

1998	
Revenues:	
Net sales	40,432
Net sales	33,509
Net sales	\$113,619
Net sales	96,849
Other income - net	
Other income - net	475
Other income - net	415
Other income - net	1,321
Other income - net	1,112
Costs and expenses:	
Cost of sales	40,907
Cost of sales	33,924
Cost of sales	114,940
Cost of sales	97,961
Operating, selling and general	
Operating, selling and general	31,606
Operating, selling and general	26,380
Operating, selling and general	88,970
Operating, selling and general	76,328
and administrative expenses	
and administrative expenses	6,907
and administrative expenses	5,691
and administrative expenses	19,368
and administrative expenses	16,341
Interest costs:	
Interest costs	251
Interest costs	251

135	<table border="1"> <tr> <td style="width: 78px; vertical-align: top; height: 19px;">502</td> <td style="width: 7px; vertical-align: top; height: 133px; text-align: center;"> <table border="1"> <tr> <td style="width: 74px; vertical-align: top; height: 19px;">380</td> </tr> </table> </td> </tr> </table>	502	<table border="1"> <tr> <td style="width: 74px; vertical-align: top; height: 19px;">380</td> </tr> </table>	380		
502	<table border="1"> <tr> <td style="width: 74px; vertical-align: top; height: 19px;">380</td> </tr> </table>	380				
380						
<table border="1"> <tr> <td style="width: 245px; vertical-align: top; height: 19px;">Capital leases</td> </tr> <tr> <td style="width: 80px; vertical-align: top; height: 19px;">66</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 19px;">67</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 19px;">197</td> </tr> <tr> <td style="width: 74px; vertical-align: top; height: 19px;">201</td> </tr> </table>		Capital leases	66	67	197	201
Capital leases						
66						
67						
197						
201						
<table border="1"> <tr> <td style="width: 245px; vertical-align: top; height: 19px;">38,830</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 19px;">32,273</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 19px;">109,037</td> </tr> <tr> <td style="width: 74px; vertical-align: top; height: 19px;">93,250</td> </tr> </table>		38,830	32,273	109,037	93,250	
38,830						
32,273						
109,037						
93,250						
<table border="1"> <tr> <td style="width: 245px; vertical-align: top; height: 57px;">Income before income taxes, minority interest and equity in unconsolidated subsidiaries</td> </tr> <tr> <td style="width: 80px; vertical-align: top; height: 57px;">2,077</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 57px;">1,651</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 57px;">5,903</td> </tr> <tr> <td style="width: 74px; vertical-align: top; height: 57px;">4,711</td> </tr> </table>		Income before income taxes, minority interest and equity in unconsolidated subsidiaries	2,077	1,651	5,903	4,711
Income before income taxes, minority interest and equity in unconsolidated subsidiaries						
2,077						
1,651						
5,903						
4,711						
<table border="1"> <tr> <td style="width: 245px; vertical-align: top; height: 19px;">Provision for income taxes</td> </tr> <tr> <td style="width: 80px; vertical-align: top; height: 19px;">760</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 19px;">611</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 19px;">2,160</td> </tr> <tr> <td style="width: 74px; vertical-align: top; height: 19px;">1,743</td> </tr> </table>		Provision for income taxes	760	611	2,160	1,743
Provision for income taxes						
760						
611						
2,160						
1,743						
<table border="1"> <tr> <td style="width: 643px; vertical-align: top; height: 19px;">Income before minority interest and equity in unconsolidated subsidiaries</td> </tr> <tr> <td style="width: 80px; vertical-align: top; height: 38px;">1,317</td> </tr> <tr> <td style="width: 77px; vertical-align: top; height: 38px;">1,040</td> </tr> <tr> <td style="width: 18px; vertical-align: top; height: 38px;">3,743</td> </tr> <tr> <td style="width: 78px; vertical-align: top; height: 38px;">2,968</td> </tr> </table>		Income before minority interest and equity in unconsolidated subsidiaries	1,317	1,040	3,743	2,968
Income before minority interest and equity in unconsolidated subsidiaries						
1,317						
1,040						
3,743						
2,968						
<table border="1"> <tr> <td style="width: 643px; vertical-align: top; height: 19px;">Minority interest and equity in unconsolidated subsidiaries</td> </tr> <tr> <td style="width: 80px; vertical-align: top; height: 38px;">18</td> </tr> <tr> <td style="width: 77px; vertical-align: top; height: 38px;">2,968</td> </tr> </table>		Minority interest and equity in unconsolidated subsidiaries	18	2,968		
Minority interest and equity in unconsolidated subsidiaries						
18						
2,968						

(31)		(85)		(97)
Net income				
1,299		1,009		3,658
	2,871			
income per share				
Basic				
0.29		0.23		0.82
	0.64			
Dilutive				
0.29		0.22		0.82
	0.64			
Dividends per share				
0.0500		0.0388		0.1500
	0.1163			
Average shareholders'				
equity				
23,613				

		19,629
		22,695
		19,109
Return for the period on average shareholders' equity		
		5.50%
		5.14%
		16.12%
		15.02%
Average number of common shares:		
		4,454
		4,463
		4,451
		4,470
		4,475
		4,493
		4,473
		4,502
Dilutive		
See accompanying notes to condensed consolidated financial statements.		

Page 3 of 20 (Form 10-Q)

WAL-MART STORES, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Net decrease in cash and cash equivalents</p> </div> <div style="width: 45%; text-align: right;"> <p>(444)</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Cash and cash equivalents at beginning of year</p> </div> <div style="width: 45%; text-align: right;"> <p>1,879</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Cash and cash equivalents at end of period</p> </div> <div style="width: 45%; text-align: right;"> <p>1,435</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Supplemental disclosure of cash flow information:</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Income taxes paid</p> </div> <div style="width: 45%; text-align: right;"> <p>\$ 1,895</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Interest paid</p> </div> <div style="width: 45%; text-align: right;"> <p>614</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Capital lease obligations incurred</p> </div> <div style="width: 45%; text-align: right;"> <p>266</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Property, plant and equipment acquired with debt</p> </div> <div style="width: 45%; text-align: right;"> <p>19</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>ASDA acquisition cost satisfied with Wal-Mart stock</p> </div> <div style="width: 45%; text-align: right;"> <p>175</p> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>See accompanying notes to condensed consolidated financial statements.</p> </div> </div>			

	317																
	202																
	699																
	581																
<table border="1"> <tr> <td style="width: 515px;"> <table border="1"> <tr> <td style="width: 215px; height: 60px;"> <table border="1"> <tr> <td style="width: 67%;"></td> <td style="width: 33%; text-align: right;">\$ 2,077</td> </tr> <tr> <td style="width: 6%;"></td> <td></td> </tr> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: right;">\$ 1,651</td> </tr> <tr> <td style="width: 16%;"></td> <td></td> </tr> <tr> <td style="width: 73%;"></td> <td style="width: 27%; text-align: right;">\$ 5,903</td> </tr> <tr> <td style="width: 12%;"></td> <td></td> </tr> <tr> <td style="width: 85%;"></td> <td style="width: 15%; text-align: right;">\$ 4,711</td> </tr> </table> </td> </tr> </table> </td> </tr> </table>		<table border="1"> <tr> <td style="width: 215px; height: 60px;"> <table border="1"> <tr> <td style="width: 67%;"></td> <td style="width: 33%; text-align: right;">\$ 2,077</td> </tr> <tr> <td style="width: 6%;"></td> <td></td> </tr> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: right;">\$ 1,651</td> </tr> <tr> <td style="width: 16%;"></td> <td></td> </tr> <tr> <td style="width: 73%;"></td> <td style="width: 27%; text-align: right;">\$ 5,903</td> </tr> <tr> <td style="width: 12%;"></td> <td></td> </tr> <tr> <td style="width: 85%;"></td> <td style="width: 15%; text-align: right;">\$ 4,711</td> </tr> </table> </td> </tr> </table>	<table border="1"> <tr> <td style="width: 67%;"></td> <td style="width: 33%; text-align: right;">\$ 2,077</td> </tr> <tr> <td style="width: 6%;"></td> <td></td> </tr> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: right;">\$ 1,651</td> </tr> <tr> <td style="width: 16%;"></td> <td></td> </tr> <tr> <td style="width: 73%;"></td> <td style="width: 27%; text-align: right;">\$ 5,903</td> </tr> <tr> <td style="width: 12%;"></td> <td></td> </tr> <tr> <td style="width: 85%;"></td> <td style="width: 15%; text-align: right;">\$ 4,711</td> </tr> </table>		\$ 2,077				\$ 1,651				\$ 5,903				\$ 4,711
<table border="1"> <tr> <td style="width: 215px; height: 60px;"> <table border="1"> <tr> <td style="width: 67%;"></td> <td style="width: 33%; text-align: right;">\$ 2,077</td> </tr> <tr> <td style="width: 6%;"></td> <td></td> </tr> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: right;">\$ 1,651</td> </tr> <tr> <td style="width: 16%;"></td> <td></td> </tr> <tr> <td style="width: 73%;"></td> <td style="width: 27%; text-align: right;">\$ 5,903</td> </tr> <tr> <td style="width: 12%;"></td> <td></td> </tr> <tr> <td style="width: 85%;"></td> <td style="width: 15%; text-align: right;">\$ 4,711</td> </tr> </table> </td> </tr> </table>	<table border="1"> <tr> <td style="width: 67%;"></td> <td style="width: 33%; text-align: right;">\$ 2,077</td> </tr> <tr> <td style="width: 6%;"></td> <td></td> </tr> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: right;">\$ 1,651</td> </tr> <tr> <td style="width: 16%;"></td> <td></td> </tr> <tr> <td style="width: 73%;"></td> <td style="width: 27%; text-align: right;">\$ 5,903</td> </tr> <tr> <td style="width: 12%;"></td> <td></td> </tr> <tr> <td style="width: 85%;"></td> <td style="width: 15%; text-align: right;">\$ 4,711</td> </tr> </table>		\$ 2,077				\$ 1,651				\$ 5,903				\$ 4,711		
<table border="1"> <tr> <td style="width: 67%;"></td> <td style="width: 33%; text-align: right;">\$ 2,077</td> </tr> <tr> <td style="width: 6%;"></td> <td></td> </tr> <tr> <td style="width: 70%;"></td> <td style="width: 30%; text-align: right;">\$ 1,651</td> </tr> <tr> <td style="width: 16%;"></td> <td></td> </tr> <tr> <td style="width: 73%;"></td> <td style="width: 27%; text-align: right;">\$ 5,903</td> </tr> <tr> <td style="width: 12%;"></td> <td></td> </tr> <tr> <td style="width: 85%;"></td> <td style="width: 15%; text-align: right;">\$ 4,711</td> </tr> </table>		\$ 2,077				\$ 1,651				\$ 5,903				\$ 4,711			
	\$ 2,077																
	\$ 1,651																
	\$ 5,903																
	\$ 4,711																

NOTE 5. Comprehensive Income

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income", 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 items currently applicable to the Company are foreign currency translation adjustments.

Comprehensive income was \$1,381 million and \$986 million for the quarters ended October 31, 1999 and 1998, respectively, and was \$3,764 million and \$2,816 million for the nine months ended October 31, 1999 and 1998, respectively.

NOTE 6. Settlement of Lawsuit

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'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.

NOTE 7. Stock Split

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 on April 19, 1999. Consequently, the per share data for all prior periods presented has been restated to reflect the stock split.

NOTE 8. Acquisition

In the second quarter of fiscal 2000, the Company acquired 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 in June and July and issued a tender offer for all remaining ASDA shares other than for shares held by shareholders of ASDA, residing in certain countries. On July 27, 1999,

0.63				
Dilutive				
As reported	0.29	0.22	0.82	0.64
Proforma results	0.30	0.22	0.81	0.62

NOTE 9. Long Term Debt

On August 5, 1999, the Securities and Exchange Commission declared effective the Company's shelf registration statement under which the Company may issue debt securities aggregating \$10.5 billion, in part, in contemplation of obtaining permanent financing for the acquisition of ASDA. On August 10, 1999, the Company sold notes subject to the shelf registration statement totaling \$5.75 billion. The notes were sold in three tranches: \$1.25 billion at 6.150% due in 2001, \$1.25 billion at 6.550% due in 2004, and \$3.25 billion at 6.875% due in 2009.

Page 8 of 20 (Form 10-Q)

NOTE 10. New Accounting Pronouncement

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" (SAB 101). This SAB deals with various revenue recognition issues, several which are common within the retail industry. The impact of SAB 101 on the Company's financial statements is not currently known; however, the Company is in the process of analyzing the effects of the SAB and intends to apply its provisions no later than the first quarter of its fiscal year ended January 31, 2001.

NOTE 11. Subsequent Event

In November 1999, the Company sold notes totaling \$250 million pursuant to its existing shelf registration statement. These notes are a part of the Company's series of notes that bear interest at 6.875% and will be due in 2009. The proceeds from the sale of these notes were used to reduce commercial paper. Therefore, the Company classified \$250 million of commercial paper as long-term debt.

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

Results of Operations

The Company had 21% and 17% sales increases for the quarter and the nine months ended October 31, 1999, respectively, when compared to the same periods in fiscal 1999. These sales increases were attributable to the Company's acquisitions, expansion program and domestic comparative store sales increases of 7.0% and

8.1% for the quarter and the nine months ended October 31, 1999, respectively. The comparative store sales increases for the Wal-Mart Stores segment were 7.4% and 8.4% for the quarter and nine months ended October 31, 1999, respectively. For the Sam's Clubs segment the comparative sales increases were 5.8% and 7.0% for the quarter and nine months ended October 31, 1999, respectively. The International segment had 100% and 51% sales increases for the quarter and nine months ended October 31, 1999, respectively, when compared to sales in the same periods in fiscal 1999.

Domestic expansion activity during the first nine months of fiscal 2000 included 20 new Wal-Mart stores, the relocation of one Wal-Mart store, five new Sam's Clubs, the expansion or relocation of six Sam's Clubs, 33 new Supercenters and the conversion of 85 Wal-Mart stores to Supercenters. During the nine months ended October 31, 1999, one Wal-Mart store was closed. International expansion during the first nine months of fiscal 2000 included the addition of ten units in Canada, one unit in China, one unit in Korea, 29 units in Mexico, one unit in Puerto Rico, the acquisition of 229 units in the United Kingdom and one store relocation in the United Kingdom.

At October 31, 1999, the Company had 1,803 Wal-Mart stores, 682 Supercenters, and 456 Sam's Clubs in the United States. Internationally, the Company operated units in Argentina(13), Brazil(14), Canada(163),

Page 9 of 20 (Form 10-Q)

Germany(95), Mexico(444), Puerto Rico(15) and the United Kingdom (229) and under joint venture agreements in China(6) and Korea(5). At October 31, 1998, the Company had 1,863 Wal-Mart stores, 543 Supercenters, and 450 Sam's Clubs in the United States. Internationally, the Company operated units in Argentina(13), Brazil(11), Canada(150), Germany(21), Mexico(409) and Puerto Rico(14) and under joint venture agreements in China(3) and Korea(4).

The sales increases experienced by the International segment were due principally to expansion activities which included the July 1998 acquisition of four units previously operated by Korea Makro in Korea, the January 1999 acquisition of the Interspar hypermarket chain in Germany, and the July 1999 acquisition of the ASDA Group PLC in the United Kingdom. As a result of the timing of these acquisitions, sales for the quarter and nine months ended October 31, 1999, are not comparable to the same period last year due to the additional sales generated by these acquisitions.

International sales accounted for 11.3% of total Company sales in the first nine months of fiscal 2000, compared with 8.8% during the same period in fiscal 1999. Sam's Clubs sales as a percentage of total Company sales fell from 16.8% in the nine months ended October 31, 1998, to 15.6% for the nine months ended October 31, 1999, largely as a result of faster growth in other segments.

The Company's gross profit as a percentage of sales increased from 21.27% in the third quarter of fiscal 1999 to 21.83% during the third quarter of fiscal 2000. For the nine-month period ended October 31, 1999, gross profit as a percentage of sales was 21.69%, up from 21.19% in last year's comparable period. Gross profit as a percentage of sales improved in both domestic operating segments as well as in the international segment. The Company's operating results for the third quarter include the results of ASDA, which has a gross profit percentage approximately 1% higher than that of the pre-existing businesses. Improvements in gross profit were attributable to the favorable sales mix of higher margin merchandise categories. Additionally, markdowns and shrinkage for the quarter and first nine months of fiscal 2000 were down as a percentage of sales when compared to the same periods in fiscal 1999. The improvements in gross profit occurred despite the \$6.7 billion of price rollbacks and with significant growth in the lower margin food business. The Sam's Clubs segment comprises a lower percentage of the consolidated Company sales than last year. As a result, the gross profit stated as a percentage of sales for the Company as a whole is positively impacted, since Sam's Clubs contribution to gross profit is a lower percentage of sales than that of the Wal-Mart and International operating segments.

Operating, selling, general and administrative expenses, as a percentage of sales, were 17.08% for the third quarter of fiscal 2000, up from 16.98% in the corresponding period last year and 17.05% compared with 16.87% for the nine-month period. Expenses for the nine-month period were impacted by the May 16, 1999, settlement of a lawsuit, which resulted in a charge for the year of approximately \$.03 per share, net of taxes. Disregarding the charge taken in connection with this settlement, expenses would have decreased by 3 basis points, as a percentage of

Page 10 of 20 (Form 10-Q)

sales, for the nine-month period ended October 31, 1999. The Wal-Mart Stores segment had expense improvements, while the Sam's Clubs segment was unchanged. The International segment's expense control was favorable against plan, which includes start-up and transition expenses in new market countries, for the quarter and nine-month period ended October 31, 1999, when compared to the same periods of the previous year. Excluding investments in new markets, the International segment reduced expenses as a percentage of sales for the quarter and the year-to-date period ended

<table border="1"> <tr> <td>Fixed rate paid - Great Britain Pound rate</td> <td>6.3%</td> </tr> </table>			Fixed rate paid - Great Britain Pound rate	6.3%	
Fixed rate paid - Great Britain Pound rate	6.3%				
Average rate received - 6-month Great Britain Pound LIBOR minus .1650%					
<table border="1"> <tr> <td>Interest rate swap - U.S. Dollars</td> <td>500</td> <td>6</td> </tr> </table>			Interest rate swap - U.S. Dollars	500	6
Interest rate swap - U.S. Dollars	500	6			
Average rate paid - 3-month U.S. Dollar LIBOR minus .1300%					
<table border="1"> <tr> <td>Fixed rate received - U.S. Dollar rate</td> <td>6.9%</td> </tr> </table>			Fixed rate received - U.S. Dollar rate	6.9%	
Fixed rate received - U.S. Dollar rate	6.9%				
Average rate received - 3-month Great Britain Pound LIBOR minus .3275%					
<table border="1"> <tr> <td>Interest rate swap - Great Britain Pounds</td> <td>500</td> <td>(6)</td> </tr> </table>			Interest rate swap - Great Britain Pounds	500	(6)
Interest rate swap - Great Britain Pounds	500	(6)			
Average rate paid - 3-month Great Britain Pound LIBOR minus .3275%					
<table border="1"> <tr> <td>Interest rate swap - U.S. Dollars</td> <td>500</td> <td>(3)</td> </tr> </table>			Interest rate swap - U.S. Dollars	500	(3)
Interest rate swap - U.S. Dollars	500	(3)			
Fixed rate paid - Great Britain Pound rate					
Average rate received - 3-month Great Britain Pound LIBOR minus .3275%					
<table border="1"> <tr> <td>Interest rate swap - U.S. Dollars</td> <td>500</td> <td>(3)</td> </tr> </table>			Interest rate swap - U.S. Dollars	500	(3)
Interest rate swap - U.S. Dollars	500	(3)			

rate swap - U.S. Dollars				
<table border="1"> <tr> <td>Pay variable/receive fixed</td> <td>250</td> </tr> <tr> <td></td> <td>4</td> </tr> </table>	Pay variable/receive fixed	250		4
Pay variable/receive fixed	250			
	4			
Average rate paid - 3-month U.S. Dollar LIBOR minus .1690%				
Fixed rate received - U.S. Dollar rate	6.9%			

Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." Statement No. 133 requires all derivatives to be recorded on the balance sheet at fair value and establishes the 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. The Company is analyzing the implementation requirements and currently does not anticipate there will be a material impact on the results of operations or financial position after the adoption of Statement No. 133. In June 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. The Statement will now be effective for the Company beginning February 1, 2001.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" (SAB 101). This SAB deals with various revenue recognition issues, several which are common within the retail industry. The impact of SAB 101 on the Company's financial statements is not currently known; however, the Company is in the process of analyzing the effects of the SAB and intends to apply its provisions no later than the first quarter of its fiscal year ended January 31, 2001.

Page 15 of 20 (Form 10-Q)

Year 2000 Issue State of Readiness

Historically, computer software has been programmed to make assumptions about the century when given a date that only uses two digits to represent the year. Although these assumptions have been perfectly acceptable the past few decades, they are potential cause for concern for software used in the year 2000 and beyond. Specifically, this abbreviated date format makes it difficult for an application or computer user to distinguish between dates starting with 19xx and 20xx. The Company has been evaluating and adjusting all of its known date-sensitive systems and equipment for Year 2000 compliance, including those systems and equipment which supports the Company's International segment. The assessment phase of the Year 2000 project is complete and included assessments of both information technology, such as point-of-sale computer systems, as well as non-information technology equipment, such as warehouse conveyor systems. All internal coding conversions are complete. All business critical third party applications have been converted. Virtually all of the compliance was performed or is expected to be performed by Company associates.

All programs in the Company's current application inventory have been successfully tested for operation in the year 2000. A final test cycle is in progress to ensure all version levels, upgrades, new releases and enhancements implemented throughout the year are Year 2000 compliant.

The total incremental estimated cost directly related to the Year 2000 remedy is \$28.7 million with \$2.2 million in assumed cost related to the second quarter acquisition of ASDA Group PLC. Approximately \$17.5 million of the cost is related to reprogramming, replacement, extensive testing and validation of software, which is being expensed as incurred, while approximately \$9.5 million is related to acquisition of hardware, which is being capitalized. Approximately \$27.5 million of the \$28.7 million cost of conversion had been incurred by the end of the third quarter of fiscal 2000. All of these costs are being funded through operating cash flows. These costs are not a significant component of the Company's overall information technology budget. The Company's Information Systems Division did not defer any information technology projects last year to address the Year 2000 issue. During fiscal 2000 the Company still plans to

unemployment levels; interest rate fluctuations; and other capital market and economic conditions.

Forward-looking statements that we make or that are made by others on our behalf are based on a knowledge of our business and the environment in which we operate, 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 cautionary statements. We cannot assure you that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Undue reliance should not be placed on these forward-looking statements, which speak only as of their dates. We assume no obligation to update any of these forward-looking statements.

Item 6. Exhibits and Reports on Form 8-K

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

Page 18 of 20 (Form 10-Q)

Exhibit 27 - Financial Data Schedule

(b) A Form 8-K was filed on August 11, 1999, to report the significant acquisition of the issued shares of Asda Group PLC, an English public company and the required reporting of the financial statements and pro forma financial information, filed as an amendment report to Form 8-K, filed on October 5, 1999.

Page 19 of 20 (Form 10-Q)

Blockquote structure with nested blockquotes and a justified paragraph.

SIGNATURES

Signature line

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.

Signature line

Signature line

WAL-MART STORES, INC.

Signature line

Date: December 15, 1999
David D. Glass
President and

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	9-MOS
<FISCAL-YEAR-END>	JAN-31-2000
<PERIOD-END>	OCT-31-1999
<CASH>	1,435
<SECURITIES>	0
<RECEIVABLES>	1,630
<ALLOWANCES>	0
<INVENTORY>	22,373
<CURRENT-ASSETS>	26,955
<PP&E>	40,322
<DEPRECIATION>	8,781
<TOTAL-ASSETS>	72,369
<CURRENT-LIABILITIES>	28,992
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	445
<OTHER-SE>	23,834
<TOTAL-LIABILITY-AND-EQUITY>	72,369
<SALES>	113,619
<TOTAL-REVENUES>	114,940
<CGS>	88,970
<TOTAL-COSTS>	109,037
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	699
<INCOME-PRETAX>	5,903
<INCOME-TAX>	2,160
<INCOME-CONTINUING>	3,658
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	3,658
<EPS-BASIC>	.82
<EPS-DILUTED>	.82

</TABLE>