

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended April 30, 1995

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission file number 1-6991

WAL-MART STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

71-0415188
(I.R.S. Employer
Identification No.)

702 S.W. Eighth Street
Bentonville, Arkansas
(Address of principal executive offices)

72716

(501) 273-4000
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year,
if changed since last report)

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 such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Applicable Only to Issuers Involved in Bankruptcy Proceedings During the Preceding Five Years

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by the court.

Yes No

Applicable Only to Corporate Issuers

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common Stock, \$.10 Par Value -- 2,297,345,364 shares as of April 30, 1995.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

<TABLE>

WAL-MART STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in millions)

<CAPTION>

	April 30, 1995 (Unaudited)	January 31, 1995 (*Note)
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	\$ 14	\$ 45
Receivables	823	700
Recoverable costs from sale/leaseback	203	200
Inventories	14,682	14,064
Other current assets	439	329
Total current assets	16,161	15,338
Property, plant and equipment	18,276	17,090
Less accumulated depreciation	3,038	2,782
Net property, plant and equipment	15,238	14,308
Property under capital leases	2,194	2,147
Less accumulated amortization	605	581
Net property under capital leases	1,589	1,566

Other assets and deferred charges	1,394	1,607
Total assets	\$34,382	\$32,819

LIABILITIES AND SHAREHOLDERS' EQUITY

Commercial paper	\$ 2,372	\$ 1,795
Accounts payable	5,954	5,907
Other current liabilities	2,169	2,271
Total current liabilities	10,495	9,973
Long-term debt	8,119	7,871
Long-term obligations under capital leases	1,873	1,838
Deferred income taxes and other	779	411
Common stock and paid-in capital	770	769
Retained earnings	12,651	12,213
Foreign currency translation adjustment	(305)	(256)
Total shareholders' equity	13,116	12,726
Total liabilities and shareholders' equity	\$34,382	\$32,819

</TABLE>

[FN]

<F1>

See accompanying notes to condensed consolidated financial statements.

<F2>

*Note: The balance sheet at January 31, 1995, has been taken from the audited financial statements at that date, and condensed.

WAL-MART STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Amounts in millions except per share data)

<TABLE>

<CAPTION>

	Three Months Ended April 30,	
	1995	1994
<S>	<C>	<C>
Net sales	\$20,440	\$17,686
Other income	212	167
	20,652	17,853
Costs and expenses:		
Cost of sales	16,196	14,064
Operating, selling and general and administrative expenses	3,377	2,846
Interest costs:		
Debt	154	103
Capital leases	46	54
	19,773	17,067
Income before taxes	879	786
Provision for taxes on income	326	288
Net income	\$ 553	\$ 498
Net income per share	\$.24	\$.22
Dividends per share	\$.05	\$.0425
Beginning of the year shareholders' equity	\$12,726	\$10,753
Return for the period on beginning of the year shareholders' equity	4.35%	4.64%
Average number of common shares outstanding	2,297	2,299

<FN>

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in millions)

</TABLE>
<TABLE>
<CAPTION>

	Three Months Ended April 30,	
	1995	1994
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 553	\$ 498
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	276	231
Increase in inventories	(484)	(1,167)
Increase (decrease) in accounts payable	(50)	1,300
Noncash items and other	(278)	61
Net cash provided by operating activities	17	923
Cash flows from investing activities:		
Net capital additions	(759)	(673)
Acquisition of Woolworth Canada, Inc. assets	-	(358)
Other investing activities	21	(67)
Net cash used in investing activities	(738)	(1,098)
Cash flows from financing activities:		
Increase in commercial paper	573	122
Proceeds from issuance of long-term debt	250	245
Dividends paid	(115)	(98)
Other financing activities	(18)	(38)
Net cash provided by financing activities	690	231
Net increase (decrease) in cash and cash equivalents		
	(31)	56
Cash and cash equivalents at beginning of year	45	20
Cash and cash equivalents at end of first quarter	\$ 14	\$ 76

Supplemental Disclosure of Cash Flow Information:

Income tax paid	\$ 356	\$ 122
Interest paid	206	174
Capital lease obligations incurred	59	71

</TABLE>

[FN]

See accompanying notes to condensed consolidated financial statements.

WAL-MART STORES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE A. BASIS OF PRESENTATION

The condensed consolidated balance sheet as of April 30, 1995, and the related condensed consolidated statements of income and cash flows for the three month periods ended April 30, 1995 and 1994 are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of such financial statements have been included. Such adjustments consisted only of normal recurring items. Interim reports are not necessarily indicative of results for a full year.

The financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission, and do not contain certain information included in the Company's annual report. Therefore, the interim statements should be read with the annual report.

NOTE B. INVENTORIES

Inventories are valued at the lower of cost or market value, using the last-in, first-out (LIFO) method for substantially all inventories. Quarterly inventory determinations under LIFO are partially based on assumptions as to inventory levels at the end of the fiscal year, sales, and the rate of inflation for the year. If

the first-in, first-out (FIFO) method of accounting had been used by the Company, inventories at April 30, 1995 would have been \$359 million higher than reported, an increase in the LIFO reserve of \$8 million from January 31, 1995. If the FIFO method had been used at April 30, 1994, inventories would have been \$479 million higher than reported, an increase in the LIFO reserve of \$10 million from January 31, 1994.

NOTE C. LONG-TERM DEBT

During the quarter ended April 30, 1995, the Company sold \$250 million in aggregate principal amount of 7.00% notes due April 27, 1998 outside the United States in the European market. Subsequent to April 30, 1995, the Company sold \$200 million in aggregate principal amount of 6.75% notes due May 24, 2002 outside the United States in the European market. In addition, the Company sold \$300 million in aggregate principal amount of 6.75% notes due May 15, 2002 under the Company's available shelf registration statements filed with the Securities and Exchange Commission. Pursuant to these shelf registration statements, the Company has registered debt securities, after giving effect to the sale of notes in the aggregate principal amount of \$300 million mentioned above, aggregating \$751 million which it may issue in the future from time to time. The notes sold outside the United States have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Increased sales during the quarter ended April 30, 1995, were attributable to an increase in comparable Wal-Mart and Supercenter store sales of 7%, an increase in Sam's Clubs comparable sales of 3%, and to the Company's recent expansion activities. Domestic expansion activity in the first quarter included 5 new Wal-Mart stores, 5 new Supercenters, 2 new Sam's Clubs, along with the conversion of 10 Wal-Mart stores to Supercenters and the relocation or expansion of 13 Wal-Mart stores. International expansion included the addition of 3 Wal-Mart stores in Canada and 10 units in Mexico. International sales accounted for 3% of total sales this quarter compared to 1% in last year's first quarter. Sam's Clubs sales as a percentage of total sales fell from 23% in last year's first quarter to 21% this quarter.

At April 30, 1995, the Company had 1,984 Wal-Mart stores, 162 Supercenters, and 430 Sam's Clubs in the United States and Puerto Rico, along with 126 Canadian Wal-Mart stores, 3 Hong Kong Value Clubs, and 106 units in Mexico compared to 1,960 Wal-Mart stores, 77 Supercenters, 427 Sam's Clubs, 122 Canadian Wal-Mart stores, and 31 units in Mexico at the same time last year.

The Company's gross profit as a percentage of sales increased from 20.48% in the first quarter of fiscal 1995 to 20.76% during the first quarter of fiscal 1996. The increase was primarily due to changes in the percentage of total sales generated by certain operating units. The decrease in Sam's sales as a percentage of total sales and the increase in international sales favorably impacts the gross profit percentage as Sam's gross profit percentage is lower than the Company's overall gross profit percentage and international gross profit percentage is higher than the overall gross profit percentage.

Operating, selling, general, and administrative expenses increased as a percentage of sales from 16.09% during the first quarter of fiscal 1995 to 16.52% for the first quarter in fiscal 1996. The increase in the expenses as a percentage of sales is primarily due to the changes in the percentage of sales by operating units discussed above. Because Sam's expenses as a percentage of sales are lower than the overall expense rate and because international expenses as a percentage of sales are higher than the overall rate, the expense rate has increased.

Interest expense increased \$43 million in the first quarter of fiscal 1996 compared to the same period in fiscal 1995. Approximately 67% of the increase is due to additional borrowings used to finance the Company's expansion program while 33% of the increase is due to higher borrowing rates. The weighted average short-term borrowing rate for the quarter was approximately 2.5% higher than the short-term borrowing rate for the first quarter of fiscal 1995.

Liquidity and Capital Resources

Cash flows provided by operating activities were \$17 million in the first quarter of 1996 compared to \$923 million in the first quarter of 1995. The decrease is primarily due to an increase in inventories without a corresponding increase in accounts payable in the first quarter of 1996. Commercial paper increases of \$573 million and long-term debt proceeds of \$250 million were used to finance capital expenditures of \$759 million, invest in international operations, and pay dividends.

Subsequent to April 30, 1995, the Company took advantage of favorable long-term debt interest rates and sold \$200 million in aggregate principal amount of 6.75% notes due May 24, 2002 outside the United States in the European market. In addition, the Company sold \$300 million in aggregate principal amount of 6.75% notes due May 15, 2002 under the Company's available shelf registration statements on file with the Securities and Exchange Commission. The notes sold outside the United States have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Company may sell an additional \$751 million of public debt utilizing shelf registration statements previously filed with the Securities and Exchange Commission. Cash flow provided by operations along with the available debt under the shelf registration statements should be adequate to fund the Company's expansion program, operating, and other cash needs.

At April 30, 1995, the Company had total assets of \$34,382 million compared with \$32,819 million at January 31, 1995, primarily due to property additions of \$759 million and an increase in inventory of \$618 million. Working capital at April 30, 1995 was \$5,666 million, up \$301 million from January 31, 1995. The ratio of current assets to current liabilities was 1.5 to 1.0 at April 30, 1995, January 31, 1995, and April 30, 1994.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) The following document is filed as an exhibit to this Form 10-Q:

Exhibit 27 - Financial Data Schedule

- (b) There were no reports on Form 8-K filed for the quarter ended April 30, 1995.

SIGNATURES

Pursuant to the requirements 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.

WAL-MART STORES, INC.

Date: June 9, 1995

/s/David D. Glass
David D. Glass
President and
Chief Executive Officer

Date: June 9, 1995

/s/Paul R. Carter
Paul R. Carter
Executive Vice President
and Chief Financial Officer

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