

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q/A
AMENDMENT 1

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended October 31, 1998.

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
(Zip Code)

(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 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 -- 2,223,453,506 shares as of October 31, 1998.

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The Condensed Consolidated Statements of Income included in Item 1 of Part 1 of Form 10-Q contained a calculation error in the return for the period on average shareholders' equity. The Condensed Consolidated Statements of Cash Flows included in Item 1 of Part 1 of Form 10-Q contained an error due to reclassification of noncash items and other. Item 1 of Part 1 of the registrant's 10-Q is hereby amended in its entirety as follows:

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PART I. FINANCIAL INFORMATION

<TABLE>

Item 1. Financial Statements

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

<CAPTION>

	October 31, 1998 (Unaudited)	January 31, 1998 (*Note)
ASSETS		

<S>	<C>	<C>
Cash and cash equivalents	\$ 1,009	\$ 1,447
Receivables	1,401	976
Inventories	20,620	16,497
Other current assets	488	432
Total current assets	23,518	19,352
Property, plant and equipment	30,071	27,376
Less accumulated depreciation	7,030	5,907
Net property, plant and equipment	23,041	21,469
Property under capital leases	3,248	3,040
Less accumulated amortization	998	903
Net property under capital leases	2,250	2,137
Other assets and deferred charges	2,430	2,426
Total assets	\$ 51,239	\$45,384
LIABILITIES AND SHAREHOLDERS' EQUITY		
Commercial paper	\$ 1,976	\$ -
Accounts payable	11,424	9,126
Accrued liabilities	4,969	3,628
Other current liabilities	984	1,706
Total current liabilities	19,353	14,460
Long-term debt	6,953	7,191
Long-term obligations under capital leases	2,637	2,483
Deferred income taxes and other	771	809
Minority Interest	1,811	1,938
Common stock and capital in excess of par value	805	809
Retained earnings	19,437	18,167
Other accumulated comprehensive income	(528)	(473)
Total shareholders' equity	19,714	18,503
Total liabilities and shareholders' equity	\$ 51,239	\$45,384

</TABLE>

[FN]

<F1>

See accompanying notes to condensed consolidated financial statements

<F2>

*Note: The balance sheet at January 31, 1998, has been derived from the audited financial statements at that date, and condensed.

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<TABLE>

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

<CAPTION>

	Three Months Ended		Nine Months Ended	
	October 31,		October 31,	
<S>	1998	1997	1998	1997
<C>	<C>	<C>	<C>	<C>
Revenues:				
Net sales	\$33,509	\$28,777	\$96,849	\$82,572
Other income - net	415	350	1,112	954
	33,924	29,127	97,961	83,526
Costs and expenses:				
Cost of sales	26,380	22,680	76,328	65,285
Operating, selling and general and administrative expenses	5,691	4,958	16,341	14,058
Interest costs:				
Debt	135	142	380	413
Capital leases	67	56	201	166
	32,273	27,836	93,250	79,922
Income before income taxes, minority interest and equity in unconsolidated subsidiaries	1,651	1,291	4,711	3,604
Provision for income taxes	611	483	1,743	1,333
Income before minority interest and equity in unconsolidated subsidiaries	1,040	808	2,968	2,271
Minority interest and equity in unconsolidated				

subsidiaries	(31)	(16)	(97)	(32)
Net income	\$ 1,009	\$ 792	\$ 2,871	\$ 2,239
Net income per share - Basic and dilutive	\$.45	\$.35	\$ 1.28	\$.99
Dividends per share	\$.0775	\$.0675	\$.2325	\$.2025
Average shareholders' equity	\$19,629	\$17,409	\$19,109	\$17,349
Return for the period on average shareholders' equity	5.14%	4.55%	15.02%	12.91%
Average number of common shares:				
Basic	2,231	2,253	2,235	2,262
Dilutive	2,246	2,263	2,251	2,266

</TABLE>

[FN]

<F1>

See accompanying notes to condensed consolidated financial statements.

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<TABLE>

WAL-MART STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in millions)

<CAPTION>

	Nine Months Ended October 31,	
	1998	1997
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 2,871	\$ 2,239
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,400	1,178
Increase in inventories	(4,136)	(3,221)
Increase in accounts payable	2,304	2,405
Increase in accrued liabilities	741	1,027
Noncash items and other	(504)	(380)
Net cash provided by operating activities	2,676	3,248
Cash flows from investing activities:		
Payments for property, plant & equipment	(2,652)	(1,894)
Acquisitions	(47)	(770)
Other investing activities	69	72
Net cash used in investing activities	(2,630)	(2,592)
Cash flows from financing activities:		
Increase in commercial paper	1,890	1,523
Proceeds from issuance of long-term debt	521	-
Dividends paid	(520)	(459)
Payment of long-term debt	(1,046)	(523)
Purchase of Company stock	(1,117)	(1,367)
Other financing activities	(212)	15
Net cash used in financing activities	(484)	(811)
Net decrease in cash and cash equivalents	(438)	(155)
Cash and cash equivalents at beginning of year	1,447	883
Cash and cash equivalents at end of period	\$ 1,009	\$ 728

Supplemental disclosure of cash flow information:

Income tax paid	\$ 2,227	\$ 1,396
Interest paid	581	598
Capital lease obligations incurred	203	176

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<F1>

See accompanying notes to condensed consolidated financial statements.

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

NOTE 1. Basis of Presentation

The condensed consolidated balance sheet as of October 31, 1998, and

the related condensed consolidated statements of income for the three and nine month periods ended October 31, 1998, and 1997, and the statements of cash flow for the nine month periods ended October 31, 1998, and 1997, are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the financial statements have been included. The adjustments consisted only of normal recurring items. Interim results are not necessarily indicative of results for a full year. Certain reclassifications have been made to the prior year's income statements to conform to current presentation.

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 in conjunction with the Company's annual report for the fiscal year ended January 31, 1998.

NOTE 2. Inventories

The Company uses the retail last-in, first-out (LIFO) method for the Wal-Mart Stores segment, cost LIFO for the Sam's Club segment, and other cost methods for the International segment. Inventories are not in excess of market value. 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 October 31, 1998, would have been \$428 million higher than reported, an increase in the LIFO reserve of \$80 million from January 31, 1998, and an increase of \$25 million from July 31, 1998. If the FIFO method had been used at October 31, 1997, inventories would have been \$344 million higher than reported, an increase in the LIFO reserve of \$48 million from January 31, 1997, and an increase of \$30 million from July 31, 1997.

NOTE 3. Net Income Per Share

The Company presents basic and dilutive net income per share according to guidance established in Statement of Financial Accounting Standards No. 128, "Earnings Per Share." Statement 128 replaces primary and fully dilutive net income per share with basic and dilutive net income per share. Unlike primary net income per share, basic net income per share excludes any dilutive effect of stock options. Basic and dilutive net income per share for all periods presented are the same as previously reported. Basic net income per share is based on the weighted average outstanding common shares. Dilutive net income per share is based on the weighted average outstanding common shares reduced by the dilutive effect of stock options.

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NOTE 4. Segments

The Company is principally engaged in the operation of mass merchandising stores that serve customers primarily through the operation of three segments. The Company identifies its segments based on management responsibility within the United States and geographically for all international units. The Wal-Mart Stores segment includes 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 International segment includes all operations in Argentina, Brazil, Canada, China, Germany, Korea, Mexico and Puerto Rico. The revenues in the "Corporate and Other" category result from sales to third parties by McLane Company, Inc., a wholesale distributor.

Revenues by operating segment were as follows (in millions):

<TABLE>

<CAPTION>

	Three Months Ended October 31,		Nine Months Ended October 31,	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Wal-Mart Stores	\$23,244	\$20,495	\$67,214	\$59,089
Sam's Club	5,589	5,062	16,316	14,824
International	2,961	1,781	8,514	4,555
Corporate and Other	1,715	1,439	4,805	4,104
Total Revenues	\$33,509	\$28,777	\$96,849	\$82,572

</TABLE>

Operating profit and reconciliation to income before income taxes, minority interest and equity in unconsolidated subsidiaries are as follows (in millions):

<TABLE>
<CAPTION>

	Three Months Ended October 31,		Nine Months Ended October 31,	
<S>	1998 <C>	1997 <C>	1998 <C>	1997 <C>
Wal-Mart Stores	\$ 1,640	\$ 1,347	\$ 4,827	\$ 3,863
Sam's Club	172	138	471	398
International	109	52	315	85
Corporate and Other	(68)	(48)	(321)	(163)
Operating profit	1,853	1,489	5,292	4,183
Interest expense	202	198	581	579
Income before income taxes, minority interest and equity in unconsolidated subsidiaries	\$ 1,651	\$ 1,291	\$ 4,711	\$ 3,604

</TABLE>

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NOTE 5. Comprehensive Income

As of February 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income". This statement establishes standards for reporting and display of comprehensive income and its components. Comprehensive income is net income, plus certain other items that are recorded directly to shareholders' equity, bypassing net income. The only such item currently applicable to the Company is foreign currency translation adjustments.

Comprehensive income was \$986 million and \$766 million for the quarters ended October 31, 1998 and 1997, respectively, and was \$2,816 million and \$2,193 million for the nine months ended October 31, 1998 and 1997, respectively.

The adoption of this Statement had no effect on the Company's results of operations or financial position.

NOTE 6. Acquisition

In July 1998, the Company extended its presence in Asia with an investment in Korea. The Company acquired a majority interest in four units as well as six undeveloped sites for approximately \$179 million. The four units were previously operated by Korea Makro. The purchase price included \$130 million for newly issued shares in the acquired company. The proceeds were used to reduce debt and to provide for working capital needs. The transaction has been accounted for as a purchase. The net assets and liabilities acquired are recorded at fair value. The Company is evaluating the useful life of the resulting goodwill and will amortize the goodwill over that period. The results of operations since the effective date of the acquisition have been included in the Company's results. The transaction should not have a material impact on the fiscal 1999 consolidated operating results. Pro forma results of operations are not presented due to the insignificant differences from the historical results.

NOTE 7. Pre-opening costs

During the second quarter, the Company adopted Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-Up Activities". 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 was \$8 million net of taxes. Due to the immateriality to the Company's results of operations, the initial application was not reported as a cumulative effect of a change in an accounting principle.

NOTE 8. Subsequent event

On December 9, 1998, the Company announced that it had reached an agreement to purchase 74 units of the Interspar hypermarket chain in Germany. Pending government approval, the agreement is expected to be final by the end of December. The units are being acquired from Spar Handels AG, a German company that owns multiple retail formats and wholesale operations throughout Germany. If consummated, the transaction

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should not have a material impact on the fiscal 1999 consolidated operating results.

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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: December 21, 1998

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

Date: December 21, 1998

/s/John B. Menzer _____
John B. Menzer
Executive Vice President
and Chief Financial Officer

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