accrued income taxes</td>
    <td ALIGN="RIGHT">(283)</td>
    <td ALIGN="RIGHT">- </td>
    <td ALIGN="RIGHT">- </td>
  </tr>
  <tr>
    <td>Long-term debt and obligations under capital leases</td>
    <td ALIGN="RIGHT">(1,272)</td>

```
    <td ALIGN="RIGHT">-  </td>
    <td ALIGN="RIGHT">-  </td>
  </tr>
  <tr>
    <td>Deferred income taxes</td>
    <td ALIGN="RIGHT"><b>(58)</b></td>
    <td ALIGN="RIGHT">32  </td>
    <td ALIGN="RIGHT">(353)</td>
  </tr>
  <tr>
    <td>Minority interest</td>
    <td ALIGN="RIGHT"><b>-</b>  </td>
    <td ALIGN="RIGHT">(22)</td>
    <td ALIGN="RIGHT">(705)</td>
  </tr>
  <tr>
    <td>Other</td>
    <td ALIGN="RIGHT"><b>(7)</b></td>
    <td ALIGN="RIGHT">22  </td>
    <td ALIGN="RIGHT">31  </td>
  </tr>
  <tr>
    <td> </td>
    <td ALIGN="RIGHT"><b>10,848</b>  </td>
    <td ALIGN="RIGHT">992  </td>
    <td ALIGN="RIGHT">2,591  </td>
  </tr>
  <tr>
    <td>Investment in unconsolidated Mexican subsidiary exchanged</td>
    <td ALIGN="RIGHT"><b>-</b>  </td>
    <td ALIGN="RIGHT">-  </td>
    <td ALIGN="RIGHT">(226)</td>
  </tr>
  <tr>
    <td> </td>
    <td ALIGN="RIGHT"><b>$  10,848</b>  </td>
    <td ALIGN="RIGHT">$  992  </td>
    <td ALIGN="RIGHT">$  2,365  </td>
  </tr>
</TABLE>

<p align="center"> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 36</b></p>

<p>The following presents the unaudited pro forma results as if the ASDA acquisition had
occurred at the beginning of the fiscal years ended January 31, 1999 and 2000. Adjustments
to net income are primarily related to the amortization of goodwill and other acquired
intangible assets and additional interest expense on the debt incurred to finance the
acquisition. The ASDA results were converted from Great Britain pounds to United States
dollars at the average exchange rate for the periods presented and range from 1.60 to
1.66.</p>

<p>The aggregate impact of other acquisitions in these periods are not presented due to
the insignificant differences from historical results (amounts in millions except per
share data):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="200">Fiscal years ended January 31,</td>
    <td WIDTH="50" ALIGN="RIGHT"><b>2000</b></td>
    <td WIDTH="50" ALIGN="RIGHT">1999</td>
  </tr>
  <tr>
    <td>Sales</td>
    <td ALIGN="RIGHT"><b>$  172,29</b><strong>5</strong></td>
    <td ALIGN="RIGHT">$  149,844</td>
  </tr>
  <tr>
    <td>Net income</td>
    <td ALIGN="RIGHT"><b>$  5,551</b></td>
    <td ALIGN="RIGHT">$  4,435</td>
  </tr>
  <tr>
    <td>Net income per share - basic</td>
    <td ALIGN="RIGHT"><b>$  1.25</b></td>
    <td ALIGN="RIGHT">$  0.99</td>
  </tr>
  <tr>
    <td>Net income per share - diluted</td>
    <td ALIGN="RIGHT"><b>$  1.24</b></td>
    <td ALIGN="RIGHT">$  0.99</td>
  </tr>
</TABLE>
```

```html
<p><br>
<b>7 Stock Option Plans</b></p>

<p>At January 31, 2000, 131 million shares of common stock were reserved for issuance
under stock option plans. The options granted under the stock option plans expire ten
years from the date of grant. Options granted prior to November 17, 1995, may be exercised
in nine annual installments. Generally, options granted on or after November 17, 1995, may
be exercised in seven annual installments. The Company has elected to follow Accounting
Principles Board Opinion No. 25, &#146;Accounting for Stock Issued to Employees&#146; (APB
25) and related interpretations in accounting for its employee stock options because the
alternative fair value accounting provided under FASB Statement 123, &#146;Accounting for
Stock-Based Compensation,&#146; (FAS No. 123) requires the use of option valuation models
that were not developed for use in valuing employee stock options. Under APB 25, because
the exercise price of the Company&#146;s employee stock options equals the market price of
the underlying stock on the date of the grant, no compensation expense is recognized.</p>

<p>Pro forma information, regarding net income and income per share, is required by FAS
No. 123 and has been determined as if the Company had accounted for its associate stock
option plans under the fair value method of that statement. The fair value of these
options was estimated at the date of the grant using the Black-Scholes option pricing
model with the following assumption ranges: risk-free interest rates between 4.4% and
6.7%, dividend yields between 0.4% and 1.2%, volatility factors between .23 and .30, and
an expected life of the option of 7.4 years for the options issued prior to November 17,
1995, 5.8 years for options issued thereafter and 2.0 to 4.0 years for options converted
from ASDA stock options.</p>

<p>The Black-Scholes option valuation model was developed for use in estimating the fair
value of traded options, which have no vesting restrictions and are fully transferrable.
In addition, option valuation methods require the input of highly subjective assumptions
including the expected stock price volatility. Because the Company&#146;s associate stock
options have characteristics significantly different from those of traded options, and
because changes in the subjective input assumptions can materially affect the fair value
estimates, in management&#146;s opinion, the existing models do not necessarily provide a
reliable single measure of the fair value of its associate stock options. Using the
Black-Scholes option evaluation model, the weighted average value of options granted
during the years ending January 31, 2000, 1999, and 1998, were $13, $14, and $7 per
option, respectively.</p>

<p>The effect of applying the fair value method of FAS No. 123 to the stock option grants
subsequent to February 1, 1995, does not result in net income and net income per share
that are materially different from the amounts reported in the Company&#146;s consolidated
financial statements as demonstrated below (amounts in millions except per share data):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="175">Fiscal years ended January 31,</td>
    <td WIDTH="50" ALIGN="RIGHT">2000</td>
    <td WIDTH="50" ALIGN="RIGHT">1999</td>
    <td WIDTH="50" ALIGN="RIGHT">1998</td>
  </tr>
  <tr>
    <td>Pro forma net income</td>
    <td ALIGN="RIGHT"><b>$  5,324</b></td>
    <td ALIGN="RIGHT">$  4,397</td>
    <td ALIGN="RIGHT">$  3,504</td>
  </tr>
  <tr>
    <td VALIGN="BOTTOM">Pro forma earnings<br>
        per share - basic</td>
    <td ALIGN="RIGHT"><b>$  1.20</b></td>
    <td ALIGN="RIGHT">$  0.98</td>
    <td ALIGN="RIGHT">$  0.78</td>
  </tr>
  <tr>
    <td VALIGN="BOTTOM">Pro forma earnings<br>
        per share - dilutive</td>
    <td ALIGN="RIGHT"><b>$  1.19</b></td>
    <td ALIGN="RIGHT">$  0.98</td>
    <td ALIGN="RIGHT">$  0.77</td>
  </tr>
</TABLE>

<p><br>
The following table summarizes information about stock options outstanding as of January
31, 2000:</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Range<br>
    of exercise<br>
    prices</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Number of<br>
    outstanding<br>
    options</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Weighted<br>
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    average<br>
    remaining<br>
    life in years</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Weighted average<br>
    exercise price of<br>
    outstanding<br>
    options</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Number of<br>
    options<br>
    exerciseable</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Weighted average<br>
    exercise price of<br>
    exerciseable<br>
    options</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">$  4.39 to 5.33</td>
    <td ALIGN="CENTER">24,000</td>
    <td ALIGN="CENTER">&lt;1.0</td>
    <td ALIGN="CENTER">$  5.33</td>
    <td ALIGN="CENTER">24,000</td>
    <td ALIGN="CENTER">$  5.33</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">6.63 to 8.84</td>
    <td ALIGN="CENTER">686,000</td>
    <td ALIGN="CENTER">1.0</td>
    <td ALIGN="CENTER">7.27</td>
    <td ALIGN="CENTER">681,000</td>
    <td ALIGN="CENTER">7.26</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">10.00 to 15.41</td>
    <td ALIGN="CENTER">28,336,000</td>
    <td ALIGN="CENTER">5.6</td>
    <td ALIGN="CENTER">12.00</td>
    <td ALIGN="CENTER">9,039,000</td>
    <td ALIGN="CENTER">12.23</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">17.53 to 19.97</td>
    <td ALIGN="CENTER">10,443,000</td>
    <td ALIGN="CENTER">8.0</td>
    <td ALIGN="CENTER">19.31</td>
    <td ALIGN="CENTER">1,728,000</td>
    <td ALIGN="CENTER">19.14</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">24.97 to 34.53</td>
    <td ALIGN="CENTER">709,000</td>
    <td ALIGN="CENTER">8.6</td>
    <td ALIGN="CENTER">29.60</td>
    <td ALIGN="CENTER">48,000</td>
    <td ALIGN="CENTER">28.57</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">39.88 to 43.00</td>
    <td ALIGN="CENTER">6,374,000</td>
    <td ALIGN="CENTER">9.0</td>
    <td ALIGN="CENTER">40.11</td>
    <td ALIGN="CENTER">722,000</td>
    <td ALIGN="CENTER">39.88</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">45.56 to 55.94</td>
    <td ALIGN="CENTER">4,742,000</td>
    <td ALIGN="CENTER">4.5</td>
    <td ALIGN="CENTER">46.97</td>
    <td ALIGN="CENTER">725,000</td>
    <td ALIGN="CENTER">46.17</td>
  </tr>
  <tr>
    <td ALIGN="CENTER">$  5.33 to 55.94</td>
    <td ALIGN="CENTER">51,314,000</td>
    <td ALIGN="CENTER">6.4</td>
    <td ALIGN="CENTER">$ 20.39</td>
    <td ALIGN="CENTER">12,967,000</td>
    <td ALIGN="CENTER">$  16.38</td>
  </tr>
</TABLE>

<p align="center"> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 37</b></p>
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<p>Further information concerning the options is as follows:</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="300"> </td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Shares</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Option price<br>
    per share</td>
    <td WIDTH="100" ALIGN="CENTER" VALIGN="BOTTOM">Weighted Average<br>
    per share</td>
    <td WIDTH="100" ALIGN="RIGHT" VALIGN="BOTTOM">Total  </td>
  </tr>
  <tr>
    <td>January 31, 1997</td>
    <td ALIGN="CENTER">60,772,000</td>
    <td ALIGN="CENTER">$  3.25 - 15.41</td>
    <td ALIGN="CENTER">$  11.26</td>
    <td ALIGN="RIGHT">$   683,884,000  </td>
  </tr>
  <tr>
    <td COLSPAN="5">(12,896,000 shares exerciseable)</td>
  </tr>
  <tr>
    <td>Options granted</td>
    <td ALIGN="CENTER">10,526,000</td>
    <td ALIGN="CENTER">12.44 - 19.97</td>
    <td ALIGN="CENTER">18.93</td>
    <td ALIGN="RIGHT">199,309,000  </td>
  </tr>
  <tr>
    <td>Options canceled</td>
    <td ALIGN="CENTER">(3,604,000)</td>
    <td ALIGN="CENTER">3.25 - 17.53</td>
    <td ALIGN="CENTER">11.72</td>
    <td ALIGN="RIGHT">(42,251,000)</td>
  </tr>
  <tr>
    <td>Options exercised</td>
    <td ALIGN="CENTER">(7,038,000)</td>
    <td ALIGN="CENTER">3.25 - 15.41</td>
    <td ALIGN="CENTER">9.62</td>
    <td ALIGN="RIGHT">(67,729,000)</td>
  </tr>
  <tr>
    <td>January 31, 1998</td>
    <td ALIGN="CENTER">60,656,000</td>
    <td ALIGN="CENTER">3.59 - 19.97</td>
    <td ALIGN="CENTER">12.75</td>
    <td ALIGN="RIGHT">773,213,000  </td>
  </tr>
  <tr>
    <td COLSPAN="5">(13,462,000 shares exerciseable)</td>
  </tr>
  <tr>
    <td>Options granted</td>
    <td ALIGN="CENTER">9,256,000</td>
    <td ALIGN="CENTER">12.63 - 43.00</td>
    <td ALIGN="CENTER">33.02</td>
    <td ALIGN="RIGHT">305,646,000  </td>
  </tr>
  <tr>
    <td>Options canceled</td>
    <td ALIGN="CENTER">(4,254,000)</td>
    <td ALIGN="CENTER">4.39 - 39.88</td>
    <td ALIGN="CENTER">13.74</td>
    <td ALIGN="RIGHT">(58,436,000)</td>
  </tr>
  <tr>
    <td>Options exercised</td>
    <td ALIGN="CENTER">(9,500,000)</td>
    <td ALIGN="CENTER">3.59 - 19.09</td>
    <td ALIGN="CENTER">10.92</td>
    <td ALIGN="RIGHT">(103,748,000)</td>
  </tr>
  <tr>
    <td>January 31, 1999</td>
    <td ALIGN="CENTER">56,158,000</td>
    <td ALIGN="CENTER">4.39 - 43.00</td>
    <td ALIGN="CENTER">16.32</td>
    <td ALIGN="RIGHT">916,675,000  </td>
  </tr>
  <tr>
    <td COLSPAN="5">(12,357,000 shares exerciseable)</td>
  </tr>
  <tr>
```

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    <td>Options granted</td>
    <td ALIGN="CENTER">1,540,000</td>
    <td ALIGN="CENTER">41.25 - 55.94</td>
    <td ALIGN="CENTER">44.62</td>
    <td ALIGN="RIGHT">68,703,000  </td>
  </tr>
  <tr>
    <td>ASDA options converted to Wal-Mart options</td>
    <td ALIGN="CENTER">4,250,000</td>
    <td ALIGN="CENTER">46.17</td>
    <td ALIGN="CENTER">46.17</td>
    <td ALIGN="RIGHT">196,244,000  </td>
  </tr>
  <tr>
    <td>Options canceled</td>
    <td ALIGN="CENTER">(2,452,000)</td>
    <td ALIGN="CENTER">5.33 - 43.00</td>
    <td ALIGN="CENTER">17.27</td>
    <td ALIGN="RIGHT">(42,337,000)</td>
  </tr>
  <tr>
    <td>Options exercised</td>
    <td ALIGN="CENTER">(8,182,000)</td>
    <td ALIGN="CENTER">4.39 - 39.88</td>
    <td ALIGN="CENTER">11.44</td>
    <td ALIGN="RIGHT">(93,583,000)</td>
  </tr>
  <tr>
    <td>January 31, 2000</td>
    <td ALIGN="CENTER">51,314,000</td>
    <td ALIGN="CENTER">$ 5.33 - 55.94</td>
    <td ALIGN="CENTER">$  20.39</td>
    <td ALIGN="RIGHT">$  1,045,702,000</td>
  </tr>
  <tr>
    <td COLSPAN="5">(12,967,000 shares exerciseable)</td>
  </tr>
  <tr>
    <td COLSPAN="5">Shares available for option:</td>
  </tr>
  <tr>
    <td>January 31, 1999</td>
    <td ALIGN="CENTER">75,256,000</td>
    <td ALIGN="CENTER"> </td>
    <td ALIGN="CENTER"> </td>
    <td ALIGN="CENTER"> </td>
  </tr>
  <tr>
    <td>January 31, 2000</td>
    <td ALIGN="CENTER">71,918,000</td>
    <td ALIGN="CENTER"> </td>
    <td ALIGN="CENTER"> </td>
    <td ALIGN="CENTER"> </td>
  </tr>
</TABLE>

<p><br>
<b>8 Commitments and Contingencies</b></p>

<p>The Company and certain of its subsidiaries have long-term leases for stores and
equipment. Rentals (including, for certain leases, amounts applicable to taxes, insurance,
maintenance, other operating expenses and contingent rentals) under all operating leases
were $573 million, $654 million, and $596 million in 2000, 1999, and 1998, respectively.
Aggregate minimum annual rentals at January 31, 2000, under non-cancelable leases are as
follows (in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="500">Fiscal<br>
    year</td>
    <td WIDTH="100" ALIGN="RIGHT">Operating<br>
    leases</td>
    <td WIDTH="100" ALIGN="RIGHT">Capital<br>
    leases</td>
  </tr>
  <tr>
    <td>2001</td>
    <td ALIGN="RIGHT">$  387</td>
    <td ALIGN="RIGHT">$   377</td>
  </tr>
  <tr>
    <td>2002</td>
    <td ALIGN="RIGHT">402</td>
    <td ALIGN="RIGHT">392</td>
  </tr>
```

```html
  <tr>
    <td>2003</td>
    <td ALIGN="RIGHT">385</td>
    <td ALIGN="RIGHT">390</td>
  </tr>
  <tr>
    <td>2004</td>
    <td ALIGN="RIGHT">370</td>
    <td ALIGN="RIGHT">389</td>
  </tr>
  <tr>
    <td>2005</td>
    <td ALIGN="RIGHT">363</td>
    <td ALIGN="RIGHT">387</td>
  </tr>
  <tr>
    <td>Thereafter</td>
    <td ALIGN="RIGHT">3,055</td>
    <td ALIGN="RIGHT">3,674</td>
  </tr>
  <tr>
    <td>Total minimum rentals</td>
    <td ALIGN="RIGHT">$ 4,962</td>
    <td ALIGN="RIGHT">5,609</td>
  </tr>
  <tr>
    <td>Less estimated executory costs</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">65</td>
  </tr>
  <tr>
    <td>Net minimum lease payments</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">5,544</td>
  </tr>
  <tr>
    <td>Less imputed interest at rates ranging from 6.1% to 14.0%</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">2,421</td>
  </tr>
  <tr>
    <td>Present value of minimum lease payments</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">$  3,123</td>
  </tr>
</TABLE>

<p><br>
Certain of the leases provide for contingent additional rentals based on percentage of
sales. Such additional rentals amounted to $51 million, $49 million and $46 million in
2000, 1999 and 1998, respectively. Substantially all of the store leases have renewal
options for additional terms from five to 25 years at comparable rentals.</p>

<p>The Company has entered into lease commitments for land and buildings for 34 future
locations. These lease commitments with real estate developers provide for minimum rentals
for 20 to 25 years, excluding renewal options, which if consummated based on current cost
estimates, will approximate $36 million annually over the lease terms.</p>

<p>The Company and its subsidiaries are involved from time to time in claims, proceedings
and litigation arising from the operation of its business. The Company does not believe
that any such claim, proceeding or litigation, either alone or in the aggregate, will have
a material adverse effect on the Company&#146;s financial position or results of its
operations.</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 38</b></p>

<p><b>9 Segments</b></p>

<p>The Company and its subsidiaries are principally engaged in the operation of mass
merchandising stores located in all 50 states, Argentina, Canada, Germany, Korea, Puerto
Rico, and the United Kingdom, and through joint ventures in China, and through
majority-owned subsidiaries in Brazil and Mexico.  The Company identifies segments
based on management responsibility within the United States and geographically for all
international units.  The Wal-Mart Sores segment included the Company's discount
stores and Supercenters in the United States.  The SAM'S Club segment includes the
warehouse membership clubs in the United States.  The Company's operations in
Argentina, Brazil, China, Germany, Korea, Mexico and the United Kingdom are consolidated
using a December 31 fiscal year end, generally due to statutory reporting requirements.
  There were no significant intervening events which materially affected the
financial statements.  The Company's operations in Canada and Puerto Rico are
consolidated using a January 31 fiscal year end.  The Company measures segment profit
as operating profit, which is defined as income before interest expense, income taxes,
minority interest, equity in unconsolidated subsidiaries and cumulative effect of
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accounting change.  Information on segments and a reconciliation to income, before
income taxes, minority interest, equity in unconsolidated subsidiaries and cumulative
effect of accounting change, are as follows (in millions):</p>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="325">Fiscal year ended January 31, 2000</td>
    <td WIDTH="75" ALIGN="RIGHT">Wal-Mart Stores</td>
    <td WIDTH="75" ALIGN="RIGHT">SAM&#146;S Club</td>
    <td WIDTH="75" ALIGN="RIGHT">International</td>
    <td WIDTH="75" ALIGN="RIGHT">Other  </td>
    <td WIDTH="75" ALIGN="RIGHT">Consolidated  </td>
  </tr>
  <tr>
    <td>Revenues from external customers</td>
    <td ALIGN="RIGHT">$  108,721</td>
    <td ALIGN="RIGHT">$  24,801</td>
    <td ALIGN="RIGHT">$  22,728</td>
    <td ALIGN="RIGHT">$  8,763  </td>
    <td ALIGN="RIGHT">$  165,013  </td>
  </tr>
  <tr>
    <td>Intercompany real estate charge (income)</td>
    <td ALIGN="RIGHT">1,542</td>
    <td ALIGN="RIGHT">366</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(1,908)</td>
    <td ALIGN="RIGHT"> </td>
  </tr>
  <tr>
    <td>Depreciation and amortization</td>
    <td ALIGN="RIGHT">812</td>
    <td ALIGN="RIGHT">124</td>
    <td ALIGN="RIGHT">402</td>
    <td ALIGN="RIGHT">1,037  </td>
    <td ALIGN="RIGHT">2,375  </td>
  </tr>
  <tr>
    <td>Operating income</td>
    <td ALIGN="RIGHT">8,419</td>
    <td ALIGN="RIGHT">759</td>
    <td ALIGN="RIGHT">817</td>
    <td ALIGN="RIGHT">110  </td>
    <td ALIGN="RIGHT">10,105  </td>
  </tr>
  <tr>
    <td>Interest expense</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(1,022)</td>
  </tr>
  <tr>
    <td VALIGN="BOTTOM">Income before income taxes, minority interest, equity in<br>
        unconsolidated subsidiaries and cumulative effect of<br>
        accounting change</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">9,083  </td>
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  <tr>
    <td>Total assets</td>
    <td ALIGN="RIGHT">$  18,213</td>
    <td ALIGN="RIGHT">$  3,586</td>
    <td ALIGN="RIGHT">$  25,330</td>
    <td ALIGN="RIGHT">$  23,220  </td>
    <td ALIGN="RIGHT">$  70,349  </td>
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</TABLE>

<table BORDER="1" CELLSPACING="1" CELLPADDING="2" ALIGN="CENTER">
  <tr>
    <td WIDTH="325">Fiscal year ended January 31, 1999</td>
    <td WIDTH="75" ALIGN="RIGHT">Wal-Mart Stores</td>
    <td WIDTH="75" ALIGN="RIGHT">SAM&#146;S Club</td>
    <td WIDTH="75" ALIGN="RIGHT">International</td>
    <td WIDTH="75" ALIGN="RIGHT">Other  </td>
    <td WIDTH="75" ALIGN="RIGHT">Consolidated  </td>
  </tr>
  <tr>
    <td>Revenues from external customers</td>
    <td ALIGN="RIGHT">$  95,395</td>
```

```
    <td ALIGN="RIGHT">$  22,881</td>
    <td ALIGN="RIGHT">$  12,247</td>
    <td ALIGN="RIGHT">$  7,111  </td>
    <td ALIGN="RIGHT">$  137,634  </td>
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  <tr>
    <td>Intercompany real estate charge (income)</td>
    <td ALIGN="RIGHT">1,502</td>
    <td ALIGN="RIGHT">355</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(1,857)</td>
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  <tr>
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    <td ALIGN="RIGHT">111</td>
    <td ALIGN="RIGHT">252</td>
    <td ALIGN="RIGHT">793  </td>
    <td ALIGN="RIGHT">1,872  </td>
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  <tr>
    <td>Operating income (loss)</td>
    <td ALIGN="RIGHT">7,075</td>
    <td ALIGN="RIGHT">650</td>
    <td ALIGN="RIGHT">549</td>
    <td ALIGN="RIGHT">(213)</td>
    <td ALIGN="RIGHT">8,061  </td>
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  <tr>
    <td>Interest expense</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(797)</td>
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  <tr>
    <td>Reverse adjustment for accounting change</td>
    <td ALIGN="RIGHT">-</td>
    <td ALIGN="RIGHT">57</td>
    <td ALIGN="RIGHT">2</td>
    <td ALIGN="RIGHT">-  </td>
    <td ALIGN="RIGHT">59  </td>
  </tr>
  <tr>
    <td VALIGN="BOTTOM">Income before income taxes, minority interest and equity<br>
        in unconsolidated subsidiaries</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">7,323  </td>
  </tr>
  <tr>
    <td>Total assets</td>
    <td ALIGN="RIGHT">$  16,950</td>
    <td ALIGN="RIGHT">$  2,834</td>
    <td ALIGN="RIGHT">$  9,537</td>
    <td ALIGN="RIGHT">$  20,675  </td>
    <td ALIGN="RIGHT">$  49,996  </td>
  </tr>
</TABLE>

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    <td WIDTH="325">Fiscal year ended January 31, 1998</td>
    <td WIDTH="75" ALIGN="RIGHT">Wal-Mart Stores</td>
    <td WIDTH="75" ALIGN="RIGHT">SAM&#146;S Club</td>
    <td WIDTH="75" ALIGN="RIGHT">International</td>
    <td WIDTH="75" ALIGN="RIGHT">Other  </td>
    <td WIDTH="75" ALIGN="RIGHT">Consolidated  </td>
  </tr>
  <tr>
    <td>Revenues from external customers</td>
    <td ALIGN="RIGHT">$  83,820</td>
    <td ALIGN="RIGHT">$  20,668</td>
    <td ALIGN="RIGHT">$  7,517</td>
    <td ALIGN="RIGHT">$  5,953  </td>
    <td ALIGN="RIGHT">$  117,958  </td>
  </tr>
  <tr>
    <td>Intercompany real estate charge (income)</td>
    <td ALIGN="RIGHT">1,375</td>
    <td ALIGN="RIGHT">349</td>
```

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    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(1,724)</td>
    <td ALIGN="RIGHT"> </td>
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  <tr>
    <td>Depreciation and amortization</td>
    <td ALIGN="RIGHT">674</td>
    <td ALIGN="RIGHT">104</td>
    <td ALIGN="RIGHT">118</td>
    <td ALIGN="RIGHT">738  </td>
    <td ALIGN="RIGHT">1,634  </td>
  </tr>
  <tr>
    <td>Operating income (loss)</td>
    <td ALIGN="RIGHT">5,833</td>
    <td ALIGN="RIGHT">604</td>
    <td ALIGN="RIGHT">260</td>
    <td ALIGN="RIGHT">(208)</td>
    <td ALIGN="RIGHT">6,489  </td>
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  <tr>
    <td>Interest expense</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT">(784)</td>
  </tr>
  <tr>
    <td>Reverse adjustment for accounting change</td>
    <td ALIGN="RIGHT">-</td>
    <td ALIGN="RIGHT">12</td>
    <td ALIGN="RIGHT">2</td>
    <td ALIGN="RIGHT">-  </td>
    <td ALIGN="RIGHT">14  </td>
  </tr>
  <tr>
    <td VALIGN="BOTTOM">Income before income taxes, minority interest and equity<br>
        in unconsolidated subsidiaries</td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT"> </td>
    <td ALIGN="RIGHT" VALIGN="BOTTOM">5,719  </td>
  </tr>
  <tr>
    <td>Total assets</td>
    <td ALIGN="RIGHT">$  16,229</td>
    <td ALIGN="RIGHT">$  2,933</td>
    <td ALIGN="RIGHT">$  7,390</td>
    <td ALIGN="RIGHT">$  18,832  </td>
    <td ALIGN="RIGHT">$  45,384  </td>
  </tr>
</TABLE>

<p align="center"> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 39</b></p>

<p>For comparative purposes 1999 and 1998 operating income have been adjusted to reflect
the impact of the membership fee revenue accounting change described in Note 1. This is
reversed for purposes of reconciling operating profit to income before taxes, minority
interest and equity in unconsolidated subsidiaries.</p>

<p>Domestic long-lived assets excluding goodwill were $25,227 million, $21,929 million and
$20,069 million in 2000, 1999 and 1998, respectively. Additions to domestic long-lived
assets were $3,814 million, $3,317 million and $2,050 million in 2000, 1999 and 1998,
respectively. International long-lived assets excluding goodwill were $10,742 million,
$4,044 million and $3,537 million in 2000, 1999 and 1998, respectively. Additions to
international long-lived assets were $7,070 million, $732 million and $2,401 million in
2000, 1999 and 1998, respectively. The international segment includes all international
real estate. All of the real estate in the United States is included in the
&quot;Other&#146; category and is leased to Wal-Mart Stores and SAM&#146;S Club. The
revenues in the &#146;Other&#146; category result from sales to third parties by McLane
Company, Inc., a wholesale distributor.</p>

<p>McLane offers a wide variety of grocery and non-grocery products, which it sells to a
variety of retailers including the Company&#146;s Wal-Mart Stores and SAM&#146;S Club
segments. McLane is not a significant segment and therefore, results are not presented
separately.</p>

<p><b>10 Quarterly Financial Data (Unaudited)</b></p>

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    <td WIDTH="317"> </td>
    <td WIDTH="393" ALIGN="CENTER">Quarters ended</td>
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</TABLE>

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  <tr>
    <td WIDTH="316">Amounts in millions (except per share information)</td>
    <td WIDTH="118" ALIGN="RIGHT">April 30,</td>
    <td WIDTH="84" ALIGN="RIGHT">July 31,</td>
    <td WIDTH="84" ALIGN="RIGHT">October 31,</td>
    <td WIDTH="84" ALIGN="RIGHT">January 31,</td>
  </tr>
  <tr>
    <td COLSPAN="5" width="718">2000</td>
  </tr>
  <tr>
    <td width="316">Net sales</td>
    <td ALIGN="RIGHT" width="118">$  34,717  </td>
    <td ALIGN="RIGHT" width="84">$  38,470  </td>
    <td ALIGN="RIGHT" width="84">$  40,432  </td>
    <td ALIGN="RIGHT" width="84">$  51,394  </td>
  </tr>
  <tr>
    <td width="316">Cost of sales</td>
    <td ALIGN="RIGHT" width="118">27,241  </td>
    <td ALIGN="RIGHT" width="84">30,123  </td>
    <td ALIGN="RIGHT" width="84">31,606  </td>
    <td ALIGN="RIGHT" width="84">40,694  </td>
  </tr>
  <tr>
    <td width="316">Income before cumulative effect of accounting change</td>
    <td ALIGN="RIGHT" width="118">1,110  </td>
    <td ALIGN="RIGHT" width="84">1,249  </td>
    <td ALIGN="RIGHT" width="84">1,299  </td>
    <td ALIGN="RIGHT" width="84">1,917  </td>
  </tr>
  <tr>
    <td width="316">Cumulative effect of accounting change, net of tax</td>
    <td ALIGN="RIGHT" width="118">(198)</td>
    <td ALIGN="RIGHT" width="84">-  </td>
    <td ALIGN="RIGHT" width="84">-  </td>
    <td ALIGN="RIGHT" width="84">-  </td>
  </tr>
  <tr>
    <td width="316">Net income</td>
    <td ALIGN="RIGHT" width="118">$  912  </td>
    <td ALIGN="RIGHT" width="84">$  1,249  </td>
    <td ALIGN="RIGHT" width="84">$  1,299  </td>
    <td ALIGN="RIGHT" width="84">$  1,917  </td>
  </tr>
  <tr>
    <td COLSPAN="5" width="718">Net income per common share:</td>
  </tr>
  <tr>
    <td width="316">Income before cumulative effect of accounting change</td>
    <td ALIGN="RIGHT" width="118">$  0.25  </td>
    <td ALIGN="RIGHT" width="84">$  0.28  </td>
    <td ALIGN="RIGHT" width="84">$  0.29  </td>
    <td ALIGN="RIGHT" width="84">$   0.43  </td>
  </tr>
  <tr>
    <td width="316">Cumulative effect of accounting change</td>
    <td ALIGN="RIGHT" width="118">(0.04)</td>
    <td ALIGN="RIGHT" width="84">-  </td>
    <td ALIGN="RIGHT" width="84">-  </td>
    <td ALIGN="RIGHT" width="84">-  </td>
  </tr>
  <tr>
    <td width="316">Net income per common share, basic and diluted</td>
    <td ALIGN="RIGHT" width="118">$  0.20  </td>
    <td ALIGN="RIGHT" width="84">$  0.28  </td>
    <td ALIGN="RIGHT" width="84">$  0.29  </td>
    <td ALIGN="RIGHT" width="84">$   0.43  </td>
  </tr>
  <tr>
    <td COLSPAN="5" width="718">Pro forma amounts assuming accounting change<br>
        had been in effect for all of fiscal 2000:</td>
  </tr>
  <tr>
    <td width="316">Net Income</td>
    <td ALIGN="RIGHT" width="118">$  1,114  </td>
    <td ALIGN="RIGHT" width="84">$  1,251  </td>
    <td ALIGN="RIGHT" width="84">$  1,294  </td>
    <td ALIGN="RIGHT" width="84">$  1,916  </td>
```

```html
  </tr>
  <tr>
    <td width="316">Net income per common share, basic and diluted</td>
    <td ALIGN="RIGHT" width="118">$  0.25  </td>
    <td ALIGN="RIGHT" width="84">$  0.28  </td>
    <td ALIGN="RIGHT" width="84">$  0.29  </td>
    <td ALIGN="RIGHT" width="84">$   0.43  </td>
  </tr>
  <tr>
    <td COLSPAN="5" width="718"><br>
    1999</td>
  </tr>
  <tr>
    <td width="316">Net sales</td>
    <td ALIGN="RIGHT" width="118">$  29,819  </td>
    <td ALIGN="RIGHT" width="84">$  33,521  </td>
    <td ALIGN="RIGHT" width="84">$  33,509  </td>
    <td ALIGN="RIGHT" width="84">$  40,785  </td>
  </tr>
  <tr>
    <td width="316">Cost of sales</td>
    <td ALIGN="RIGHT" width="118">23,526  </td>
    <td ALIGN="RIGHT" width="84">26,422  </td>
    <td ALIGN="RIGHT" width="84">26,380  </td>
    <td ALIGN="RIGHT" width="84">32,397  </td>
  </tr>
  <tr>
    <td width="316">Net income</td>
    <td ALIGN="RIGHT" width="118">828  </td>
    <td ALIGN="RIGHT" width="84">1,034  </td>
    <td ALIGN="RIGHT" width="84">1,009  </td>
    <td ALIGN="RIGHT" width="84">1,559  </td>
  </tr>
  <tr>
    <td width="316">Net income per common share, basic and diluted</td>
    <td ALIGN="RIGHT" width="118">$  0.18  </td>
    <td ALIGN="RIGHT" width="84">$  0.23  </td>
    <td ALIGN="RIGHT" width="84">$  0.23  </td>
    <td ALIGN="RIGHT" width="84">$   0.35  </td>
  </tr>
  <tr>
    <td COLSPAN="5" width="718">Pro forma amounts assuming accounting change<br>
        had been in effect in fiscal 1999:</td>
  </tr>
  <tr>
    <td width="316">Net Income</td>
    <td ALIGN="RIGHT" width="118">$  826  </td>
    <td ALIGN="RIGHT" width="84">$  1,029  </td>
    <td ALIGN="RIGHT" width="84">$  990  </td>
    <td ALIGN="RIGHT" width="84">$  1,548  </td>
  </tr>
  <tr>
    <td width="316">Net income per common share, basic and diluted</td>
    <td ALIGN="RIGHT" width="118">$  0.18  </td>
    <td ALIGN="RIGHT" width="84">$  0.23  </td>
    <td ALIGN="RIGHT" width="84">$  0.22  </td>
    <td ALIGN="RIGHT" width="84">$   0.35  </td>
  </tr>
</TABLE>

<p align="center"> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 40</b></p>
<b>

<p>Report of Independent Auditors</b></p>

<p>The Board of Directors and Shareholders,<br>
Wal-Mart Stores, Inc.</p>

<p>We have audited the accompanying consolidated balance sheets of Wal-Mart Stores, Inc.
as of January 31, 2000 and 1999, and the related consolidated statements of income,
shareholders&#146; equity and cash flows for each of the three years in the period ended
January 31, 2000. These financial statements are the responsibility of the Company&#146;s
management. Our responsibility is to express an opinion on these financial statements
based on our audits.</p>

<p>We conducted our audits in accordance with auditing standards generally accepted in the
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.</p>
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<p>In our opinion, the financial statements referred to above present fairly, in all
material respects, the consolidated financial position of Wal-Mart Stores, Inc. and
Subsidiaries at January 31, 2000 and 1999, and the consolidated results of their
operations and their cash flows for each of the three years in the period ended January
31, 2000, in conformity with accounting principles generally accepted in the United
States.</p>

<p>As explained in Note 1 to the consolidated financial statements, the Company changed
its method of accounting for membership fee income from a cash basis to a deferred basis
whereby membership fee income is recognized ratably over the twelve-month life of the
membership.</p>

<p>Tulsa, Oklahoma<br>
March 24, 2000</p>

<p> </p>

<p align="center"><b>Wal-Mart Stores, Inc. Annual Report - Page 41</b></p>
<b>

<p align="center">Corporate Informatio</b><strong>n</strong></p>

<p><b>Listings - Stock Symbol: WMT</b><br>
New York Stock Exchange<br>
Pacific Stock Exchange</p>

<p align="center"><b>Market Price of Common Stock</b><br>
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    <td WIDTH="50"> </td>
    <td WIDTH="50"> </td>
    <td WIDTH="50"> </td>
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  <tr>
    <td> </td>
    <td COLSPAN="4" ALIGN="CENTER">Fiscal years ended January 31,</td>
  </tr>
  <tr>
    <td> </td>
    <td COLSPAN="2" ALIGN="CENTER">2000</td>
    <td COLSPAN="2" ALIGN="CENTER">1999</td>
  </tr>
  <tr>
    <td>Quarterly Ended</td>
    <td ALIGN="CENTER">Hi</td>
    <td ALIGN="CENTER">Low</td>
    <td ALIGN="CENTER">Hi</td>
    <td ALIGN="CENTER">Low</td>
  </tr>
  <tr>
    <td>April 30</td>
    <td ALIGN="CENTER">$52.44</td>
    <td ALIGN="CENTER">$40.47</td>
    <td ALIGN="CENTER">$26.94</td>
    <td ALIGN="CENTER">$20.41</td>
  </tr>
  <tr>
    <td>July 31</td>
    <td ALIGN="CENTER">$49.19</td>
    <td ALIGN="CENTER">$41.13</td>
    <td ALIGN="CENTER">$34.50</td>
    <td ALIGN="CENTER">$24.97</td>
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  <tr>
    <td>October 31</td>
    <td ALIGN="CENTER">$57.06</td>
    <td ALIGN="CENTER">$40.19</td>
    <td ALIGN="CENTER">$34.53</td>
    <td ALIGN="CENTER">$26.56</td>
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  <tr>
    <td>January 31</td>
    <td ALIGN="CENTER">$69.44</td>
    <td ALIGN="CENTER">$54.75</td>
    <td ALIGN="CENTER">$43.00</td>
    <td ALIGN="CENTER">$33.44</td>
  </tr>
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<p align="center"><br>
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<b>Dividends Paid Per Share **</b><br>
</p>

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    <td WIDTH="75"> </td>
    <td WIDTH="75"> </td>
    <td WIDTH="75"> </td>
  </tr>
  <tr>
    <td COLSPAN="4" ALIGN="CENTER">Fiscal years ended January 31,</td>
  </tr>
  <tr>
    <td COLSPAN="4" ALIGN="CENTER">Quarterly</td>
  </tr>
  <tr>
    <td COLSPAN="2" ALIGN="CENTER">2000</td>
    <td COLSPAN="2" ALIGN="CENTER">1999</td>
  </tr>
  <tr>
    <td>April 19</td>
    <td ALIGN="RIGHT">$0.0500</td>
    <td>April 6</td>
    <td ALIGN="RIGHT">$0.0388</td>
  </tr>
  <tr>
    <td>July 12</td>
    <td ALIGN="RIGHT">$0.0500</td>
    <td>July 13</td>
    <td ALIGN="RIGHT">$0.0388</td>
  </tr>
  <tr>
    <td>October 12</td>
    <td ALIGN="RIGHT">$0.0500</td>
    <td>October 12</td>
    <td ALIGN="RIGHT">$0.0388</td>
  </tr>
  <tr>
    <td>January 10</td>
    <td ALIGN="RIGHT">$0.0500</td>
    <td>January 11</td>
    <td ALIGN="RIGHT">$0.0388</td>
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</font>
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<p ALIGN="CENTER">EXHIBIT 21</p>
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    <td VALIGN="TOP" COLSPAN="4"><font FACE="Courier"><b><p ALIGN="CENTER">SUBSIDIARIES OF
    WAL-MART STORES, INC.</b></font></td>
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  <tr>
    <td WIDTH="39%" VALIGN="bottom"><font FACE="Courier"><u><b><p ALIGN="CENTER">SUBSIDIARY</b></u></font></td>
    <td WIDTH="23%" VALIGN="bottom"><font FACE="Courier"><b><p ALIGN="CENTER">ORGANIZED OR<br>
    <u>INCORPORATED</u></b></font></td>
    <td WIDTH="17%" VALIGN="bottom"><font FACE="Courier"><b><p ALIGN="CENTER">PERCENT OF
    EQUITY SECURITIES <u>OWNED</u></b></font></td>
    <td WIDTH="20%" VALIGN="bottom"><font FACE="Courier"><b><p ALIGN="CENTER">NAME UNDER WHICH
    DOING BUSINESS OTHER THAN <u>SUBSIDIARY&#146;S</u></b></font></td>
  </tr>
  <tr>
    <td WIDTH="39%" VALIGN="TOP"><font FACE="Courier">Wal-Mart Stores East, Inc.</font></td>
    <td WIDTH="23%" VALIGN="TOP"><font FACE="Courier">Delaware, U. S.</font></td>
    <td WIDTH="17%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">100%</font></td>
    <td WIDTH="20%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">Wal-Mart</font></td>
  </tr>
  <tr>
    <td WIDTH="39%" VALIGN="TOP"><font FACE="Courier">Sam&#146;s West, Inc.</font></td>
    <td WIDTH="23%" VALIGN="TOP"><font FACE="Courier">Delaware, U. S.</font></td>
    <td WIDTH="17%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">100%</font></td>
    <td WIDTH="20%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">Sam&#146;s Club</font></td>
  </tr>
  <tr>
    <td WIDTH="39%" VALIGN="TOP"><font FACE="Courier">Sam&#146;s East, Inc.</font></td>
    <td WIDTH="23%" VALIGN="TOP"><font FACE="Courier">Delaware, U. S.</font></td>
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    <td WIDTH="20%" VALIGN="TOP"><font FACE="Courier"><p ALIGN="CENTER">Sam&#146;s Club</font></td>
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<p ALIGN="CENTER">EXHIBIT 23</p>

<p ALIGN="CENTER">CONSENT OF INDEPENDENT AUDITORS</p>

<p ALIGN="JUSTIFY">We consent to the incorporation by reference in this Annual Report
(Form 10-K) of Wal-Mart Stores, Inc. of our report dated March 24, 2000 included in the
2000 Annual Report to Shareholders of Wal-Mart Stores, Inc.</p>

<p ALIGN="JUSTIFY">We also consent to the incorporation by reference of our report dated
March 24, 2000, with respect to the consolidated financial statements of Wal-Mart Stores,
Inc. incorporated by reference in this Annual Report (Form 10-K) for the year ended
January 31, 2000, in the following registration statements and related prospectuses.</p>

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<p ALIGN="JUSTIFY">Tulsa, Oklahoma</p>

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