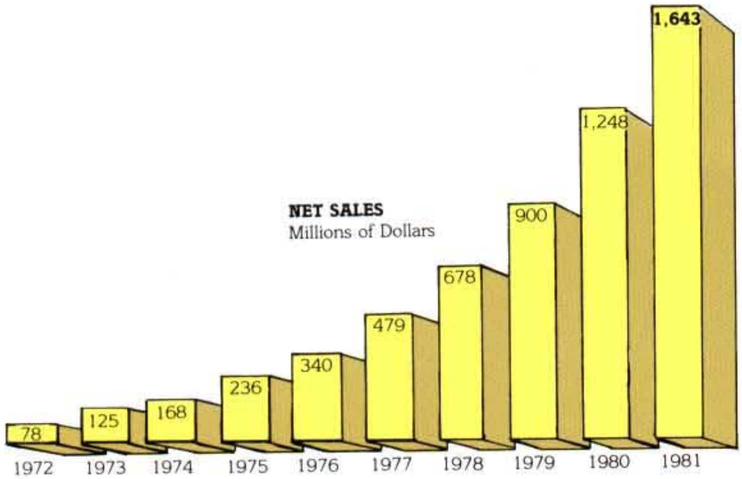
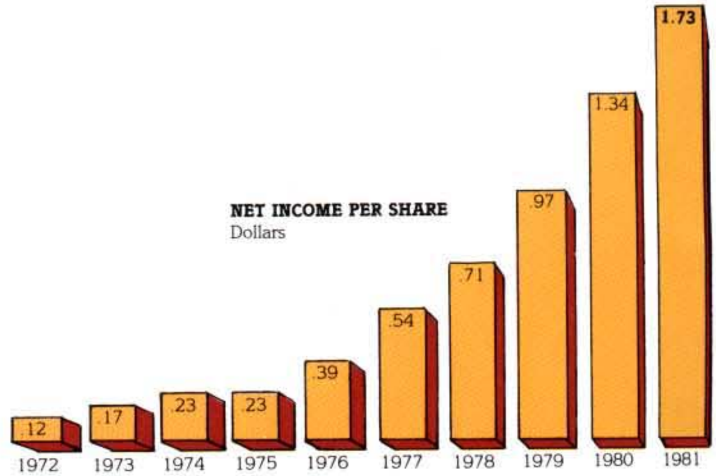
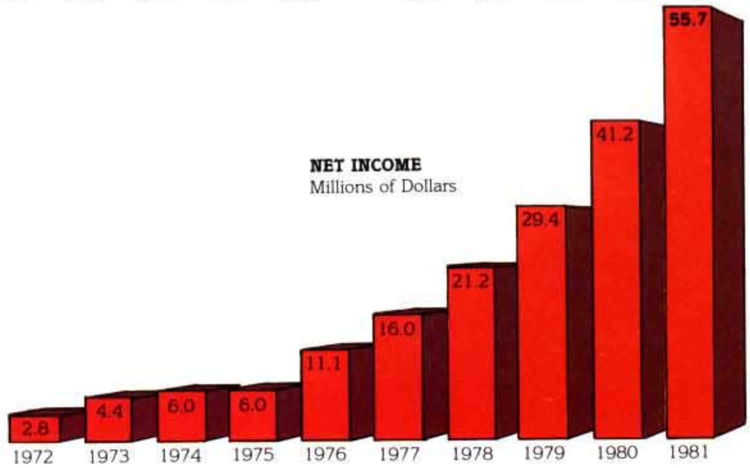
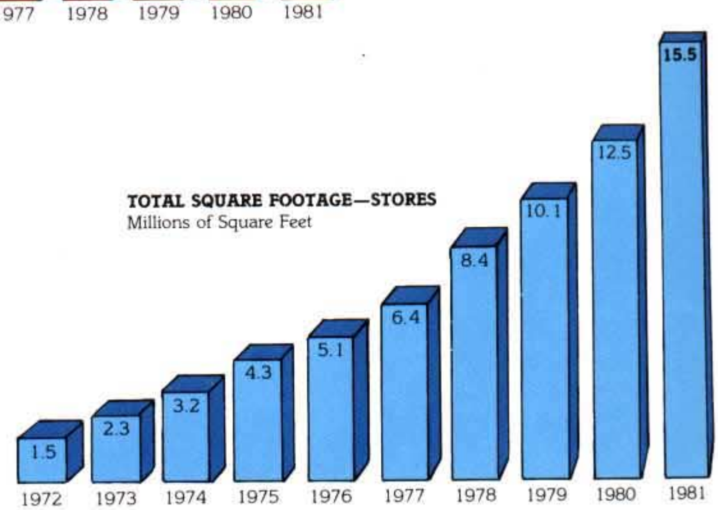
Wal-Mart
ANNUAL
REPORT
1981

Ten Years of Growth









Contents

Financial Highlights

TWO-YEAR COMPARISON
(Dollar amounts in thousands)

	1981	1980
Current assets	**$345,204**	$266,617
Current liabilities	**177,601**	170,221
Working capital	**167,603**	96,396
Current ratio	**1.94**	1.57
Stockholders' equity	**$248,309**	$164,844
Number of shares outstanding	**32,342,445**	30,242,522*

FIVE-YEAR FINANCIAL REVIEW
(Dollar amounts in thousands except per share data)

	1981	1980	1979	1978	1977
Net sales	**$1,643,199**	$1,248,176	$900,298	$678,456	$478,807
Income before income taxes	**99,279**	74,288	56,772	40,847	30,857
Net income	**55,682**	41,151	29,447	21,191	16,039
Net income per share:					
Primary	**$ 1.73**	$ 1.34*	$ .97*	$ .74*	$ .58*
Fully diluted	**1.73**	1.34*	.97*	.71*	.54*
Number of stores in operation at the end of the period	**330**	276	229	195	153

*Adjusted to reflect the 100% stock dividend paid December 16, 1980 to holders of Wal-Mart common stock.

To Our Shareholders:

Once again your Company achieved record sales and earnings for fiscal 1981. Since 1970 when Wal-Mart became a publicly held corporation, each succeeding year has produced record sales and profits.

Sales for the year ended January 31, 1981, increased 32 percent to $1.643 billion from $1.248 billion in the previous year. Net income was $55.7 million, an increase of 35 percent from $41.2 million a year earlier. Fully diluted net income per share was $1.73, up from $1.34 in the prior year.

Our strong profit performance, coupled with the sale of 1,000,000 additional shares of common stock in May, 1980, increased shareholders' equity to $248 million. We substantially strengthened our overall financial position as evidenced by improved bond and commercial paper ratings from institutions who measure creditworthiness of business enterprises. Our ongoing profitability should enable us to finance our future growth internally with the exception of real property, which customarily is leased.

Most of our management goals for the past year were accomplished. Some of the highlights of these achievements are:

- The opening of 54 new Wal-Mart stores and the remodeling, expansion or relocation of 20 others which added 2.9 million square feet of retail floor space.
- The expansion of our distribution center capacity. Our 390,000-square-foot Distribution Center in Bentonville, Arkansas, became operational in February, 1980. This facility and the Distribution Center in Searcy, Arkansas, are currently being expanded with 202,000 and 142,000 square foot additions, respectively. Our new 510,000-square-foot Distribution Center in Palestine, Texas, commenced operations in March, 1981. This added capacity enhances our planned store expansion program.
- The 12 percent increase in comparable store sales which increased our sales productivity per square foot to $120 (calculated using total store square footage).
- The acquisition at year end of 162 jewelry departments formerly licensed to Hatfield Distributors. Wal-Mart now operates all departments in most of its stores.
- The continuing expansion of our pharmacy departments and automotive service centers.
- The continuing growth and improved profitability of our Hutcheson Shoe Division.
- The excellent performance of our special divisions which function as distributors to our stores in sporting goods and hobbies and crafts.
- The strengthening of our management team to support our growth plans by the addition of Donald G. Soderquist, formerly President of the Ben Franklin Stores, as Senior Vice President of Distribution and Administration, and a member of the Board of Directors, and the promotion from within of many of our management team.
- The addition of three new outside directors who bring a great deal of talent and experience to us. They are Jackson T. Stephens, President of Stephens Inc., Little Rock, Arkansas, who returned to the Board; John A. Cooper, Jr., President of Cooper Communities, Inc., Bentonville, Arkansas; and Robert Kahn, President of Kahn & Harris, Inc., and Editor of RETAILING TODAY, Lafayette, California.
- The successful total Company effort to fight inflation by holding down retail prices, tightly controlling expenses, reducing inventory shrinkage, and improving productivity.

The past year has presented many challenges to the retail industry and to your Company. High interest rates . . . widespread unemployment . . . and the economy in general has been depressed. However, our expansion program has remained on target, and our sales and profits have slightly exceeded our plans. We have confidence in our approach to discount retailing for the 1980s and have established ambitious programs for this new year:

- The addition of approximately 60 new Wal-Mart stores.
- The remodeling, expansion or relocation of approximately 25 of our older stores.
- The efficient operation of our new Palestine, Texas, Distribution Center, designed to service our expanding Texas and Gulf Coast territory.
- The smooth transition of the 162 formerly licensed jewelry departments into our Company-owned jewelry operation.
- The continuing implementation of systems designed to enhance the controls in all areas of our business and to provide the information necessary to make sound management decisions.

- The expansion of our overseas buying office in Hong Kong, staffed with Wal-Mart personnel, which was established in January, 1981 to provide greater opportunities in our direct import program.
- The ongoing recruiting, training, developing and evaluation of personnel to fill the increasing number of management positions.
- The constant attention to inventory management and expense control, which is required to offer our customers the best available value.

In fiscal 1982, your Company expects to exceed the two-billion-dollar sales level. This ambitious objective will be attained because of the continuing strong commitment from our 27,000 associates to whom our prior accomplishments are directly attributable. We express our appreciation for their efforts and teamwork as well as to our shareholders, vendors and customers for their support and encouragement.

Respectfully,

Sam M Walton

Sam M. Walton
Chairman of the Board
and Chief Executive Officer

Jack Shewmaker

Jack Shewmaker
President and Chief Operating Officer

David Glass

David D. Glass
Executive Vice President - Finance

Rob Walton

S. Robson Walton
Senior Vice President, Secretary
and General Counsel

Donald G Soderquist

Donald G. Soderquist
Senior Vice President - Administration
and Distribution

James L. Walton

James L. Walton
Senior Vice President

Ferold G. Arend

Ferold G. Arend
Vice Chairman

Wal-Mart Executive Committee - (seated left to right) Jack Shewmaker, Sam M. Walton, James L. Walton, (standing) Ferold G. Arend, Donald G. Soderquist, S. Robson Walton and David D. Glass.

Company Profile

Wal-Mart Stores, Inc., is a regional discount department store chain with headquarters in Bentonville, Arkansas. Of the 330 stores in operation at January 31, 1981, 71 stores were located in Missouri, 64 in Arkansas, 48 in Oklahoma, 45 in Texas, 20 in Mississippi, 20 in Illinois, 18 in Tennessee, 16 in Kansas, 12 in Louisiana, 9 in Alabama and 7 in Kentucky.

Wal-Mart stores are located primarily in towns having populations of 5,000 to 25,000, although a few stores are located near the metropolitan areas of Dallas, Kansas City, Oklahoma City, Memphis, Tulsa, and St. Louis. The largest cities in which Wal-Mart operates are Little Rock, Pine Bluff, and Fort Smith in Arkansas; Springfield and Joplin in Missouri; Anniston and Gadsden in Alabama; Victoria, Texas; and Jackson, Tennessee.

Each store contains 36 full-line merchandise departments serving most of the clothing, home, recreational, and convenience needs of the family. Stores range in size, generally, from 30,000- to 65,000-square feet of building area with the average unit covering 47,000 square feet. The gross area of all Wal-Mart Discount Cities is 15.5 million square feet. All stores are one-story buildings, and approximately 90 percent of the space is devoted to selling area.

Most stores are free-standing units or are located in strip shopping centers with some in enclosed shopping malls. They provide extended shopping hours and ample free parking. The trading market for most stores covers large rural areas, and Wal-Mart stores are designed to be one-stop shopping centers which provide a wide assortment of quali-

ty merchandise, consisting of over 35,000 items, especially planned for family shopping.

A network of five warehouses and distribution centers is operated by the Company to assure constant flow of merchandise to the stores. These facilities (three located in Bentonville, Arkansas; one in Searcy, Arkansas; and one recently opened in Palestine, Texas) contain 2.2 million square feet of space and process approximately 79 percent of the merchandise sold by the stores. The remaining 21 percent of store merchandise is shipped directly from vendors.

While Wal-Mart Stores, Inc., had its beginning in the small-town variety store business in 1945, when Sam M. Walton opened his first Ben Franklin franchise operation in Newport, Arkansas, the Company did not open its first discount department store until November, 1962. The first Wal-Mart Discount City store was opened in Rogers, Arkansas, then a small, primarily agricultural community of approximately 5,000 people.

Prior to opening their first discount operation, Sam M. Walton and his brother J. L. "Bud" Walton, who had formed a partnership in 1946, assembled a group of successful Ben Franklin variety stores which were to serve as the basis for a chain of quality retail discount department stores in small-town America.

Wal-Mart Stores, Inc., has been a publicly held corporation since October, 1970. Since August, 1972, Wal-Mart's stock has been traded on the New York Stock Exchange.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Productivity

Wal-Mart is dedicated to providing its millions of customers with excellent values. We strive to offer these values in an exciting and pleasant shopping environment and at prices below those of our competitors. Accomplishing this objective requires coordinating many complex tasks.

Inflationary pressures continue to increase the cost of merchandise and the cost of doing business. The ability to maintain our low everyday pricing philosophy, our marketing strategy and our low expense structure results from the continuing search, applied in every area of our business, for ways to increase productivity. We devote much time and effort to development of better ways of buying, testing, packaging, stocking, replenishing and shipping the tens of thousands of items offered to our customers. We continue to experiment with new concepts in merchandise presentation and store layout, attempting to make the customer's shopping experience as pleasant and convenient as possible.

Wal-Mart seeks to maximize its sales and profit potential by doing these jobs well. If our varied assortments of merchandise are displayed creatively and are conveniently located in clean and attractive stores, shopping Wal-Mart will be more fulfilling to our customers. We believe we can continue to improve in all these areas with the result of attracting and retaining more customers who visit Wal-Mart regularly for purchasing all their family's needs.

From our inception, we have worked to make our stores more attractive and convenient for shopping. The photographs on these pages reflect some of the approaches we are using. We continue to improve our store layouts and feature wider aisles, more logically organized departments and improved merchandise presentation.

Our financial results, as contained in this report, reflect our past successes in improving productivity. Forbes magazine, in their "Thirty-third Annual Report on American Industry," ranked Wal-Mart first among all department stores, discount and variety stores in five-year average return on equity, five-year average return on total capital and five-year average sales growth. In five-year average growth of earnings per share, Wal-Mart ranked second in our industry. Continuing strong emphasis on improved productivity is the key to offering our customers the "best value in town" as well as maintaining these high rankings in our industry.

We continue to experiment with new concepts in merchandise presentation and store layout, attempting to make the customer's shopping experience as pleasant and convenient as possible.

A good measure of a company's strength is how well it performs in a difficult economic environment. High inflation, record interest rates, widespread unemployment, credit controls and declining discretionary income have characterized this past year. Despite these negatives, Wal-Mart has continued to grow. Our low prices and marketing strategy have enabled us to gain market share. Tight operating and expense controls enhance the Company's ability to respond to changing conditions and improve its profitability. For years Wal-Mart's expense structure (measured as a percentage of sales) has been among the lowest of all the companies included in Cornell University's annual study on discount retailers.

Merchandise productivity is enhanced by the Distribution and Transportation Divisions. Merchandise flows from the manufacturer to the Company's distribution facilities via a trucking network, including Wal-Mart-owned trucks. Mechanized distribution facilities efficiently sort the large quantities received into outbound shipments to each store. Deliveries are made on Wal-Mart trucks which backhaul other merchandise to the warehouses, eliminating as many miles traveled with empty trailers as possible.

Merchandise is purchased by the Company's buyers from all major markets for our type merchandise. Recently an office was opened in Hong Kong and staffed by our own personnel to improve the efficiency of our import program.

Merchandise departments, previously operated by others within the Wal-Mart stores, have been acquired by the Company in recent years to improve their performance and productivity. Shoe, Jewelry and Pharmacy Departments have been absorbed into the Company as Special Divisions, and the recent acquisition of 162 Cohen/Hatfield Jewelry units enables the Company to operate most all departments in its stores.

Merchandise productivity is improved by the utilization of the store terminal network system, which provides a means for replenishment as well as tracking of item movement and changing sales trends. Having information immediately available enables Management to respond very quickly to any problems or opportunities.

The Advertising and Sales Promotion Department creates and implements a blend of television, radio, circular and newspaper advertising to saturate most markets in our trade territory. The efficiencies and productivity of these programs adds to the success of our marketing strategy.

Wal-Mart continues to explore all areas for productivity improvement possibilities. The Company has an extensive Real Estate and Construction Division which is responsible for the procurement and development of all real estate, a sign shop for the production of signs used throughout the Company, a fixture shop for store fixtures, a central processing division for defective merchandise, internally operated

Tight operating and expense controls enhance the Company's ability to respond to changing conditions and improve its profitability.


36.46
WAL-MART
Beaver Dam
Grand opening
Sale
Now Thru Saturday
Spring Show and Sale
WHITE SALE
Sale
WAL-MART
dollar days sale
1.76


TOY LAND
"Thankyou"


ANOTHER NEW
WAL-MART
DISCOUNT CITY
STORE
TO BE BUILT ON THIS SITE SOON
WATCH FOR OPENING DATE !

distributorships to increase the availability and reduce the cost of various categories of merchandise, etc. We believe that operating these varied businesses rather than purchasing these needed services from outsiders strengthens our opportunities for growth in sales and profitability.

Improving the quality of service to our customers is a continuing goal. Wal-Mart is currently experimenting with scanning systems to guarantee accuracy and faster front-end service. These and a multitude of other tests being conducted simultaneously throughout the Company are designed to aid our associates in the more efficient operation of our stores.

Wal-Mart systems have evolved over a period of years and have served the Company well. We will continue to improve our systems and controls but with the realization that they must be people-supportive, not designed to replace people.

The retailing environment is constantly changing. Competition will continue to improve and become more intense. Life styles will change, and today's solutions will soon be obsolete. But, with a flow of new programs, with the continuing contribution of our dedicated associates and with our commitment to avoid any short-term strategy that does not enhance our long-range goals, we are convinced that improved productivity will be achieved. Our people have truly made the difference, and as they respond to the ever-changing environment, we will serve our customers with the "best value in town."

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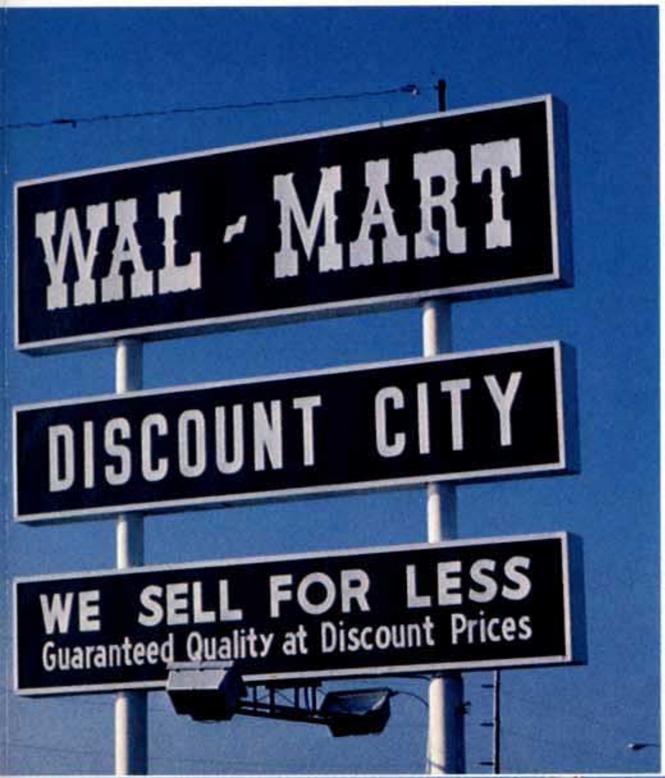


Ten-Year Financial Summary

Wal-Mart Stores, Inc. and Subsidiaries
(Dollar amounts in thousands except per share data)

EARNINGS	1981	1980
Net sales	$1,643,199	$1,248,176
Licensed department rentals and other income - net	12,063	10,092
Cost of sales	1,207,802	919,305
Operating, selling and general and administrative expenses	331,524	251,616
Interest costs:		
Debt	5,808	4,438
Capital leases	10,849	8,621
Taxes on income	43,597	33,137
Net income	55,682	41,151
Per share:		
Net income		
Primary*	$ 1.73	$ 1.34
Fully diluted*	1.73	1.34
Dividends*	.20	.15
Stores in operation at the end of the period	330	276

FINANCIAL POSITION		
Current assets	$ 345,204	$ 266,617
Net property, plant, equipment and capital leases	245,942	190,562
Total assets	592,345	457,879
Current liabilities	177,601	170,221
Long-term debt	30,184	24,862
Long-term obligations under capital leases	134,896	97,212
Stockholders' equity	248,309	164,844

FINANCIAL RATIOS		
Current ratio	1.9	1.6
Inventories/working capital	1.7	2.4
Return on assets***	12.2	12.7
Return on stockholders' equity***	33.8	32.3

*All per share data for years prior to 1981 has been adjusted to reflect the 100% stock dividend paid December 16, 1980, to holders of Wal-Mart common stock.

**The Company adopted the LIFO method of costing inventories in 1975, which resulted in a reduction in net income of $2,347,000, or $.09 per share.

***On beginning of year balances.

1979	1978	1977	1976	1975	1974	1973	1972
$900,298	$678,456	$478,807	$340,331	$236,209	$167,561	$124,889	$ 78,015
9,615	7,767	5,393	3,803	2,478	1,805	1,558	846
661,062	503,825	352,669	251,473	176,591	123,339	93,090	58,592
182,365	134,718	95,488	66,427	46,618	32,206	23,239	13,906
3,119	2,068	1,680	1,758	1,800	1,099	592	415
6,595	4,765	3,506	2,419	2,157	1,234	904	572
27,325	19,656	14,818	10,925	5,526	5,534	4,183	2,570
29,447	21,191	16,039	11,132	5,995**	5,954	4,439	2,806
$ .97	$ .74	$ .58	$ .40	$ .23**	$ .23	$ .17	$ .12
.97	.71	.54	.39	.23**	.23	.17	.12
.11	.08	.043	.033	.025	.013	--	--
229	195	153	125	104	78	64	51
$191,860	$150,986	$ 99,493	$ 76,070	$ 55,860	$ 45,254	$ 32,787	$ 21,069
131,403	100,550	68,134	48,744	43,409	30,677	23,172	13,634
324,666	251,865	168,201	125,347	99,473	76,126	56,180	35,017
98,868	74,891	43,289	33,953	27,076	18,748	16,406	13,079
25,965	21,489	19,158	17,531	11,132	10,578	5,066	4,659
72,357	59,003	41,190	26,534	25,069	16,410	10,143	6,606
127,476	96,482	64,417	47,195	36,050	30,207	24,432	10,578
1.9	2.0	2.3	2.2	2.1	2.4	2.0	1.6
1.9	1.8	1.6	1.5	1.8	1.6	1.8	2.3
11.7	12.6	12.8	11.2	7.9	10.6	12.7	14.6
30.5	32.9	34.0	30.9	19.8	24.4	42.0	36.1

Management's Discussion and Analysis

Years ended January 31, 1981, 1980 and 1979

Results of operations

Sales for the three years, percentage increase over the prior year and percentage increase of sales in comparable stores were:

Years ended January 31,	Sales	Total Company Percent Increase	Comparable Stores Percent Increase
1981	$1,643,199,000	32%	12%
1980	1,248,176,000	39	15
1979	900,298,000	33	10

Sales increases were due primarily to the improved productivity of comparable stores, the contributions of new stores (54 opened in fiscal 1981, 47 in 1980 and 35 in 1979), inflation (approximately 6-8% per year) and the acquisition of Hutcheson Wholesale Shoe Company in October, 1978. The impact of inflation and changing prices on sales and income is presented in Note 9 of Notes to Consolidated Financial Statements.

The consistency of operating results is demonstrated in the following table, which reports revenues and costs as percentages of sales:

	Years ended January 31,		
	1981	1980	1979
Revenues (other than sales)	**.7%**	.8%	1.1%
Cost of sales	**73.5**	73.7	73.4
Operating, selling and general and administrative expenses	**20.2**	20.2	20.3
Interest costs	**1.0**	1.0	1.1
Provision for income taxes	**2.6**	2.6	3.0
Net income	**3.4**	3.3	3.3

Revenues (other than sales) have declined as a percentage of sales as Wal-Mart acquired licensed departments or opened new stores with owned departments which were formerly licensed in older stores.

Cost of sales, expressed as a percentage of sales, increased slightly in fiscal 1980 as a result of fewer promotional markdowns and reduced shrinkage, which was more than offset by an increase in the LIFO adjustment. Continued improvement in shrinkage and a further reduction in the level of markdowns, partially offset by a higher LIFO adjustment, reduced cost of sales by a small margin in fiscal 1981.

The effective tax rate was 43.9% in fiscal 1981, 44.6% in 1980 and 48.1% in 1979. The reduction in 1981 from 1980 is primarily the result of increased tax credits. The reduction in 1980 from 1979 is attributable to the statutory reduction in the federal rate and a larger amount of investment tax credit.

Liquidity and capital resources

Fiscal 1981

Funds from current operations, $74,273,000 in fiscal 1981, are the Company's primary source of liquidity. These funds are used principally to finance capital expenditures and, to a lesser extent, to pay dividends and provide general working capital. Because of the required seasonal buildups in merchandise inventories and the interim financing requirements for store properties developed under sale/leaseback arrangements, the Company maintains lines of credit for short-term borrowings. At January 31, 1981, Wal-Mart had access to $176 million of unused short-term credit facilities, including availability to sell $25 million in commercial paper.

Wal-Mart opened 54 new stores in fiscal 1981. The Company leases or has lease commitments on all these properties through sale/leaseback arrangements, from real estate developers or through industrial development bonds. Capital expenditures of $48.9 million, excluding leased store properties, were incurred in fiscal 1981 and were financed through a combination of internally generated funds, proceeds from common stock offering and an $8 million mortgage note (see Note 3 of Notes to Consolidated Financial Statements). In keeping with the Company's objectives of maintaining a strong financial position, a public offering of one million shares of common stock was made on May 28, 1980, at $34.50 per share. The net proceeds of $32.8 million were used to repay short-term borrowings, finance capital expenditures and supplement general working capital.

The Company's strong profit performance coupled with the proceeds from the stock offering served to reduce the debt (including obligations under capital leases)-to-equity ratio from .74 at the end of fiscal 1980 to .66 at the end of fiscal 1981.

Capital expenditures planned for fiscal 1982, excluding leased store properties, are approximately $55 million. These expenditures will be financed primarily from internally generated funds. In addition, the Company plans to open approximately 60 new stores in fiscal 1982, which will be leased through sale/leaseback arrangements, industrial revenue bonds or real estate developers and will require approximately $90 million in lease financing.

The Company's Board of Directors has increased the quarterly cash dividend to 6.5 cents per share from 5.0 cents per share, effective the first quarter of fiscal 1982.

Fiscal 1980

Funds generated from operations were $55,665,000. The Company had access to $130 million in unused lines of credit at January 31, 1980.

Expenditures for property, plant and equipment totalled $46.8 million and were financed by funds generated from operations. The debt-to-equity ratio was reduced to .74 from .77 at the end of the preceding year.

Consolidated Statements of Income

Wal-Mart Stores, Inc. and Subsidiaries
(Dollar amounts in thousands except per share data)

	Years ended January 31,		
	1981	1980	1979
Number of stores in operation at the end of the year	**330**	276	229
Revenues:			
Net sales	**$1,643,199**	$1,248,176	$900,298
Rentals from licensed departments	**5,331**	4,804	6,344
Other income - net	**6,732**	5,288	3,271
	1,655,262	1,258,268	909,913
Costs and expenses:			
Cost of sales	**1,207,802**	919,305	661,062
Operating, selling and general and administrative expenses	**331,524**	251,616	182,365
Interest costs:			
Debt	**5,808**	4,438	3,119
Capital leases	**10,849**	8,621	6,595
	1,555,983	1,183,980	853,141
Income before income taxes	**99,279**	74,288	56,772
Provision for federal and state income taxes:			
Current	**42,982**	31,649	28,047
Deferred	**615**	1,488	(722)
	43,597	33,137	27,325
Net income	**$ 55,682**	$ 41,151	$ 29,447
Net income per share:			
Primary and fully diluted	**$1.73**	$1.34*	$ .97*

*Adjusted to reflect the 100% stock dividend paid on December 16, 1980.

See accompanying notes.

Consolidated Balance Sheets

Wal-Mart Stores, Inc. and Subsidiaries
(Dollar amounts in thousands)

	January 31, 1981	January 31, 1980
ASSETS		
Current assets:		
Cash	**$ 6,927**	$ 5,090
Short-term money market investments	**11,528**	--
Receivables	**12,666**	7,806
Recoverable costs from sale/leaseback	**31,325**	15,557
Inventories	**280,021**	235,315
Prepaid expenses	**2,737**	2,849
TOTAL CURRENT ASSETS	**345,204**	266,617
Property, plant and equipment, at cost:		
Land	**5,903**	15,002
Buildings and improvements	**51,200**	42,287
Fixtures and equipment	**80,411**	56,072
Transportation equipment	**12,969**	9,012
	150,483	122,373
Less accumulated depreciation	**33,702**	23,613
Net property, plant and equipment	**116,781**	98,760
Property under capital leases	**152,882**	109,608
Less accumulated amortization	**23,721**	17,806
Net property under capital leases	**129,161**	91,802
Other assets and deferred charges	**1,199**	700
Total assets	**$592,345**	$457,879
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	**$ 15,000**	$ 25,080
Accounts payable	**97,445**	100,102
Accrued liabilities:		
Salaries	**11,229**	12,889
Taxes, other than income	**9,627**	6,619
Other	**25,748**	15,148
Accrued federal and state income taxes	**11,907**	5,365
Long-term debt due within one year	**3,375**	2,314
Obligations under capital leases due within one year	**3,270**	2,704
TOTAL CURRENT LIABILITIES	**177,601**	170,221
Long-term debt	**30,184**	24,862
Long-term obligations under capital leases	**134,896**	97,212
Deferred income taxes	**1,355**	740
Stockholders' equity:		
Preferred stock	--	--
Common stock	**3,234**	1,512
Capital in excess of par value	**67,481**	35,064
Retained earnings	**177,594**	128,268
TOTAL STOCKHOLDERS' EQUITY	**248,309**	164,844
Total liabilities and stockholders' equity	**$592,345**	$457,879

See accompanying notes.

Consolidated Statements of Stockholders' Equity

Wal-Mart Stores, Inc. and Subsidiaries
(Amounts in thousands)

	Number of Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Total
Balance - January 31, 1978	14,868	$1,487	$29,520	$ 65,475	$ 96,482
Net income				29,447	29,447
Cash dividends ($.11 per share*)				(3,276)	(3,276)
Acquisition of Hutcheson Wholesale Shoe Co.	134	13	3,676		3,689
Exercise of stock options	77	8	435		443
Tax benefit from stock options			691		691
Balance - January 31, 1979	15,079	1,508	34,322	91,646	127,476
Net income				41,151	41,151
Cash dividends ($.15 per share*)				(4,529)	(4,529)
Exercise of stock options	42	4	294		298
Tax benefit from stock options			448		448
Balance - January 31, 1980	15,121	1,512	35,064	128,268	164,844
Net income				55,682	55,682
Cash dividends ($.20 per share*)				(6,356)	(6,356)
Sale of common stock	1,000	100	32,739		32,839
Exercise of stock options	29	3	256		259
100% stock dividend	16,150	1,615	(1,615)		--
Exercise of stock options	42	4	73		77
Tax benefit from stock options			964		964
Balance - January 31, 1981	32,342	$3,234	$67,481	$177,594	$248,309

*Cash dividends prior to December 16, 1980, have been adjusted to reflect the 100% stock dividend paid on that date to holders of Wal-Mart common stock.

See accompanying notes.

Consolidated Statements of Changes in Financial Position

Wal-Mart Stores, Inc. and Subsidiaries
(Dollar amounts in thousands)

	Years ended January 31,		
Source of funds:	**1981**	1980	1979
Current operations:			
Net income	**$ 55,682**	$ 41,151	$ 29,447
Items not affecting working capital in current period:			
Depreciation	**17,869**	12,938	9,293
Amortization of deferred charges	**107**	88	111
Deferred income taxes	**615**	1,488	(722)
Total from current operations	**74,273**	55,665	38,129
Property sold under leaseback arrangements	**17,836**	15,605	862
Net proceeds from exercise of options and sale of common stock	**34,139**	746	1,134
Additions to long-term debt	**10,043**	1,056	6,411
Additions to long-term obligations under capital leases	**41,326**	29,559	16,011
Other	**753**	1,564	4,831
	178,370	104,195	67,378
Application of funds:			
Additions to property, plant and equipment	**48,891**	46,825	23,844
Additions to property under capital leases	**42,947**	30,317	13,965
Property additions acquired, subject to sale and leaseback arrangements	--	12,124	4,341
Reductions in long-term debt, including changes in current maturities	**4,721**	2,159	1,935
Reductions in long-term lease obligations, including changes in current obligations	**3,642**	4,704	2,657
Dividends paid	**6,356**	4,529	3,276
Additions to other assets and deferred charges	**606**	133	463
	107,163	100,791	50,481
Increase in working capital	**$ 71,207**	$ 3,404	$ 16,897
Changes in components of working capital:			
Increase (decrease) in current assets:			
Cash	**$ 1,837**	$ (5,874)	$ 3,892
Short-term money market investments	**11,528**	(893)	(191)
Receivables	**4,860**	2,408	(51)
Recoverable costs from sale/leaseback	**15,768**	15,557	--
Inventories	**44,706**	62,675	36,795
Prepaid expenses	**(112)**	884	429
	78,587	74,757	40,874
Increase (decrease) in current liabilities:			
Notes and accounts payable and accrued liabilities	**(789)**	74,876	19,472
Accrued federal and state income taxes	**6,542**	(4,364)	2,983
Long-term debt due within one year	**1,061**	614	1,359
Obligations under capital leases	**566**	227	163
	7,380	71,353	23,977
Increase in working capital	**$ 71,207**	$ 3,404	$ 16,897

See accompanying notes.

Notes to Consolidated Financial Statements

Wal-Mart Stores, Inc. and Subsidiaries

Note 1 — Accounting policies

Segment information — The Company and its subsidiaries are principally engaged in the operation of retail discount stores in an eleven-state region surrounding its Arkansas headquarters. No single customer accounts for a significant portion of its consolidated sales.

Consolidation — The consolidated financial statements include the accounts of all subsidiaries.

Inventories — Inventories are stated at cost (last-in, first-out), which is not in excess of market, using the retail method for inventories in stores.

Pre-opening costs — Costs associated with the opening of new stores are expensed during the first full month of operations. The costs are carried as prepaid expenses prior to the store opening.

Interest during construction — In order that interest costs properly reflect only that relating to current operations, interest on borrowed funds during the construction of property, plant and equipment is capitalized. Interest costs capitalized (excluding amounts related to properties developed under sale/leaseback arrangements) are $362,000, $824,000 and $281,000 in 1981, 1980 and 1979, respectively.

Depreciation — Depreciation for financial statement purposes is provided on the straight-line method over the estimated useful lives of the various assets. For income tax purposes, accelerated depreciation is used with recognition of deferred income taxes for the resulting timing differences.

Operating, selling and general and administrative expenses — Buying, warehousing and occupancy costs are included in operating, selling and general and administrative expenses.

Income taxes — Investment tax credits are accounted for under the flow-through method.

Deferred income taxes arise from income tax and financial reporting differences with respect to depreciation, capitalized leases and other items.

Net income per share — Primary net income per share is based on weighted average outstanding shares and stock options reduced by shares assumed to have been purchased from such options under the treasury stock method.

Fully diluted net income per share gives effect to more dilutive market prices in calculations under the treasury stock method.

Stock options — Proceeds from the sale of common stock issued under stock option plans are accounted for as capital transactions, and no charges or credits are made to income in connection with the plans.

Note 2 — Inventories

Inventories at January 31, 1981 and January 31, 1980 were $280,021,000 and $235,315,000, respectively. Replacement cost (FIFO vs LIFO) would be $63,099,000 greater in 1981, and $38,899,000 greater in 1980.

Note 3 — Notes payable and long-term debt

At January 31, 1981, the Company had short-term borrowings of $15,000,000 under lines of credit with five banks in the aggregate of $68,500,000. Such borrowings bear interest at approximately the prime rate, and certain of the lines of credit require compensating balances or commitment fees. Each line is subject to annual review prior to renewal. In addition, at January 31, 1981, the Company has a $25,000,000 line of credit to support the issuance of commercial paper and informal lines of credit with various other banks in the aggregate amount of $97,500,000.

The maximum month-end outstanding short-term borrowings were $85,179,000 in fiscal 1981 and $63,080,000 in fiscal 1980. The average daily short-term borrowings were $40,016,000 in fiscal 1981 and $28,050,000 in fiscal 1980. The weighted average interest rates for short-term borrowings were 14.9% in fiscal 1981 and 12.1% in fiscal 1980 and were 17.6% and 15.3% at January 31, 1981 and 1980, respectively.

Long-term debt at January 31 consists of:

	1981	1980
8% unsecured notes, due 1982 through 1984	**$ 5,000,000**	$ 7,000,000
9¼% mortgage notes, payable $68,822 quarterly (including interest) to June 1992	**1,838,000**	1,937,000
8⅝% 25-year secured notes, payable $244,595 quarterly (including interest) to October 2003	**9,605,000**	9,714,000
9¾% mortgage note, due 1983 through 2000	**8,000,000**	–
8½% secured notes, payable $121,030 quarterly (including interest) to March 2003	**4,738,000**	4,815,000
Other	**1,003,000**	1,396,000
	$30,184,000	$24,862,000

Annual maturities on long-term debt during the next five years are: 1982, $3,375,000; 1983, $2,684,000; 1984, $3,974,000; 1985, $986,000; and 1986, $977,000.

The agreements relating to the 8% notes include certain restrictions on dividends, additional debt and leases, and sale of assets and contain convenants concerning working capital. The agreements relating to the 9¼% mortgage notes of a subsidiary, which are guaranteed by Wal-Mart Stores, Inc., contain certain restrictions on the subsidiary concerning additional debt, business activities, investments and issuance of its capital stock.

The agreements relating to the 8⅝% and 8½% secured notes of a subsidiary contain certain restrictions on the subsidiary concerning additional debt, business activities, issuance of its capital stock and merger or consolidation with any other corporations.

Under the most restrictive of the above agreements, retained earnings of $16,846,000 were restricted at January 31, 1981.

Note 4 — Income taxes

Reconciliations of the statutory federal income tax rate to the effective tax rate, as a percent of pre-tax financial income, are as follows:

	1981	1980	1979
Statutory tax rate	**46.0%**	46.0%	48.0%
Investment tax credits	**(3.8)**	(3.7)	(2.1)
State income taxes	**2.4**	2.4	2.4
Other	**(.7)**	(.1)	(.2)
Effective tax rate	**43.9%**	44.6%	48.1%

Investment tax credits resulted in reductions of the federal income tax provisions for 1981, 1980 and 1979 of $3,792,000, $2,757,000 and $1,192,000, respectively.

Note 5 — Stockholders' equity

During fiscal 1981, the stockholders authorized an increase in the number of shares of preferred stock, par value $.10 per share, from 1,000,000 shares to 4,000,000 shares, which are unissued. The stockholders also authorized an increase in the number of shares of common stock, par value $.10 per share, from 20,000,000 shares to 45,000,000 shares. At January 31, 1981, 32,342,445 shares of common stock were issued and outstanding, and at January 31, 1980, 30,242,522 shares (adjusted to reflect the 100% stock dividend paid on December 16, 1980) were issued and outstanding. The Company's common stock is traded on the New York Stock Exchange, and at January 31, 1981, there were 2,437 stockholders of record.

At January 31, 1981, 1,433,672 shares of common stock were reserved for issuance under the nonqualified stock option plan. The options granted under the nonqualified stock option plan expire ten years from date of grant and may be exercised in nine annual installments.

Further information (adjusted for the 100% stock dividend paid on December 16, 1980) concerning the options is as follows:

	Shares	Option price (Market price at date of grant) Per Share	Total
Shares under option:			
January 31, 1980	706,274	$2.10-15.00	$3,435,994
Options granted	194,400	14.44-31.00	4,001,150
Options cancelled	(12,852)	2.10- 7.13	(48,078)
Options exercised	(100,212)	2.10-15.00	(374,819)
January 31, 1981 (199,596 shares exercisable)	787,610	$2.10-31.00	$7,014,247
Shares available for option:			
January 31, 1980	827,610		
January 31, 1981	646,062		

Note 6 — Licensed department sales

The sales of licensed departments as reported by licensees are $54,830,000, $46,097,000 and $60,560,000 for 1981, 1980 and 1979, respectively. Hutcheson Wholesale Shoe Company, previously a licensee, was acquired on October 1, 1978. Its sales of $18,579,000 from February 1, 1978 through September 30, 1978 are included in licensed department sales, and sales of $11,773,000 for the period beginning October 1, 1978 are included in Wal-Mart's sales for fiscal 1979.

Note 7 — Long-term lease obligations

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 $16,960,000 in 1981, $11,685,000 in 1980, and $10,323,000 in 1979.

Aggregate minimum annual rentals at January 31, 1981, under noncancellable leases are as follows:

	Operating Leases	Capital Leases
1982	$ 10,278,000	$ 18,042,000
1983	10,139,000	18,055,000
1984	10,178,000	18,238,000
1985	9,942,000	18,275,000
1986	10,043,000	18,183,000
Thereafter	138,262,000	237,336,000
Total minimum rentals	$188,842,000	328,129,000
Less estimated executory costs		18,719,000
Net minimum lease payments		309,410,000
Less inputed interest at rates ranging from 8.5% to 14.0%		171,244,000
Present value of net minimum lease payments		$138,166,000

Certain of the leases provide for contingent additional rentals based on percentage of sales. Such additional rentals amounted to $2,706,000 in 1981, $2,027,000 in 1980, and $1,149,000 in 1979.

Substantially all of the store leases have renewal options for additional terms from five to fifteen years at the same or lower minimum rentals.

The Company has entered into lease agreements for land and buildings for 59 future stores. The lease agreements with real estate developers or through sale/leaseback arrangements provide for minimum rentals for 20 to 25 years, excluding renewal options, which if consummated based on current cost estimates would approximate $11,000,000 annually over the lease terms.

Note 8 — Quarterly financial data (unaudited)

Summarized quarterly financial data (thousands except per share amounts) for 1981 and 1980 are as follows:

	Quarter Ended			
	April 30	July 31	Oct. 31	Jan. 31
1981				
Net sales	$314,575	$372,598	$401,842	$554,184
Cost of sales	227,718	273,599	290,605	415,880
Net income	9,455	11,155	13,275	21,797
Net income per share:				
Primary and				
fully diluted*	$ .31	$ .35	$ .41	$ .66
1980				
Net sales	$238,569	$291,685	$300,747	$417,175
Cost of sales	172,104	215,149	218,123	313,929
Net income	7,158	8,410	9,456	16,127
Net income per share:				
Primary and				
fully diluted*	$ .24	$ .28	$ .31	$ .52

*Per share data prior to quarter ending January 31, 1981, has been adjusted to reflect the 100% stock dividend paid on December 16, 1980, to holders of Wal-Mart common stock. The total adjusted per share data, due to rounding, does not necessarily equal the net income per share reported elsewhere herein.

Net income for the quarters ended January 31, 1981 and 1980 was reduced $3,795,000 ($.12 per share) and $2,612,000 ($.085 per share), respectively, due to adjustment of the estimated inflation rate used to compute LIFO inventory cost for the first three quarters to the actual inflation rate for each of the two years.

Note 9 — Changing prices (unaudited)

In 1979, the Financial Accounting Standards Board issued Statement #33, Financial Reporting and Changing Prices, requiring large public companies to provide information about the effects that general inflation (constant dollar) and other specific price changes (current costs) have on the company's financial statements.

In arriving at the net earnings adjusted to 1981 and 1980 constant dollars and current costs, only the cost of goods sold and depreciation of fixed assets have been adjusted. According to the statement, revenues and all expenses other than cost of goods sold and depreciation are considered to reflect the average price level for the respective year and, accordingly, have not been adjusted.

Since corporations are taxed on historical dollar results without regard for the inflation-created decline in the real value of the dollar, the provision for income taxes has not been adjusted. The effect is to increase the effective tax rate from the 43.9% reported in 1981 to 51.5% and 46.5%, respectively, in the constant dollar and current cost calculations and from 44.6% reported in 1980 to 47.9% in the current cost calculation.

Constant Dollar — The purpose of this presentation is to provide financial information in dollars of equivalent value of purchasing power so revenues for each time period are matched with expenses stated in corresponding units. Amounts adjusted for general inflation shown below were calculated using the Consumer Price Index for all Urban Consumers (CPI-U) as required by the statement. The CPI-U measures the relative price changes in a wide range of commodities, including food and energy costs which have experienced a much greater rate of inflation than general merchandise. The components which are representative of general merchandise have increased, on the average, during 1981 and 1980 by 6.3% and 5.8%, respectively, (as reported by the Bureau of Labor Statistics), compared with the 11.7% and 13.8% increase in the CPI-U. Since the CPI-U has been applied to the Company's cost of sales, it does not accurately measure the impact of inflation on the Company. The result is a profit margin substantially below the satisfactory level achieved when using cost of sales dollars from the historical cost financial statements which include a LIFO adjustment derived from application of the BLS index to our inventories.

Current Costs — The objective of this method is to reflect the effects of changes in specific prices of the resources actually used in the Company's operation, so that measures of these resources and their consumption reflect the current cost of replacing these resources, rather than the historical cost actually expended to acquire them. The historical cost of sales for two years presented below has not been adjusted since cost of sales on a LIFO basis is generally considered to approximate replacement cost. The theory underlying the LIFO method of inventory accounting rests on the concept of matching current costs with current revenues. The Company currently uses the LIFO method of inventory valuation.

Current cost computations were made separately for each component of fixed assets. For purposes of determining current cost of facilities, the Company utilized the concept of service potential, which represents the assets (excluding operating leases) required to generate the sales volume obtained during the period. For certain items which are not acquired on a continual basis, the Company used published valuation cost indices. For those assets which are acquired or built on a continual basis, current costs are readily available for use in calculating estimated replacement cost. Depreciation expense computations were made utilizing the ratios between historical depreciation expense and historical assets within asset categories, and applying such ratios to asset replacement cost data.

Statements of Income Adjusted for Changing Prices
(Dollars in thousands except per share data)

	Historical Dollars		Constant Dollars	Current Costs (Nominal dollars)	
	1981	1980	**1981**	**1981**	1980
Revenues	**$1,655,262**	$1,258,268	**$1,655,262**	**$1,655,262**	$1,258,268
Cost of sales	**1,207,802**	919,305	**1,218,213**	**1,209,744***	920,305*
Operating, selling and general and administrative expenses	**331,524**	251,616	**335,807**	**335,087***	255,675*
Interest costs	**16,657**	13,059	**16,657**	**16,657**	13,059
Provision for income taxes	**43,597**	33,137	**43,597**	**43,597**	33,137
Net income	**$ 55,682**	$ 41,151	**$ 40,988**	**$ 50,177**	$ 36,092
Unrealized gain from decline in purchasing power of net amounts owed			**$ 30,362**	**$ 30,362**	$ 28,422
Effects of changing prices on inventories and property, plant and equipment held during the year:					
Due to specific prices (current cost)				**$ 50,315**	$ 38,640
Due to general inflation (constant dollars)				**61,894**	53,441
Specific prices under general inflation				**11,579**	14,801

*Depreciation expense (current cost) for 1981 and 1980 is $21,674,000 and $17,508,000, respectively, of which $1,950,000 and $1,699,000, respectively, is included in cost of sales.

Selected Supplementary Financial Data Adjusted for Effects of Changing Prices (In average 1981 dollars)
(Dollars in thousands except per share data)

	1981	1980	1979	1978	1977
Revenues - as reported	**$1,655,262**	$1,258,268	$ 909,913	$ 686,223	$ 484,200
- in constant dollars	**1,655,262**	1,425,999	1,151,139	936,647	704,522
Net income - as reported	**55,682**	41,151			
- in constant dollars	**40,988**	30,765			
- in current cost	**50,177**	40,903			
Net income per common share* - as reported	**1.73**	1.34			
- in constant dollars	**1.27**	1.00			
- in current cost	**1.56**	1.33			
Net assets at year end - as reported	**248,309**	164,844			
- in constant dollars	**378,026**	274,416			
- in current cost**	**371,843**	307,942			
Cash dividends per common share* - as reported	**.20**	.15	.11	.08	.0425
- in constant dollars	**.20**	.17	.14	.11	.06
Market price per common share* - as reported	**30.00**	17.81	11.31	9.50	6.94
- in constant dollars	**28.68**	19.02	13.76	12.64	9.86
Average consumer price index	**249.1**	219.8	196.9	182.5	171.2

*Per share data prior to December 16, 1980, has been adjusted to reflect the 100% stock dividend paid on that date.

**At January 31, 1981, current cost (in 1981 average dollars) of inventories and property, plant and equipment was $343,120,000 and $306,377,000, respectively. At January 31, 1980, current cost (in 1980 average dollars) of inventories and property, plant and equipment was $274,214,000 and $213,761,000, respectively.

Market Price of Common Stock*

Fiscal year ended January 31,

Quarter	1981 High	1981 Low	1980 High	1980 Low
4/30	$17.75	$13.88	$13.50	$11.31
7/31	21.94	16.31	13.69	12.00
10/31	27.63	21.06	17.25	13.00
1/31	35.00	24.75	18.38	14.38

Dividends Paid Per Share*

Fiscal year ended January 31,

Quarterly 1981		Quarterly 1980	
April 14	$.05	April 7	$.0375
July 8	.05	July 17	.0375
October 2	.05	October 3	.0375
January 9	.05	January 4	.0375

*Per share data prior to December 16, 1980, has been adjusted to reflect the 100% stock dividend paid on that date to holders of Wal-Mart common stock.

Report of Certified Public Accountants

The Board of Directors and Stockholders
Wal-Mart Stores, Inc.

We have examined the accompanying consolidated balance sheets of Wal-Mart Stores, Inc., and subsidiaries at January 31, 1981 and 1980, and the related consolidated statements of income, stockholders' equity and changes in financial position for each of the three years in the period ended January 31, 1981. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Wal-Mart Stores, Inc., and subsidiaries at January 31, 1981 and 1980, and the consolidated results of operations and changes in financial position for each of the three years in the period ended January 31, 1981, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

Arthur Young & Company

Tulsa, Oklahoma
April 3, 1981

Responsibility for Financial Statements

To the Shareholders of Wal-Mart Stores, Inc.:

Basic responsibility for the integrity and objectivity of the financial information presented in this Annual Report rests with Management of Wal-Mart Stores, Inc. The financial statements in this report have been prepared in conformity with generally accepted accounting principles. Where necessary and appropriate, certain estimates and judgments have been applied based on currently available information and Management's view of current conditions and circumstances. Management uses the services of specialists within and outside the Company in making such estimates and judgments.

Management maintains a system of accounting and controls to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting records provide a reliable basis for the preparation of financial statements. An important element of the system is a continuing internal audit program.

Management continually reviews, modifies, and improves its systems of accounting and controls in response to changes in business conditions and operations and to recommendations in the reports prepared by the independent public accountants and the internal auditors. Management believes that the accounting and control systems provide reasonable assurance that assets are safeguarded and financial information is reliable.

The Board of Directors, through the activities of its Audit Committee, participates in the process of reporting financial information. The Committee meets with Management, the internal auditors, and representatives of the Company's independent public accountants. In 1980, the Committee met twice and reviewed the scope, timing, and fees for the annual audit and the results of audit examinations completed by the internal auditors and independent public accountants, including the recommendations to improve internal controls and the follow-up reports prepared by Management. Representatives of the independent public accountants and the internal auditors both have free access to the Committee and the Board of Directors and attend each meeting of the Committee. The Audit Committee reports the results of its activities to the entire Board of Directors.

Management believes that it is essential for the Company to conduct its business affairs in accordance with the highest ethical standards in conformity with the law.

David D. Glass
Executive Vice President-Finance

Directors and Officers

Wal-Mart Board of Directors - (seated left to right) James H. Jones, John A. Cooper, Jr., Sam M. Walton, J. R. Hyde III, James L. Walton, (standing) Ferold G. Arend, Robert Kahn, Jack Shewmaker, Donald G. Soderquist, Sidney A. McKnight, S. Robson Walton and David D. Glass. Missing from picture is Jackson T. Stephens.

Directors

***Sam M. Walton**
Chairman and Chief Executive Officer

***Ferold G. Arend**
Vice Chairman

***Jack Shewmaker**
President and Chief Operating Officer

***David D. Glass**
Executive Vice President - Finance

***Donald G. Soderquist**
Senior Vice President - Administration and Distribution

***James L. Walton**
Senior Vice President

***S. Robson Walton**
Senior Vice President, Secretary, and General Counsel

John A. Cooper, Jr.
President, Cooper Communities, Inc.

J. R. Hyde III
Chairman and President
Malone & Hyde, Inc., Memphis, Tennessee

James H. Jones
Banking and Investments

Robert Kahn
President, Kahn & Harris, Inc.

Sidney A. McKnight
President, Retired
Montgomery Ward & Co., Incorporated

Jackson T. Stephens
President, Stephens Inc.

*Members of Executive Committee

Officers

Paul R. Carter
Senior Vice President - Special Divisions

Claude Harris
Senior Vice President - Marketing

Thomas Jefferson
Senior Vice President - Operations

A. L. Johnson
Senior Vice President - Merchandise and Sales

B. D. Adams
Vice President - Region 3

Keith R. Binkleman
Vice President - Merchandise Planning

Thomas M. Coughlin
Vice President - Loss Prevention

Larry W. Dimmit
Vice President, Division Merchandise Manager, Softlines

Bill D. Durflinger
Vice President, Division Merchandise Manager, Hardlines

Bill Fields
Vice President, Division Merchandise Manager, Softlines

Kenneth Folkerts
Vice President and Treasurer

H. "Mac" Gammon
Vice President - Region 5

Gale M. Gore
Vice President, Merchandise Systems

Glenn L. Habern
Vice President - Data Processing

Robert L. Hart
Vice President - New Store Planning

Joseph P. Hatfield
Vice President, Advertising and Sales Promotion

Richard A. Jolosky
Vice President, General Merchandise Manager, Softlines

Ronald L. Loveless
Vice President, General Merchandise Manager, Hardlines

A. L. Miles
Vice President - Region 2

Gary D. Reinboth
Vice President - Region 4

H. G. Rountree
Vice President - Corporate and Public Affairs

Dean L. Sanders
Vice President, Division Merchandise Manager, Hardlines

Duane C. Schue
Vice President, Construction and Engineering

Thomas P. Seay
Vice President - Real Estate

Charles E. Self
Controller

Lew Skelton
Vice President - Region 6

D. Ray Thomas
Vice President - Region 1

Colon Washburn
Vice President, Division Merchandise Manager, Softlines

David Washburn
Vice President - Personnel Administration

Edward L. Cornell
Assistant Controller

Daniel L. Davies
Assistant Controller

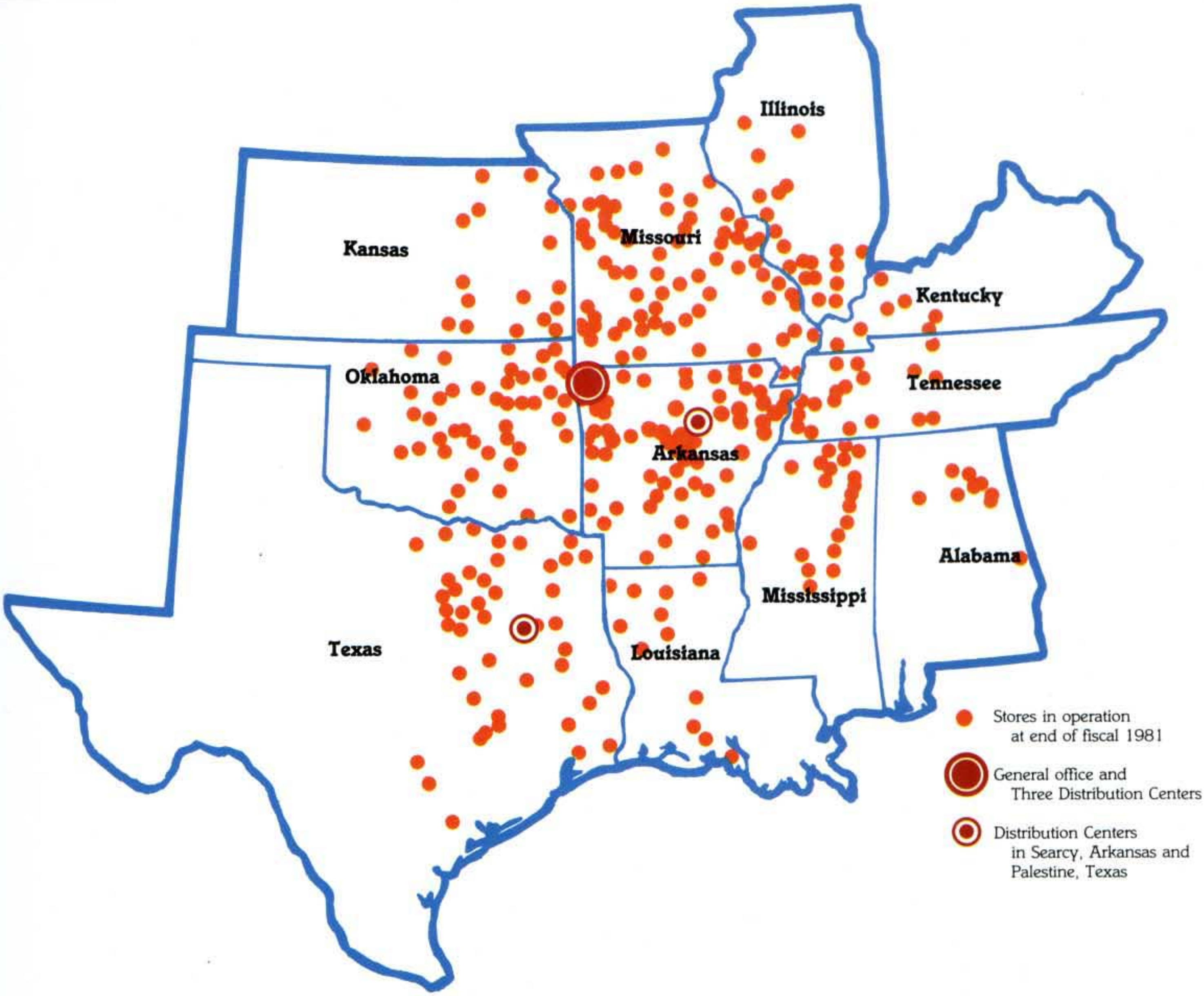
Bette Hendrix
Assistant Secretary

David R. Laney
Assistant Secretary

Robert K. Rhoads
Assistant Secretary

Kay Vandever
Assistant Secretary

330 WAL-MART STORES IN OPERATION AT YEAR END



Corporate Information

Counsel
Conner, Winters, Ballaine,
Barry & McGowen
2400 First National Tower
Tulsa, Oklahoma 74103

Certified Public Accountants
Arthur Young & Company
4300 One Williams Center
Tulsa, Oklahoma 74172

Registrar and Transfer Agent
St. Louis Union Trust Company
510 Locust Street
St. Louis, Missouri 63178

Corporate Headquarters
Wal-Mart Stores, Inc.
Post Office Box 116
Bentonville, Arkansas 72172
Telephone: 501/273-4000

The common stock of Wal-Mart Stores, Inc., is traded on the New York Stock Exchange. Symbol: WMT

Annual Meeting

The Annual Meeting of Shareholders of Wal-Mart Stores, Inc., will be held on Friday, June 5, 1981, at 10:00 A.M. at the General Office, 702 Southwest 8th Street, Bentonville, Arkansas.

Investors' Inquiries - Form 10-K Report

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1981, as filed with the Securities and Exchange Commission, may be obtained without charge, by writing to: Bette Hendrix, Corporate Assistant Secretary, Wal-Mart Stores, Inc., Post Office Box 116, Bentonville, Arkansas 72712.

Wal-Mart Stores, Inc.
Bentonville, Arkansas 72712