ANNUAL REPORT 1982

Company Profile

With sales of $2.4 billion (up from $1.6 billion a year ago) and earnings of $82.8 million (up from $55.7 million in the prior year), Wal-Mart is the fastest growing major retailer in the country. The Company opened 69 new Wal-Mart stores, acquired a net of 92 Kuhn's-Big K stores and expanded 18 older Wal-Mart stores during the past year. At January 31, 1982, Wal-Mart operated 491 discount department stores, compared with 330 stores one year earlier, in a thirteen-state area spanning the sunbelt from South Carolina through Texas.

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. Prior to opening their first discount operation, Sam M. Walton and his brother J. L. "Bud" Walton assembled a group of 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 are located primarily in towns having populations of 5,000 to 25,000, although a few stores are located in and around the metropolitan areas within the chain's regional trade territory. 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 quality merchandise to satisfy most of the clothing, home, recreational and convenience needs of the family. Stores range in size, generally from 30,000 to 80,000 square feet of building area, with the average unit covering 48,000 square feet.

Integral to the operation of discount department stores is the network of six distribution centers which assure a constant flow of merchandise to the stores. These facilities process approximately 78% of the merchandise sold in the stores.

The most important aspect of the Company is the performance of its people. Wal-Mart employs approximately 41,000 associates who are partners in the business. Through their efforts and dedication the Company has been able to produce above-average results. Our people have and will continue to make the difference.

Wal-Mart's compound rate of growth during the past ten years has been 39% in sales and 38% in profitability. The Company is dedicated to a philosophy of continuing, controlled, profitable growth.

Market Price of Common Stock

Fiscal year ended January 31,

	1982		1981	
Quarter	High	Low	High	Low
4/30	$39.00	$28.25	$17.75	$13.88
7/31	39.50	34.50	21.94	16.31
10/31	40.00	33.00	27.63	21.06
1/31	43.88	38.50	35.00	24.75

Dividends Paid Per Share of Common Stock

Fiscal year ended January 31,

1982		1981	
Quarterly		Quarterly	
April 10	$.065	April 14	$.05
July 9	.065	July 8	.05
October 5	.065	October 2	.05
January 5	.065	January 9	.05

Contents

Page

Financial Highlights 1
Chairman's Letter to Shareholders 2
Company Growth 4
Acquisition 8
Management's Discussion and Analysis 10
Ten-Year Financial Summary 12
Consolidated Financial Statements 14
Notes to Consolidated Financial Statements 18
Report of Certified Public Accountants 23
Responsibility for Financial Statements 23
Wal-Mart Store Locations and Corporate Information 24
Directors and Officers 25

Financial Highlights

Two-Year Comparison

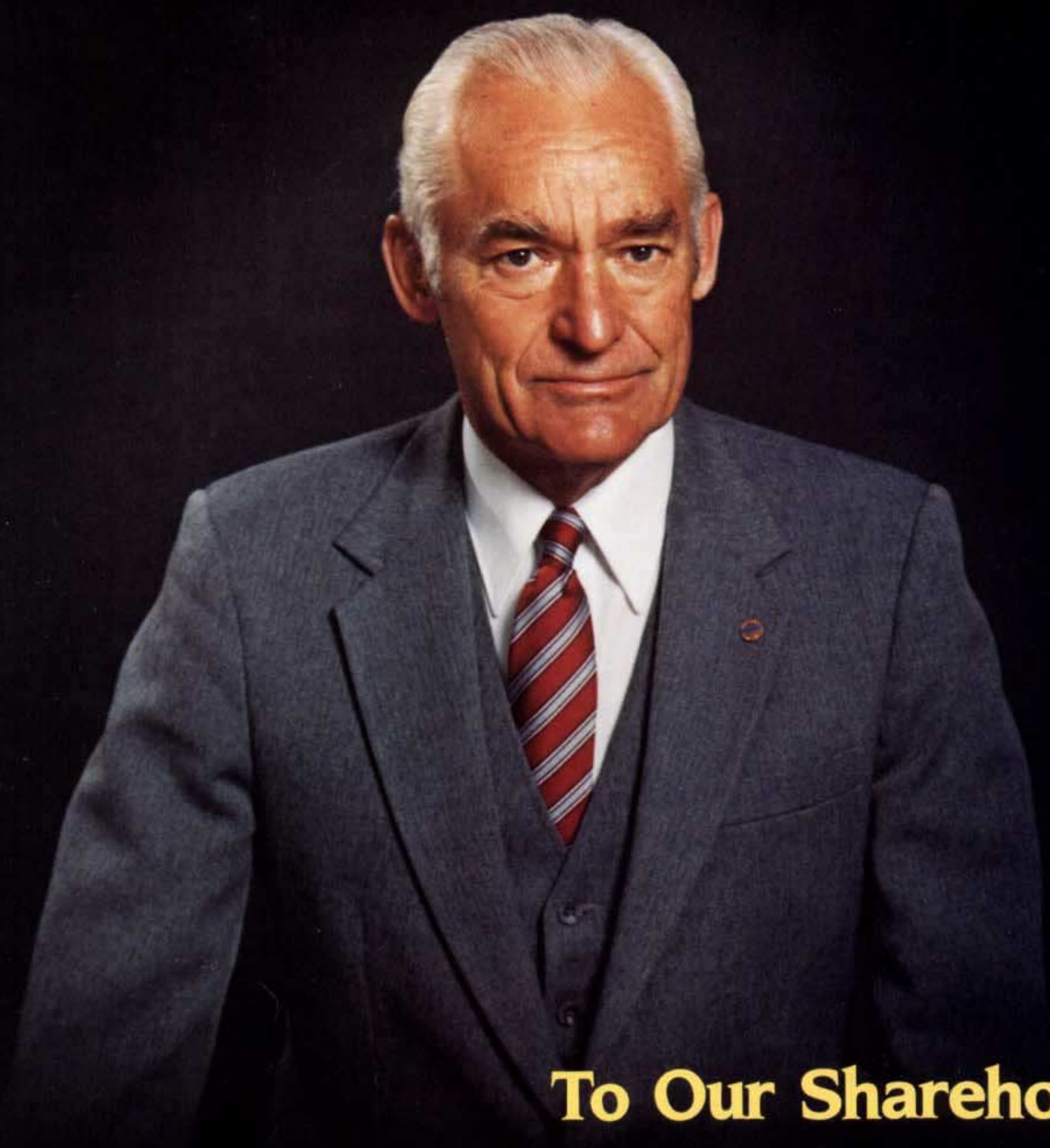
(Dollar amounts in thousands)

	1982	1981
Current assets	**$589,161**	$345,204
Current liabilities	**$339,961**	$177,601
Working capital	**$249,200**	$167,603
Current ratio	**1.73**	1.94
Common stockholders' equity	**$323,942**	$248,309
Common stock outstanding at January 31	**32,419,956**	32,342,445

Five-Year Financial Review

(Dollar amounts in thousands except per share data)

	1982	1981	1980	1979	1978
Net sales	**$2,444,997**	$1,643,199	$1,248,176	$ 900,298	$ 678,456
Income before income taxes	**148,737**	99,279	74,288	56,772	40,847
Net income	**82,794**	55,682	41,151	29,447	21,191
Net income per share:					
Primary	**2.50**	1.73	1.34	.97	.74
Fully diluted	**2.50**	1.73	1.34	.97	.71
Number of stores in operation at the end of the period	**491**	330	276	229	195



To Our Shareholders:

Fiscal 1982 was an exciting year for our Company. Our sales and profits reached new record levels while we were opening 69 new stores and converting many of the 92 stores obtained through the acquisition of Kuhn's-Big K Stores Corp. This accelerated growth adds additional potential for the future earnings of Wal-Mart Stores, Inc.

Sales for the year ended January 31, 1982 increased 49% to $2.445 billion from $1.643 billion in the previous year. Net income was $82.8 million, an increase of 49% from $55.7 million a year earlier. Fully diluted net income per share was $2.50, up from $1.73 in the prior year.

Our financial position remains strong. Common shareholders' equity increased to $324 million from $248 million a year earlier. In December the Company sold a $60 million convertible subordinated debenture offering to meet its working capital requirements, principally to finance fixtures, inventory and renovation costs for the stores gained in the August 1981 acquisition of Kuhn's-Big K Stores Corp.

Last year in this letter, we shared with you the programs planned for fiscal 1982 and are pleased to report the highlights of our successes in accomplishing these objectives:

- 69 new Wal-Mart stores were opened and 32 others were remodeled, expanded or relocated which added 4.0 million square feet of retail floor space.
- Sales in comparable stores increased 15% on

top of a 12% increase in the preceding year.

- Our new 510,000-square-foot distribution facility in Palestine, Texas commenced operations in March 1981 and is efficiently servicing our expanding Texas and Gulf Coast territory.
- The transition of 162 jewelry units from a licensed to an owned operation was accomplished smoothly and has contributed above planned levels to our profits.
- Our overseas buying office in Hong Kong has completed its first year of operation and has been expanded to an additional office in Taipei to enhance opportunities in our direct import program.
- New systems development and improvements to existing systems are ongoing tasks. Our most significant accomplishments during this year include the implementation of a purchase order management system and successful testing of point-of-sale scanning systems.
- The Company's first photo processing plant was opened in Terrell, Texas during October and is currently servicing the photo processing needs of 160 Wal-Mart stores. The plant is operating efficiently and is designed to service additional stores in the future.
- Our senior management team was reorganized to provide better direction for our continued profitable growth. Jack Shewmaker, President and Chief Operating Officer, now has operating responsibilities for the entire company; David Glass has assumed the duties of Vice Chairman and Chief Financial Officer; and S. Robson Walton has been promoted to Vice Chairman, Secretary and General Counsel.
- Results of the Company's management recruiting and training program during this past year have been particularly rewarding. Approximately 700 new management trainees or assistant managers have been recruited from the outside or developed from our base of store associates. These associates are in various phases of our training programs designed to develop candidates for our increasing number of management positions.
- The combined effort of all associates to hold down retail prices, tightly control expenses, reduce inventory shrinkage and improve productivity was the key ingredient in producing our record operating results.

In addition to accomplishing these objectives, we have absorbed the former Big K operation in a more efficient manner than we initially thought possible. Sales of $166,280,000 and net profit of $709,000 are attributable to the operation of these stores since the acquisition in August 1981. Sixteen of the acquired stores were refurbished during the fall to Wal-Mart standards and are producing dramatic sales increases. Approximately 50 additional stores will undergo remodeling during this spring season and are scheduled for grand re-openings through June.

Although we expect the depressed nature of the economy to continue well into this new year, we have confidence in our approach to discount retailing and are planning to open approximately 60 new stores in 1982. In addition to the planned remodeling of the majority of the former Big K stores, we will continue the program of expanding and remodeling our older stores. Construction has begun on a 900,000-square-foot distribution facility in Cullman, Alabama, which will better service our expanding southeastern territory. This facility will commence operations early in 1983. Our Company is dedicated to a continuing, controlled growth philosophy. We believe our future remains extremely bright.

During this new year, our Company expects to exceed last year's sales level by approximately one billion dollars. Reaching this aggressive objective will be a tribute to the 41,000 associates who have contributed so significantly to the record results of this past year. Wal-Mart associates are the finest in the industry. We appreciate their continuing involvement and performance. We also express our appreciation for the continuing support and encouragement from our suppliers and shareholders.

Respectfully,

Sam M Walton

Sam M. Walton
Chairman of the Board
Chief Executive Officer

Company Growth

Growth in sales . . . growth in profitability . . . growth in customers . . . growth in number of stores . . . growth in distribution centers . . . growth in markets . . . growth in associates . . . growth in market share . . . growth in shareholders . . . growth in suppliers . . . growth in financial strength. . . .

No word better describes Wal-Mart than does growth. The first Wal-Mart discount department store opened less than 20 years ago in Rogers, Arkansas. Since that time growth has characterized Wal-Mart's performance. At January 31, 1982, the Company operated 491 stores in a thirteen-state area, up from 330 stores in an eleven-state area at the end of the preceding year. This increase of 161 stores resulted from the Company's new store program, which added 69 new stores, coupled with the acquisition of Kuhn's-Big K Stores Corp., which netted 92 additional stores. New stores added 4.0 million square feet of retail floor space and the acquired stores added another 4.4 million square feet, bringing the year-end total retail square footage to 23.9 million. Although the Company's store opening efforts will be concentrated on the renovation of the acquired stores in the early part of the year, approximately 60 new stores are planned for fiscal 1983. The new store program is planned to accelerate in subsequent years with approximately 80 stores in fiscal 1984 and 100 stores in fiscal 1985.

Growth through new stores is most successfully sustained if existing stores are growing in sales and profitability. Comparable Wal-Mart stores traditionally have reflected double-digit rates of sales increases. In fiscal 1982, comparable stores produced a 15% sales increase on top of a 12% increase in fiscal 1981. A good measurement of sales productivity is Company-owned sales per square foot, which has advanced from \$110 in fiscal 1980 to \$120 in 1981 and \$133 in 1982. Although inflation is moderating, sales in comparable stores are planned to continue increasing at a double-digit rate. Growth in profitability must track sales growth to provide the resources for future growth. The Company's profit before income taxes, as a percentage of sales, has consistently been approximately 6% (6.1% in fiscal 1982 and 6.0% in each of the two preceding years). Wal-Mart's program of remodeling and expanding older stores is vital to perpetuation of this combined sales and profit growth characteristic.

In recent years the Company's growth, with the exception of real estate, has been financed through internally generated funds. However, in support of costs associated with acquisitions or an acceleration of new stores, Wal-Mart has supplemented these internal funds through the sale of equity or debt. The financial strength of the Company is reflected by *Forbes* magazine in its "Thirty-fourth Annual Report on American Industry", which ranked Wal-Mart first among all general retailers (including department stores, discount and variety stores) in five-year average return on equity, return on total capital and sales growth. In five-year average growth of earnings per share, Wal-Mart ranked second in the industry.

Integral to the growth in sales and stores is the growth in distribution and transportation capacity. During each of the past two years the Company has opened a new distribution facility designed to service approximately 150 stores. A new and somewhat larger distribution facility is currently under construction in Cullman, Alabama, and is planned to begin operations early next year. New distribution centers will continue to be added in future years to accommodate the growth in stores. The Transportation Division continues to grow at a rate required to flow merchandise from the distribution facilities to the stores and to backhaul merchandise from suppliers to our facilities where practical.


girls
sizes 3 to 6X
Discount Special
Holiday Gifts
You Pay ONLY $196
Discount Special
$784


Fast·as·a Flash
PHOTO CENTER
PHOTO FINISHING
SATISFACTION GUARANTEED!
12 EXP $257
20 EXP $397
24 EXP
36 EXP
Kodak instant color film

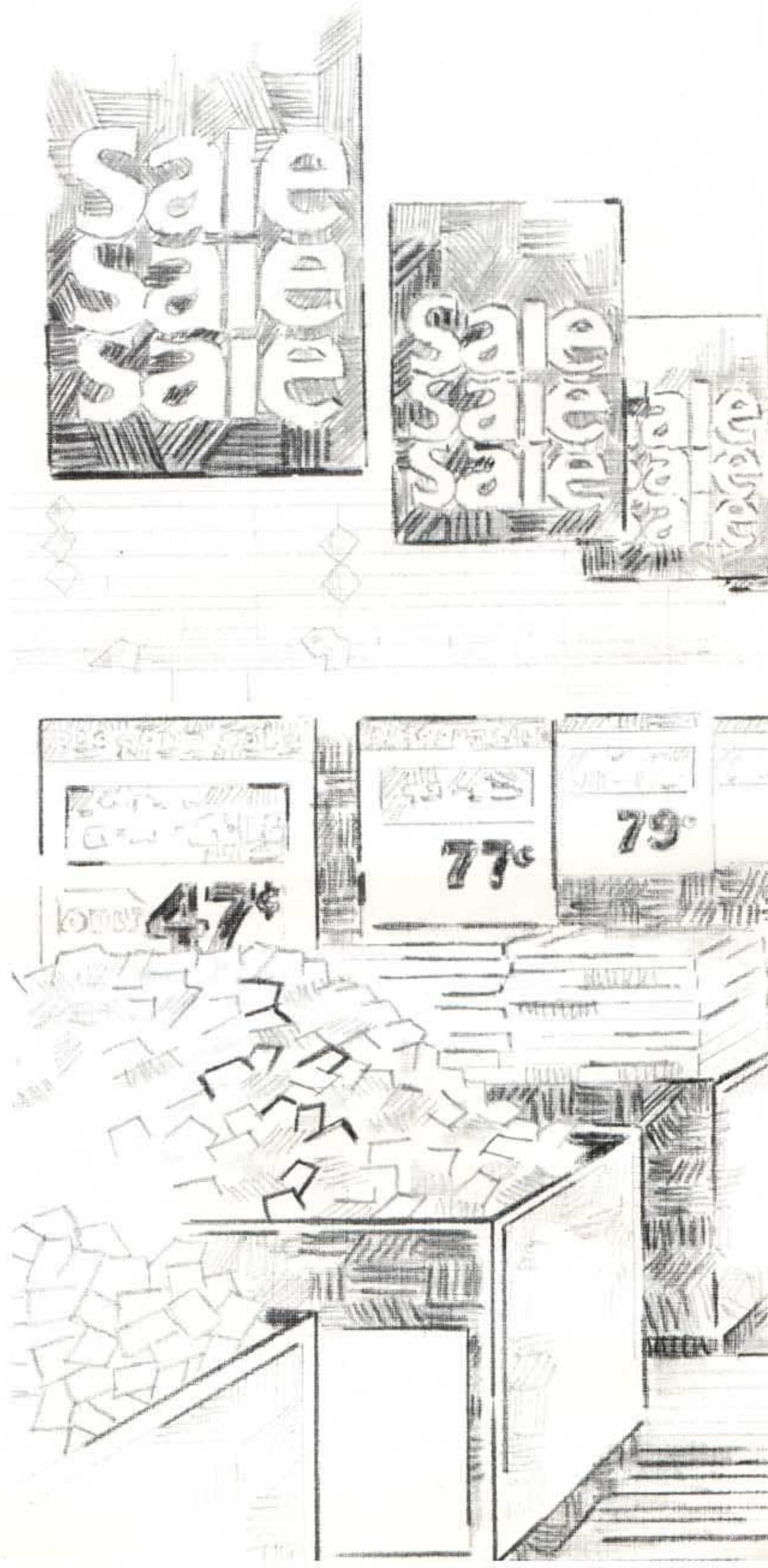

WE SELL FOR LESS
WAL-MART
DISCOUNT CITY

Company Growth

Growth in administrative and support functions is required to maintain sales growth through new stores and existing stores. However, a strong rein on operating and expense controls is practiced to permit required flexibility in reacting to changes in sales trends. Wal-Mart's expense structure, measured as a percentage of sales, continues to be among the lowest in the industry as reported in Cornell University's annual study on discount retailers. Within the expense constraints imposed by the Company's strategy of selling merchandise at low margins, these support functions have grown at a controlled rate.

Perhaps the single growth characteristic in which Wal-Mart management takes the most pride is continuing development of our people. Training is critical to our performance and new programs are implemented on an ongoing basis in all areas of the Company. The combination of video, printed material, classrooms, home study and on-the-job training has enabled our people to prepare themselves for assigned responsibilities. Associates are recruited and trained well in advance of the assumption of their ultimate responsibilities and must have potential to grow with the Company. The number of Wal-Mart associates has grown from 27,000 to 41,000 during this past year. Not only has the number of associates grown rapidly, but the quality of the growth has been exceptional, as demonstrated by improved productivity throughout all areas of the Company. The Company has developed internal motivational programs around slogans during the past several years. "Our people make the difference" and "PEP" (people, enthusiasm, productivity) have created interest and excitement among all associates. This year's slogan "You ain't seen nothin' yet" reflects the current spirit of the Company.

Sound planning is required in a growing environment to utilize efficiently the available capital and human resources. This planning cycle revolves around the development and execution of an overall growth strategy which encompasses financial planning, merchandise and promotional planning, real estate and construction planning, market analyses, planning of personnel and training needs, etc. Growth in a competitive marketplace must be innovative and aggressive within the framework of the Company's philosophy of "we sell for less". And even though the growth strategy provides specific plans of action, these plans are flexible enough to accommodate changes resulting from experimentation and evaluation of suggestions encouraged from all associates. Wal-Mart has been willing to pay now for future benefits and has a strong commitment to avoid any short-term strategy which does not enhance its long-range goals.



Acquisition

As previously discussed, Wal-Mart's growth has occurred principally from continuing sales improvements in existing stores coupled with an aggressive store opening program. The strategy in locating new stores has been to dominate existing markets and to gradually expand into adjoining markets on the outer fringes of Wal-Mart territory. From time to time existing store properties operated by other retailers are available to Wal-Mart. If these locations fit within the overall strategy, the stores are acquired and converted to Wal-Mart's style of operation. In 1977 Wal-Mart acquired a group of 16 such stores operated by Mohr Value Discount Department Stores in Missouri and Illinois. The acquisition provided Wal-Mart a major thrust into new market areas.

A similar, however considerably larger, acquisition opportunity arose in 1981. Kuhn's-Big K Stores Corp., operator of 106 discount department stores of similar size and in similar markets to those of Wal-Mart, in a nine-state region immediately adjoining Wal-Mart's eastern boundaries, was available for purchase. Big K operated in seven states where Wal-Mart had existing stores and had targeted for major growth through new stores. Expansion to the east coast in two new states, South Carolina and Georgia, also fit well into the long-range plans of the Company. An agreement to purchase the outstanding stock of Big K in exchange for \$7.5 million of Wal-Mart preferred stock was finalized in August 1981.

Plans were drawn rapidly for the conversion of the Big K Stores into Wal-Mart's style of operation. Training of newly acquired associates, systems conversions, merchandising, re-signing and relaying the stores demanded immediate action on the part of all Wal-Mart departments. During September the former Big K office in Nashville was closed and all support functions were assumed by the Wal-Mart headquarters group in Bentonville. Fourteen stores operating in direct conflict with existing Wal-Mart stores were identified for closing, which was accomplished during October. Renovation of 16 stores was undertaken with the objective of re-opening these units under Wal-Mart standards before the Christmas selling season. Fifty additional stores are being remodeled during this spring and will celebrate grand re-openings through June. The photographs on these pages reflect some of the approaches Wal-Mart is using in the renovation of the acquired stores.

As Wal-Mart merchandise began to flow into the acquired stores, the former Big K associates demonstrated their eagerness to do things the Wal-Mart way. These new Wal-Mart associates have aggressively accepted Wal-Mart programs and have supported a more orderly and more rapid conversion than Wal-Mart management initially thought possible. Dramatic sales increases in the converted stores demonstrate strong customer acceptance of Wal-Mart marketing strategy in the acquired locations.

The effect of this acquisition has been the immediate gain of a group of desirable store properties which, if locations were available, would have required several years to develop. A significant added benefit is the attainment of these properties at lower rental costs than would be available under new lease financing arrangements.

The total integration of the former Big K stores is an ongoing task which has the potential of contributing significantly to the future profit growth of Wal-Mart.

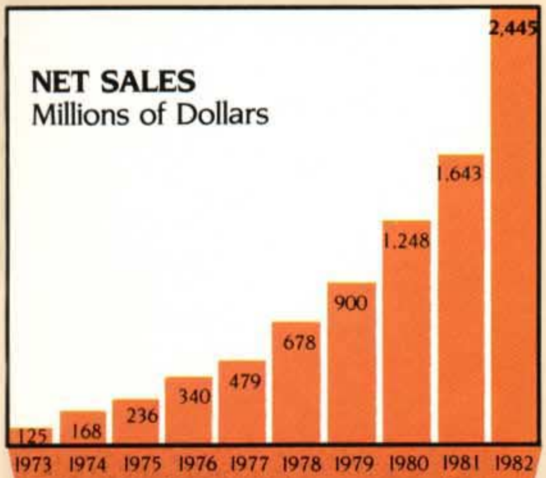
Former Big K store remodeled to Wal-Mart standards

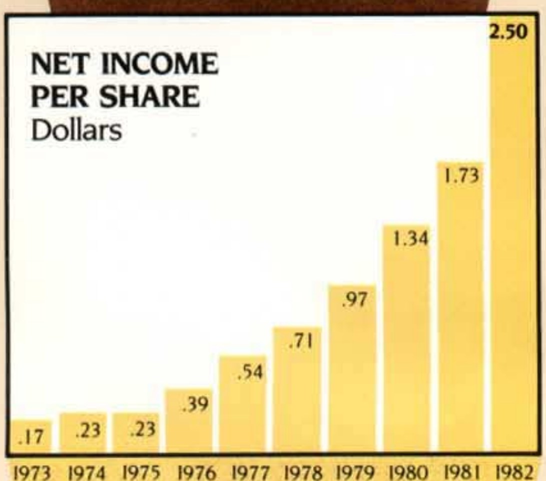

AS ADVERTISED
1097

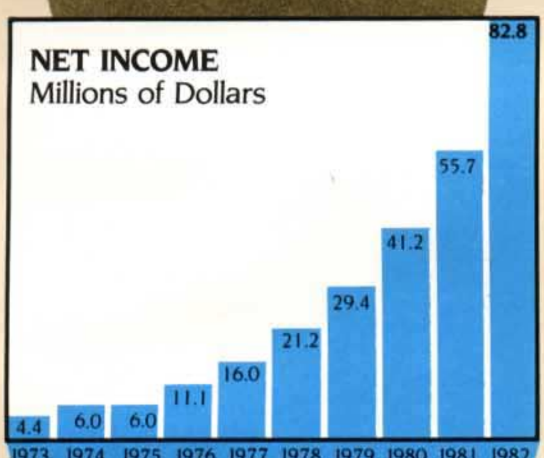

$167
$128


mens
boys


ATARI VIDEO GAMES







Management's Discussion and Analysis

Years ended January 31, 1982, 1981 and 1980

Results of operations

Sales for the three years and the respective total and comparable store percentage sales increases over the prior year were:

Years ended January 31,	Sales	Total Company Percent Increase	Comparable Stores Percent Increase
1982	$2,444,997,000	49%	15%
1981	1,643,199,000	32	12
1980	1,248,176,000	39	15

Sales increases were due primarily to the improved productivity of comparable stores, the contributions of new stores (69 opened in fiscal 1982, 54 in 1981 and 47 in 1980), the acquisition in August 1981 of the 92-store Kuhn's-Big K Stores Corp. and inflation (estimated at 5-8% per year). The impact of inflation and changing prices on results of operations is presented in Note 10 of Notes to Consolidated Financial Statements.

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

	Years ended January 31,		
	1982	1981	1980
Revenues (other than sales)	**.7%**	.7%	.8%
Cost of sales	**73.1**	73.5	73.7
Operating, selling and general and administrative expenses	**20.2**	20.2	20.2
Interest costs	**1.3**	1.0	1.0
Provision for income taxes	**2.7**	2.6	2.6
Net income	**3.4**	3.4	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. This decline was somewhat offset by gains on the disposition of property.

Cost of sales, expressed as a percentage of sales, decreased slightly in fiscal 1981 as compared with 1980 as a result of continued improvement in shrinkage and a reduction in markdowns which were partially offset by a higher LIFO adjustment. A further reduction in cost of sales, as a percentage to sales, was realized in 1982 principally from a lower inflation level as reflected in the LIFO provision coupled with added improvement in shrinkage.

While inflation has created pressure on many expense items, the improved productivity throughout the Company has contained the overall rate of operating, selling and general and administrative expenses, as a percentage of sales, at 20.2% in each of the three years.

Interest costs were constant as a percentage of sales in fiscal 1980 and 1981 and reflected a significant increase in 1982 as the result of higher borrowings coupled with higher interest rates. (See Note 4 of Notes to Consolidated Financial Statements.)

The effective tax rate was 44.3% in fiscal 1982, 43.9% in 1981 and 44.6% in 1980. The lower effective rate in 1981 as compared with 1982 and 1980 is primarily the result of a higher level of tax credits.

Liquidity and capital resources

Fiscal 1982

Funds from current operations, $115,187,000 in fiscal 1982, are the Company's primary source of liquidity. These funds are used primarily to finance capital expenditures and, to a lesser extent, to pay dividends and provide general working capital. Because of the 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, 1982, Wal-Mart had access to $187 million of unused short-term bank borrowings, plus an additional $42 million of unissued commercial paper.

Wal-Mart opened 69 new stores in fiscal 1982. The Company leases or has lease commitments on all these properties through sale/leaseback arrangements, from real estate developers or through industrial development bonds. In addition, the Company added a net of 92 stores in the August 1981 acquisition of Kuhn's-Big K Stores Corp. These store properties are leased from various landlords. Capital expenditures of $83.7 million, excluding leased store properties, were incurred in fiscal 1982 and were financed through a combination of internally generated funds and proceeds from the sale of a $60 million convertible subordinated debenture offering. The debentures were sold to meet working capital requirements, primarily requirements for fixtures, inventory and renovation costs in the former Big K stores.

After consideration of the convertible debentures as long-term debt, the debt (including obligations under capital leases)-to-equity ratio increased in fiscal 1982 to .80:1 from .66:1 in the preceding year. This modest increase reflects the strong financial position of the Company, which will be further enhanced if the debentures are converted in the future into common stock of the Company.

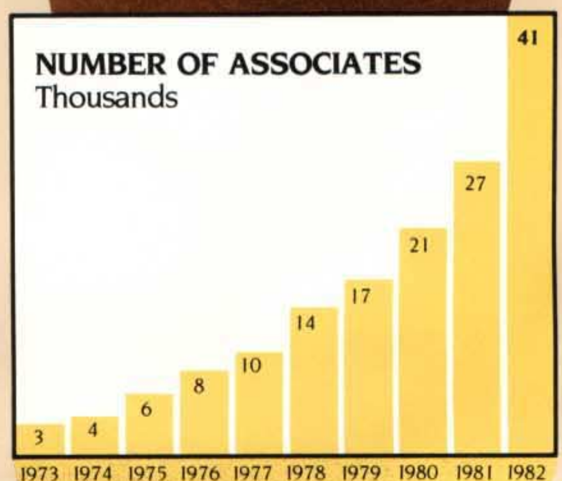
Capital expenditures planned for fiscal 1983, excluding leased store and warehouse properties, are approximately $90 million. These expenditures for fixtures, equipment, leasehold improvements and store expansions will be financed primarily from internally generated funds. In addition, the Company plans to open approximately 60 new stores and construct a new distribution facility in fiscal 1983, which will be leased through sale/leaseback arrangements, industrial development bonds or real estate developers and will require approximately $100 million in lease financing.

The Company's Board of Directors has increased the cash dividend on common stock to 9.0 cents per share from 6.5 cents for the first quarter of fiscal 1983.

Fiscal 1981

Funds generated from operations were $74,273,000, and net proceeds of $32,839,000 were realized from a public offering of common stock on May 28, 1980. The Company had access to $176 million in unused lines of credit at January 31, 1981.

Expenditures for property, plant and equipment totaled $48.9 million, excluding leased store properties, and were financed through a combination of internally generated funds, proceeds from common stock offering and an $8 million mortgage note. The debt-to-equity ratio was reduced to .66:1 from .74:1 at the end of the preceding year.



Ten-Year Financial Summary

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

EARNINGS	1982	1981
Net sales	$2,444,997	$1,643,199
Licensed department rentals and other income - net	17,650	12,063
Cost of sales	1,787,496	1,207,802
Operating, selling and general and administrative expenses	495,010	331,524
Interest costs:		
Debt	16,053	5,808
Capital leases	15,351	10,849
Taxes on income	65,943	43,597
Net income	82,794	55,682
Per share of common stock:		
Net income		
Primary	2.50	1.73
Fully diluted	2.50	1.73
Dividends	.26	.20
Stores in operation at the end of the period	491	330

FINANCIAL POSITION		
Current assets	$ 589,161	$ 345,204
Net property, plant, equipment and capital leases	333,026	245,942
Total assets	937,513	592,345
Current liabilities	339,961	177,601
Long-term debt	104,581	30,184
Long-term obligations under capital leases	154,196	134,896
Common stockholders' equity	323,942	248,309

FINANCIAL RATIOS		
Current ratio	1.7	1.9
Inventories/working capital	2.0	1.7
Return on assets**	14.0	12.2
Return on stockholders' equity**	33.3	33.8

*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.

1980	1979	1978	1977	1976	1975	1974	1973
$1,248,176	$ 900,298	$ 678,456	$ 478,807	$ 340,331	$ 236,209	$ 167,561	$ 124,889
10,092	9,615	7,767	5,393	3,803	2,478	1,805	1,558
919,305	661,062	503,825	352,669	251,473	176,591	123,339	93,090
251,616	182,365	134,718	95,488	66,427	46,618	32,206	23,239
4,438	3,119	2,068	1,680	1,758	1,800	1,099	592
8,621	6,595	4,765	3,506	2,419	2,157	1,234	904
33,137	27,325	19,656	14,818	10,925	5,526	5,534	4,183
41,151	29,447	21,191	16,039	11,132	5,995*	5,954	4,439
1.34	.97	.74	.58	.40	.23*	.23	.17
1.34	.97	.71	.54	.39	.23*	.23	.17
.15	.11	.08	.043	.033	.025	.013	—
276	229	195	153	125	104	78	64
$ 266,617	$ 191,860	$ 150,986	$ 99,493	$ 76,070	$ 55,860	$ 45,254	$ 32,787
190,562	131,403	100,550	68,134	48,744	43,409	30,677	23,172
457,879	324,666	251,865	168,201	125,347	99,473	76,126	56,180
170,221	98,868	74,891	43,289	33,953	27,076	18,748	16,406
24,862	25,965	21,489	19,158	17,531	11,132	10,578	5,066
97,212	72,357	59,003	41,190	26,534	25,069	16,410	10,143
164,844	127,476	96,482	64,417	47,195	36,050	30,207	24,432
1.6	1.9	2.0	2.3	2.2	2.1	2.4	2.0
2.4	1.9	1.8	1.6	1.5	1.8	1.6	1.8
12.7	11.7	12.6	12.8	11.2	7.9	10.6	12.7
32.3	30.5	32.9	34.0	30.9	19.8	24.4	42.0

Consolidated Statements of Income

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

	Years ended January 31,		
	1982	1981	1980
Number of stores in operation at the end of the year	**491**	330	276
Revenues:			
Net sales	**$2,444,997**	$1,643,199	$1,248,176
Rentals from licensed departments	**4,986**	5,331	4,804
Other income - net	**12,664**	6,732	5,288
	2,462,647	1,655,262	1,258,268
Costs and expenses:			
Cost of sales	**1,787,496**	1,207,802	919,305
Operating, selling and general and administrative expenses	**495,010**	331,524	251,616
Interest costs:			
Debt	**16,053**	5,808	4,438
Capital leases	**15,351**	10,849	8,621
	2,313,910	1,555,983	1,183,980
Income before income taxes	**148,737**	99,279	74,288
Provision for federal and state income taxes:			
Current	**56,923**	42,982	31,649
Deferred	**9,020**	615	1,488
	65,943	43,597	33,137
Net income	**$ 82,794**	$ 55,682	$ 41,151
Net income per share:			
Primary and fully diluted	**$2.50**	$1.73	$1.34

See accompanying notes.

Consolidated Balance Sheets

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

ASSETS	January 31, 1982	January 31, 1981
Current assets:		
Cash	$ 8,115	$ 6,927
Short-term money market investments	1,053	11,528
Receivables	16,979	12,666
Recoverable costs from sale/leaseback	67,214	31,325
Inventories	490,573	280,021
Prepaid expenses	5,227	2,737
TOTAL CURRENT ASSETS	589,161	345,204
Property, plant and equipment, at cost:		
Land	12,520	5,903
Buildings and improvements	79,584	51,200
Fixtures and equipment	131,537	80,411
Transportation equipment	21,562	12,969
	245,203	150,483
Less accumulated depreciation	50,306	33,702
Net property, plant and equipment	194,897	116,781
Property under capital leases	168,712	152,882
Less accumulated amortization	30,583	23,721
Net property under capital leases	138,129	129,161
Other assets and deferred charges	15,326	1,199
Total assets	$937,513	$592,345
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 55,469	$ 15,000
Accounts payable	188,886	97,445
Accrued liabilities:		
Salaries	19,739	11,229
Taxes, other than income	13,756	9,627
Other	38,395	25,748
Accrued federal and state income taxes	13,707	11,907
Long-term debt due within one year	6,368	3,375
Obligations under capital leases due within one year	3,641	3,270
TOTAL CURRENT LIABILITIES	339,961	177,601
Long-term debt	104,581	30,184
Long-term obligations under capital leases	154,196	134,896
Deferred income taxes	7,395	1,355
Preferred stock with mandatory redemption provisions	7,438	—
Common stockholders' equity:		
Common stock	3,242	3,234
Capital in excess of par value	68,912	67,481
Retained earnings	251,788	177,594
TOTAL COMMON STOCKHOLDERS' EQUITY	323,942	248,309
Total liabilities and stockholders' equity	$937,513	$592,345

See accompanying notes.

Consolidated Statements of Common 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, 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 ($.20 per share)				(6,356)	(6,356)
Sale of common stock	1,000	100	32,739		32,839
Exercise of stock options	29	3	256		259
100% stock dividend	16,150	1,615	(1,615)		—
Exercise of stock options	42	4	73		77
Tax benefit from stock options			964		964
Balance - January 31, 1981	32,342	3,234	67,481	177,594	248,309
Net income				82,794	82,794
Cash dividends:					
Common stock ($.26 per share)				(8,418)	(8,418)
Preferred stock ($.44 per share)				(131)	(131)
Accretion of preferred stock redemption premium				(51)	(51)
Exercise of stock options	76	7	144		151
Tax benefit from stock options			1,208		1,208
Conversion of preferred stock	2	1	79		80
Balance - January 31, 1982	32,420	$3,242	$68,912	$251,788	$323,942

See accompanying notes.

Consolidated Statements of Changes in Financial Position

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

	Years ended January 31,		
	1982	1981	1980
Source of funds:			
Current operations:			
Net income	**$ 82,794**	$ 55,682	$ 41,151
Items not affecting working capital in current period:			
Depreciation and amortization	**26,353**	17,976	13,026
Deferred income taxes	**6,040**	615	1,488
Total from current operations	**115,187**	74,273	55,665
Property sold under leaseback arrangements	**541**	17,836	15,605
Net proceeds from exercise of options, sale of common stock and conversion of preferred stock	**1,439**	34,139	746
Additions to long-term debt	**61,647**	10,043	1,056
Additions to long-term obligations under capital leases	**24,447**	41,326	29,559
Preferred stock issued in acquisition of Kuhn's-Big K Stores Corp.	**7,507**	—	—
Other	**3,072**	753	1,564
	213,840	178,370	104,195
Application of funds:			
Acquisition of Kuhn's-Big K Stores Corp.:			
Property, plant and equipment	**15,389**	—	—
Other assets	**6,367**	—	—
Long-term debt	**(17,965)**	—	—
	3,791	—	—
Additions to property, plant and equipment	**83,735**	48,891	46,825
Additions to property under capital leases	**17,824**	42,947	30,317
Property additions acquired, subject to sale/leaseback arrangements	**—**	—	12,124
Reduction in long-term debt, including changes in current maturities	**5,215**	4,721	2,159
Reduction in long-term lease obligations, including changes in current obligations	**5,147**	3,642	4,704
Preferred stock conversions	**98**	—	—
Dividends paid	**8,600**	6,356	4,529
Additions to other assets and deferred charges	**7,833**	606	133
	132,243	107,163	100,791
Increase in working capital	**$ 81,597**	$ 71,207	$ 3,404
Changes in components of working capital:			
Increase (decrease) in current assets:			
Cash	**$ 1,188**	$ 1,837	$ (5,874)
Short-term money market investments	**(10,475)**	11,528	(893)
Receivables	**4,313**	4,860	2,408
Recoverable costs from sale/leaseback	**35,889**	15,768	15,557
Inventories	**210,552**	44,706	62,675
Prepaid expenses	**2,490**	(112)	884
	243,957	78,587	74,757
Increase (decrease) in current liabilities:			
Notes and accounts payable and accrued liabilities	**157,196**	(789)	74,876
Accrued federal and state income taxes	**1,800**	6,542	(4,364)
Long-term debt due within one year	**2,993**	1,061	614
Obligations under capital leases	**371**	566	227
	162,360	7,380	71,353
Increase in working capital	**$ 81,597**	$ 71,207	$ 3,404

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 a thirteen-state region. 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 $926,000, $630,000 and $824,000 in 1982, 1981 and 1980, 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, the accelerated cost recovery system is used for assets placed in service after 1980 and accelerated depreciation is used for assets placed in service in 1980 and prior years 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.

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

Note 2 — Acquisition

Effective August 1, 1981, the Company acquired Kuhn's-Big K Stores Corp. (Big K) through a transaction accounted for as a purchase. Wal-Mart issued 300,295 shares of Series A 8% Cumulative Convertible Preferred Stock with an aggregate stated value of $7,507,000 in exchange for all issued and outstanding stock of Big K.

The results of operations for the year ended January 31, 1982 include sales of $166,280,000 and a net income of $709,000 attributable to operations of the Big K stores for the period of August 1, 1981 through January 31, 1982.

Note 3 — Inventories

Inventories at January 31, 1982 and January 31, 1981 were $490,573,000 and $280,021,000, respectively. Replacement cost (FIFO vs LIFO) would be $87,515,000 greater in 1982, and $63,099,000 greater in 1981.

Note 4 — Notes payable and long-term debt

At January 31, 1982, the Company had short-term borrowings of $14,500,000 under lines of credit with ten banks in the aggregate of $102,000,000, and informal lines of credit with various other banks totalling $100,000,000. Such borrowings bear interest at approximately the prime rate, and certain of the lines of credit require compensating balances or commitment fees. In addition, at January 31, 1982, the Company had outstanding commercial paper totaling $40,969,000 supported by back-up lines of credit in the aggregate of $82,500,000.

Information on short-term borrowings and interest rates follows:

	Fiscal year ended January 31,		
	1982	1981	1980
	(Dollar amounts in thousands)		
Maximum amount outstanding at month-end	**$243,216**	$85,179	$63,080
Average daily short-term borrowings	**90,595**	40,016	28,050
Weighted average interest rate	**15.9%**	14.9%	12.1%
Interest rate at January 31	**14.2**	17.6	15.3

Long-term debt at January 31 consists of:

	1982	1981
	(In thousands)	
9½% convertible subordinated debentures, due 1992 through 2006	$ 60,000	$ —
12% unsecured notes, due 1983 through 1985	9,026	—
8% unsecured notes, due 1983 through 1984	3,000	5,000
9¼% mortgage notes, payable $68,822 quarterly (including interest) to June 1992	1,728	1,838
8⅜% 25-year secured notes, payable $244,595 quarterly (including interest) to October 2003	9,450	9,605
9¾% mortgage note, due 1983 through 2000	8,000	8,000
9% mortgage note, payable $186,140 quarterly (including interest) to March 2008	7,370	—
8½% secured notes, payable $121,030 quarterly (including interest) to March 2003	4,655	4,738
Other	1,352	1,003
	$104,581	$30,184

Annual maturities on long-term debt during the next five years are: 1983, $6,368,000; 1984, $7,537,000; 1985, $5,056,000; 1986, $3,041,000 and 1987, $1,061,000.

The agreements relating to the 8% notes include certain restrictions on dividends, additional debt and leases, and sale of assets and contain covenants 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 8⅜% 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.

The convertible subordinated debentures are convertible into common stock at a rate of 19 shares per $1,000 principal amount of debentures, subject to adjustments on the occurrence of certain events. The debentures are redeemable at the Company's option any time after November 30, 1983 with a maximum payment equal to 107.77% of the principal, and require sinking fund payments beginning after November 30, 1992.

Retained earnings were not restricted at January 31, 1982 under the most restrictive of the above agreements.

Note 5 — 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:

	1982	1981	1980
Statutory tax rate	46.0%	46.0%	46.0%
Investment tax credits	(3.9)	(3.8)	(3.7)
State income taxes	2.2	2.4	2.4
Other	—	(.7)	(.1)
Effective tax rate	44.3%	43.9%	44.6%

Investment tax credits resulted in reductions of the federal income tax provisions for 1982, 1981 and 1980 of $5,806,000, $3,792,000 and $2,757,000, respectively.

The Company has approximately $15,000,000 of net operating loss carryforwards and $420,000 of investment and jobs tax credit carryforwards arising from operations of Big K prior to acquisition. These carryforwards may be used to reduce future income tax liabilities arising solely from taxable income of Big K. Any such tax benefits realized, however, will not be reflected in income for financial reporting purposes inasmuch as the acquisition was accounted for as a purchase transaction.

Deferred tax expense in 1982 results from timing differences in the recognition of revenue and expense for tax and financial reporting purposes with respect to depreciation, capitalized leases and other items in the amounts of $4,651,000, ($2,942,000) and $7,311,000, respectively.

Note 6 — Preferred and common stock

A. Preferred stock with mandatory redemption provisions

There are 4 million shares of $.10 par value preferred stock authorized with 296,489 shares of Series A 8% Cumulative Convertible Preferred Stock outstanding at January 31, 1982 and no shares outstanding at January 31, 1981. The stock has voting rights, a $25.00 per share stated value, a $27.50 liquidation and redemption value and is convertible into .55 shares of common stock. Commencing December 31, 1986, the Series A Preferred Stock will be subject to a sinking fund which provides for the redemption of all shares over a five-year period.

The preferred stock is traded on the New York Stock Exchange and at January 31, 1982 there were 551 stockholders of record.

B. Common stock

There are 45 million shares of $.10 par value common stock authorized with 32,419,956 shares issued and outstanding at January 31, 1982 and 32,342,445 at January 31, 1981. The common stock is traded on the New York Stock Exchange and at January 31, 1982, there were 2,698 stockholders of record.

At January 31, 1982, 2,666,424 shares of common stock were reserved, including 1,354,450 shares for issuance under the stock option plan, 1,149,425 shares for the conversion of convertible subordinated debentures, and 162,549 shares for the conversion of the Series A Preferred Stock.

The options granted under the stock option plan expire ten years from date of grant and may be exercised in nine annual installments. The Company is currently converting certain nonqualified stock options (approximately 175,000 shares) to incentive stock options.

Further information concerning the options is as follows:

	Shares	Option price (Market price at date of grant) Per Share	Total
Shares under option			
January 31, 1981	787,610	$2.10-31.00	$7,014,247
Options granted	31,600	31.63-38.75	1,191,963
Options cancelled	(48,108)	2.10-31.00	(451,213)
Options exercised	(79,222)	2.10-11.31	(296,640)
January 31, 1982 (232,106 shares exercisable)	691,880	$2.10-38.75	$7,458,357
Shares available for option			
January 31, 1981	646,062		
January 31, 1982	662,570		

Note 7 — Licensed department sales

The sales of licensed departments as reported by licensees are $50,532,000, $54,830,000 and $46,097,000 for 1982, 1981 and 1980, respectively.

Note 8 — 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 $32,619,000 in 1982, $16,960,000 in 1981, and $11,685,000 in 1980.

Aggregate minimum annual rentals at January 31, 1982, under noncancellable leases are as follows:

	Operating Leases	Capital Leases
1983	$ 27,992,000	$ 20,704,000
1984	28,104,000	20,755,000
1985	27,747,000	20,752,000
1986	27,656,000	20,659,000
1987	27,574,000	20,404,000
Thereafter	338,459,000	280,719,000
Total minimum rentals	$477,532,000	383,993,000
Less estimated executory costs		17,378,000
Net minimum lease payments		366,615,000
Less imputed interest at rates ranging from 8.5% to 14.0%		208,778,000
Present value of net minimum lease payments		$157,837,000

Certain of the leases provide for contingent additional rentals based on percentage of sales. Such additional rentals amounted to $4,210,000 in 1982, $2,706,000 in 1981, and $2,027,000 in 1980.

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 commitments for land and buildings for 54 future stores. The lease commitments 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 $9,000,000 annually over the lease terms.

Note 9 — Quarterly financial data (unaudited)

Summarized consolidated quarterly financial data (thousands except per share amounts) for 1982 and 1981 are as follows:

	Quarter Ended			
	April 30	July 31	Oct. 31	Jan. 31
1982				
Net sales	$434,251	$533,653	$634,476	$842,617
Cost of sales	313,189	392,481	461,095	620,731
Net income	13,423	16,581	18,673	34,117
Net income per share: Primary and fully diluted	$ .41	$ .50	$ .56	$ 1.03
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

Net income for the quarters ended January 31, 1982 and 1981 was increased \$1,973,000 (\$.06 per share) and decreased \$2,434,000 (\$.08 per share), respectively, due to adjustment of the estimated inflation rate and other factors used to compute LIFO inventory cost for the first three quarters to the actual data for each of the two years.

Sales and net income, by quarter, subsequent to the acquisition in August 1981, attributable to operations of the Big K stores are as follows:

	Quarter Ended	
	Oct. 31	Jan. 31
	(In thousands)	
Net sales	\$ 63,151	\$103,129
Net income	76	633

Note 10 — Changing prices (unaudited)

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

In arriving at the net earnings adjusted to 1982, 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 44.3% reported in 1982 to 50.5% and 46.5%, respectively, in the constant dollar and current cost calculations.

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 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 1982, 1981 and 1980 by 4.7%, 6.3% and 5.8%, respectively, (as reported by the Bureau of Labor Statistics), compared with the 8.4%, 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.

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

	Historical Dollars 1982	Constant Dollars 1982	Current Costs (Nominal dollars) 1982
Revenues	$2,462,647	$2,462,647	$2,462,647
Cost of sales	1,787,496	1,799,285	1,788,169*
Operating, selling and general and administrative expenses	495,010	501,383	501,193*
Interest costs	31,404	31,404	31,404
Provision for income taxes	65,943	65,943	65,943
Net income	$ 82,794	$ 64,632	$ 75,938
Unrealized gain from decline in purchasing power of net amounts owed**		$ 29,743	$ 29,743
Effects of changing prices on inventories and property, plant and equipment held during the year			
Due to specific prices (current cost)			$ 96,400
Due to general inflation (constant dollars)			64,682
General inflation under specific prices			31,718

Selected Supplementary Financial Data Adjusted for Effects of Changing Prices (In average 1982 dollars)
(Dollar in thousands except per share data)

	1982	1981	1980	1979	1978
Revenues - as reported	**$2,462,647**	$1,655,262	$1,258,268	$ 909,913	$ 686,223
- in constant dollars	**2,462,647**	1,822,051	1,569,686	1,267,131	1,031,027
Net income - as reported	**82,794**	55,682	41,151		
- in constant dollars	**64,632**	45,117	33,865		
- in current cost	**75,938**	55,233	45,024		
Net income per share - as reported	**2.50**	1.73	1.34		
- in constant dollars	**1.95**	1.40	1.10		
- in current cost	**2.29**	1.72	1.47		
Common stockholders' equity at year end - as reported**	**323,942**	248,309	164,244		
- in constant dollars	**505,402**	416,116	302,006		
- in current cost***	**539,258**	409,310	338,970		
Cash dividends per common share - as reported	**.26**	.20	.15	.11	.08
- in constant dollars	**.26**	.22	.19	.15	.12
Market price per common share - as reported	**43.875**	30.00	17.81	11.31	9.50
- in constant dollars	**42.59**	31.57	20.94	15.15	13.92
Average consumer price index	**274.2**	249.1	219.8	196.9	182.5

*Depreciation expense (current cost) for 1982 is $32,922,000 of which $2,695,000 is included in cost of sales.

**Preferred stock with mandatory redemption provisions has been treated for the above purposes as a monetary liability in the computation of the unrealized gain from decline in purchasing power of net amounts owed.

***At January 31, 1982, current cost (in 1982 average dollars) of inventories and property, plant and equipment was $578,088,000 and $460,827,000, respectively. 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.

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, 1982 and 1981, and the related consolidated statements of income, common stockholders' equity and changes in financial position for each of the three years in the period ended January 31, 1982. 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, 1982 and 1981, and the consolidated results of operations and changes in financial position for each of the three years in the period ended January 31, 1982, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

Arthur Young & Company

Tulsa, Oklahoma
April 5, 1982

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.

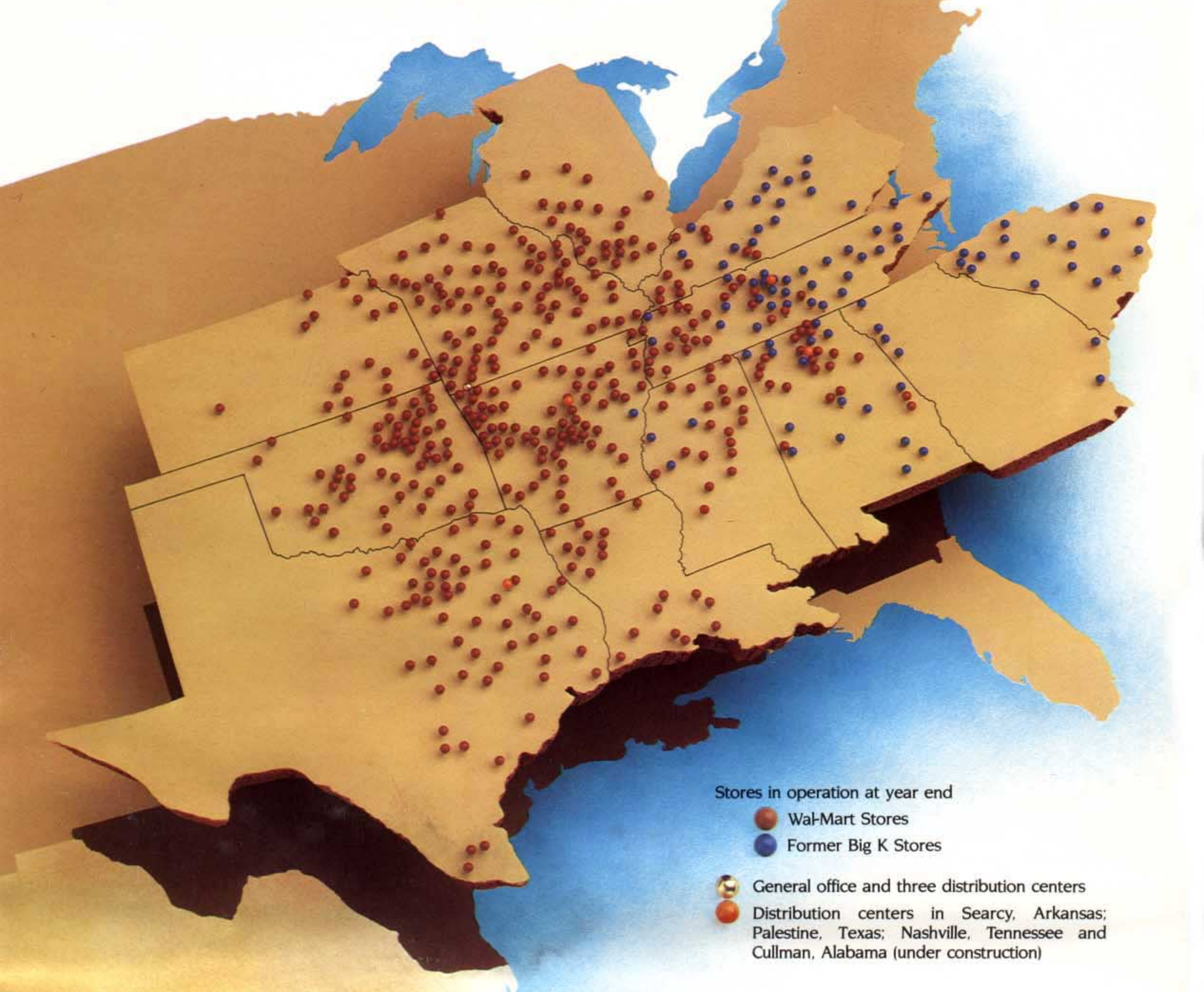
Management continually reviews, modifies, and improves its systems of accounting and controls in response to changes in business conditions and operations and to recommendations in the reports prepared by the independent public accountants and the internal auditors. Management believes that the accounting 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 1981, 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
Vice Chairman
Chief Financial Officer

491 Wal-Mart Stores



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
Centerre Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63178

Corporate Headquarters
Wal-Mart Stores, Inc.
Post Office Box 116
Bentonville, Arkansas 72712
Telephone: 501/273-4000

The securities of Wal-Mart Stores, Inc., are traded on the New York Stock Exchange.
Symbol: WMT - Common Stock
WMT-A - Preferred Stock
WMT-K - Debentures

Annual Meeting

The Annual Meeting of Shareholders of Wal-Mart Stores, Inc., will be held on Friday, June 4, 1982, at 10:00 A.M. in the Auditorium, Benton County Fairgrounds, 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, 1982, 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

Directors

(seated left to right)
****Robert Kahn**
President, Kahn & Harris, Inc.
****James H. Jones**
Banking and Investments
***Sam M. Walton**
Chairman and Chief Executive Officer
***S. Robson Walton**
Vice Chairman, Secretary and General Counsel
***James L. Walton**
Senior Vice President
John A. Cooper, Jr.
President, Cooper Communities, Inc.
(standing left to right)
Jackson T. Stephens
President, Stephens Inc.
J. R. Hyde III
Chairman and President, Malone & Hyde, Inc.
***Jack Shewmaker**
President and Chief Operating Officer
****Sidney A. McKnight**
President, Retired, Montgomery Ward & Co., Inc.
***Ferold G. Arend**
President, Retired
***Donald G. Soderquist**
Executive Vice President, Administration and Distribution
***David D. Glass**
Vice Chairman, Chief Financial Officer

* Members of Executive Committee
** Members of Audit Committee

Officers

Sam M. Walton
Chairman and Chief Executive Officer
Jack Shewmaker
President and Chief Operating Officer
David D. Glass
Vice Chairman and Chief Financial Officer
S. Robson Walton
Vice Chairman, Secretary and General Counsel
Thomas Jefferson
Executive Vice President - Store Operations
A. L. Johnson
Executive Vice President - Merchandise and Sales
Donald G. Soderquist
Executive Vice President - Administration and Distribution
Paul R. Carter
Senior Vice President - Special Divisions
Claude Harris
Senior Vice President - Marketing
James L. Walton
Senior Vice President
B. D. Adams
Vice President - Region 3
Keith R. Binkelman
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 - General Merchandise Manager, Home Furnishings
Kenneth Folkerts
Vice President and Treasurer
H. "Mac" Gammon
Vice President - Region 5
Glenn L. Habern
Vice President - Data Processing
Joseph P. Hatfield
Vice President - Advertising and Sales Promotion
Robert J. Lee
Vice President - Merchandise Systems
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
Vice President and Controller
Lew Skelton
Vice President - Region 6
D. Ray Thomas
Vice President - Region 7
Colon Washburn
Vice President - General Merchandise Manager, Apparel
David Washburn
Vice President - Personnel Administration
Nick White
Vice President - Region 1
Edward L. Cornell
Assistant Controller
Daniel L. Davies
Assistant Controller
Charles R. Rateliff
Assistant Treasurer
Bette Hendrix
Assistant Secretary

Wal-Mart Stores, Inc.
Bentonville, Arkansas 72712