WAL-MART

1991 ANNUAL REPORT

FISCAL YEAR ENDING JANUARY 31, 1991

WAL-MART®
ALWAYS THE LOW PRICE ON THE BRANDS YOU TRUST. *Always.*℠

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Financial Highlights

(Dollar amounts in thousands except per share data)

January 31,	1991	1990
Net sales	$32,601,594	$25,810,656
Net income	1,291,024	1,075,900
Net income per share	1.14	.95*
Working capital	2,424,361	1,867,301
Current ratio	1.6	1.7
Shareholders' equity	5,365,524	3,965,561
Common stock outstanding at year end	1,142,281,964	1,132,270,208*
Stores in operation at year end:		
Wal-Mart Stores	1,573	1,402
Sam's Clubs	148	123

MARKET PRICE OF COMMON STOCK
Fiscal years ended January 31,

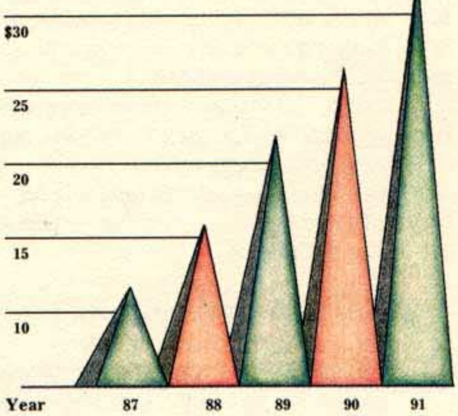
	1991		1990*	
Quarter	High	Low	High	Low
April 30	$25.63*	$20.31*	$18.19	$15.69
July 31	36.13*	24.88*	21.63	17.19
October 31	30.63	25.00	22.00	18.50
January 31	33.00	26.75	23.69	20.00

DIVIDENDS PAID PER SHARE OF COMMON STOCK
Fiscal years ended January 31,

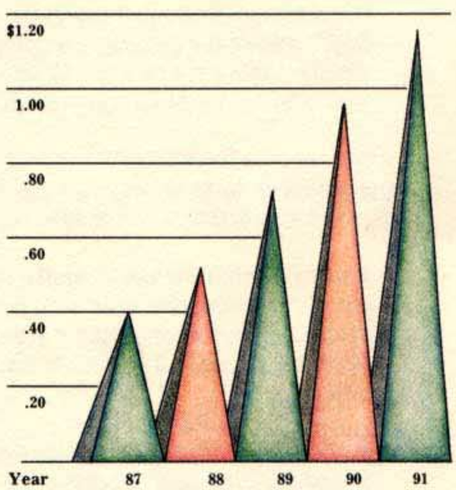
1991 Quarterly		1990* Quarterly	
April 9	$.035*	April 10	$.0275
July 6	.035	July 7	.0275
October 4	.035	October 4	.0275
January 2	.035	January 2	.0275

**Adjusted to reflect the two-for-one stock split on July 6, 1990.*

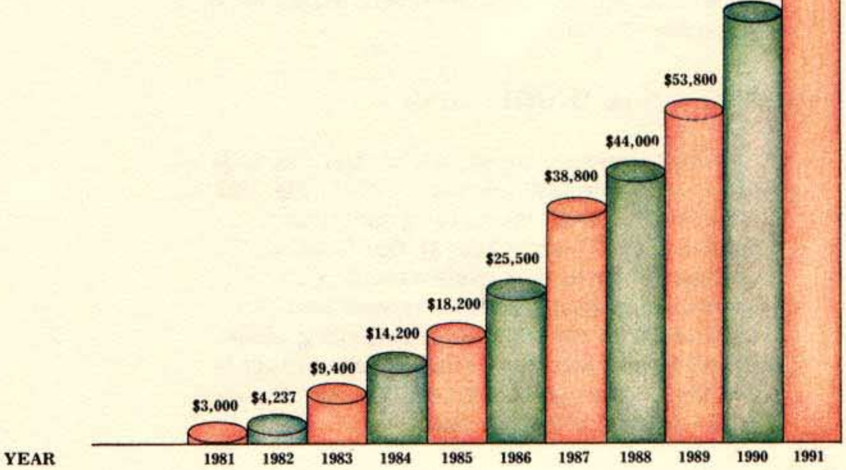
Net Sales
(Billions of Dollars)



Net Income Per Share
(Dollars)



10 YEAR GROWTH OF A 100 SHARE INVESTMENT IN WAL-MART STOCK



Assumes holding of 3,200 shares of Wal-Mart stock as of January 31, 1991 (100 original shares purchased on January 31, 1981, adjusted to reflect five subsequent stock splits).

Fellow Shareholder:

A new decade. A new era for Wal-Mart; an era in which we plan to grow to a truly nationwide retailer, and should we continue to perform, our sales and earnings will also grow beyond where most could have envisioned at the dawn of the 80's. We are happy to report that our Associates have achieved a record-setting fiscal year ending January 31, 1991 in both sales of $32.602 billion and earnings of $1.291 billion. We are proud of all 328,000 Wal-Mart and Sam's Associates for their hard work and dedication to quality and customer service -- once again, our people have made the difference.

★ FINANCIAL HIGHLIGHTS

° We increased our sales 26 percent to $32.602 billion from $25.811 billion. Comparable stores and clubs, those units which were open at least twelve months as of January 31, 1990, increased sales by 10 percent. This was our ninth year of double digit comparable sales gains in the past ten years. Sales productivity per comparable gross square foot of total discount store space grew to $263, from $250 last year and $194 just five years ago.

° Net income increased 20 percent to $1.291 billion, equivalent to $1.14 per share fully diluted, compared with $1.076 billion or $0.95 per share last year.

° Return on shareholders' equity was 32.6 percent, our 16th consecutive year of 30 percent or greater return. Shareholders' equity grew $1.400 billion to $5.366 billion, up 35.3 percent from last year's $3.966 billion.

° Among other financial highlights in 1990, was the Board of Directors' approval of an increase in Common Stock dividends to 14 cents per share compared with 11 cents per share last year, an increase of 27.3 percent. In addition, as a result of our strong performance, broad acceptance in the financial markets, and the Board's confidence in the Company's future, the Board authorized a two-for-one stock split on July 6, 1990, in the form of a 100 percent stock dividend. In July, 1990 the Company sold $500 million of 9.10% notes due July 15, 2000. The proceeds from the sales of these notes were used primarily for retail and distribution capacity expansion.

★ OPERATIONAL HIGHLIGHTS

° Wal-Mart stores expanded its trade territory to 34 states with our first entries in California (10), Nevada (3), North Dakota (5), Pennsylvania (3), South Dakota (7) and Utah (5). Our focus on "exceeding our customers' expectations" with wider aisles and significantly more customer space moved ahead with our new stores averaging almost 100,000 square feet. Total retail square footage in Wal-Mart stores grew to 111 million, an increase of 19.4 percent from last year.

° Sam's Clubs opened 25 new clubs; four were the 130,000 prototype facilities which provide the necessary space to incorporate fresh departments of produce, meat and bakery. Sam's ended the year with five clubs that incorporate the fresh concepts. Sam's sales increased to $6.6 billion -- an average of $44 million per club, up 36 percent from sales of $4.8 billion or $39 million per club one year ago. Our Sam's Associates have continued to exceed all of our expectations, adopting "HEATKTE" (high expectations are the key to everything) as their strategic rallying cry.

° Transportation and Distribution managed challenging growth while improving service rates this past year. Our square footage of distribution capacity grew from 11.8 million to 14.6 million, a 23.7 percent increase. New centers, each exceeding 1 million square-feet, were opened in Seymour, Indiana (March), Searcy, Arkansas (May) and Loveland, Colorado (September). Also, a new special-purpose shoe facility was opened in Ft. Smith, Arkansas. These great Associates delivered over 315,000 trailer-loads of merchandise, driving in excess of 190 million miles to bring to our customers the merchandise they wanted, when they wanted it, and at an expense level we believe to be unparalleled in our industry. Our distribution Associates are empowered, motivated and equipped with state-of-the-art systems and conveyors to raise productivity to new heights.

★ STRATEGIC HIGHLIGHTS

° On December 10, 1990, the acquisition of the McLane Company, Inc., was completed. McLane is a provider of retail and grocery distribution services currently supplying approximately 26,000 retail customers. McLane's national distribution system of 14 centers in 11 states provides over 12,500 types of grocery and non-grocery products, including perishable, non-perishable and general merchandise items.

° Effective February 2, 1991, Sam's Clubs merged the 28 wholesale clubs of The Wholesale Club, Inc. of Indianapolis, Indiana into its operations. These new partners have 28 units located in six states in the midwest, all of which will be fully integrated with Sam's in calendar year 1991.

- "The Wal-Mart Way," a phrase often employed to summarize our unconventional approach to business and the determination of our Associates, has taken on new meaning to capture our commitment to "Total Quality," which is essential to our future success. We stepped outside our retailing world to examine the best-managed companies in the United States in an effort to determine the fundamentals of their success and to "benchmark" our own performances, thereby challenging ourselves to ongoing improvement. We believe Total Quality is our vehicle for proliferating the very best things we do while incorporating the new ideas our people have that will assure our future. "Total Quality - it's a journey not a destination."

- In November 1990, we announced to our vendor-partners, "Retail Link", an aggressive step to further our partnership relations by moving beyond electronic data sharing. We desire to provide our vendors the quality of information concerning sales trends and inventory levels to facilitate genuine partnering in our mutual goal to serve our customers. The actual systems capitalize on existing bar code and satellite communications capacities to bring our suppliers closer to our individual stores.

- "People development, not just a good 'program' for any growing company but a must to secure our future," is how Suzanne Allford, Vice President of our People Division began her recent announcement of our new decentralized approach to improve our retail management development. We believe that our store and club managers are our best teachers and instructors. Corporately, it's our job to provide them with the very best tools and facilities. Our belief that this can only be done using practical hands-on methods led us to move our retail management seminars from our home office out to ten of our distribution centers, near to the stores and clubs, to expose our management team to the heart of our distribution network.

- We announced our agreement with Conoco Inc. to sell our nine convenience store gasoline retail outlets in January, 1991. Our experiment with these facilities was very successful and provided us with a great laboratory to learn even more about retailing. Upon completion in the first quarter, this disposition will permit us to focus additional attention on the Sam's and Wal-Mart portions of our business.

- Our customers are concerned about the quality of our land, air and water and we believe they want the opportunity to make a personal difference. We have joined hands with our vendors and Associates to provide that opportunity through improved packaging and product development, home office recycling efforts, store-located recycling collection bins, and by sponsoring local community efforts to clean highways of litter, plant trees, and heighten awareness. Wal-Mart has made a commitment to the environment.

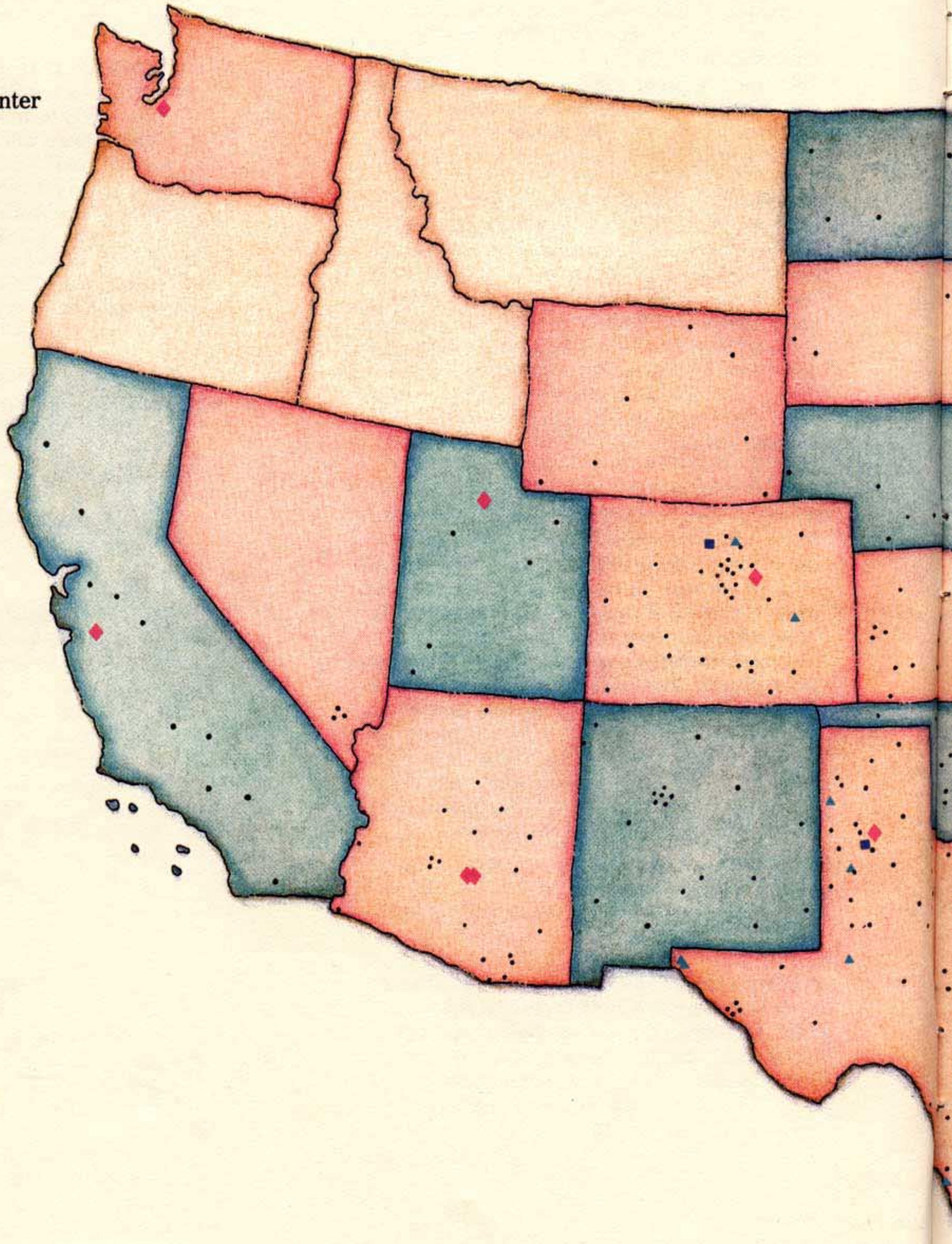
Thank you for your confidence in the Associates of Wal-Mart.

David D. Glass
President and
Chief Executive Officer

Donald G. Soderquist
Vice Chairman and
Chief Operating Officer

Wal-Mart and Sam's ...

- Home Office and 3 Distribution Centers
- Wal-Mart Store
- Distribution Center
- Sam's Club
- Hypermart ★ USA
- McLane Distribution Center

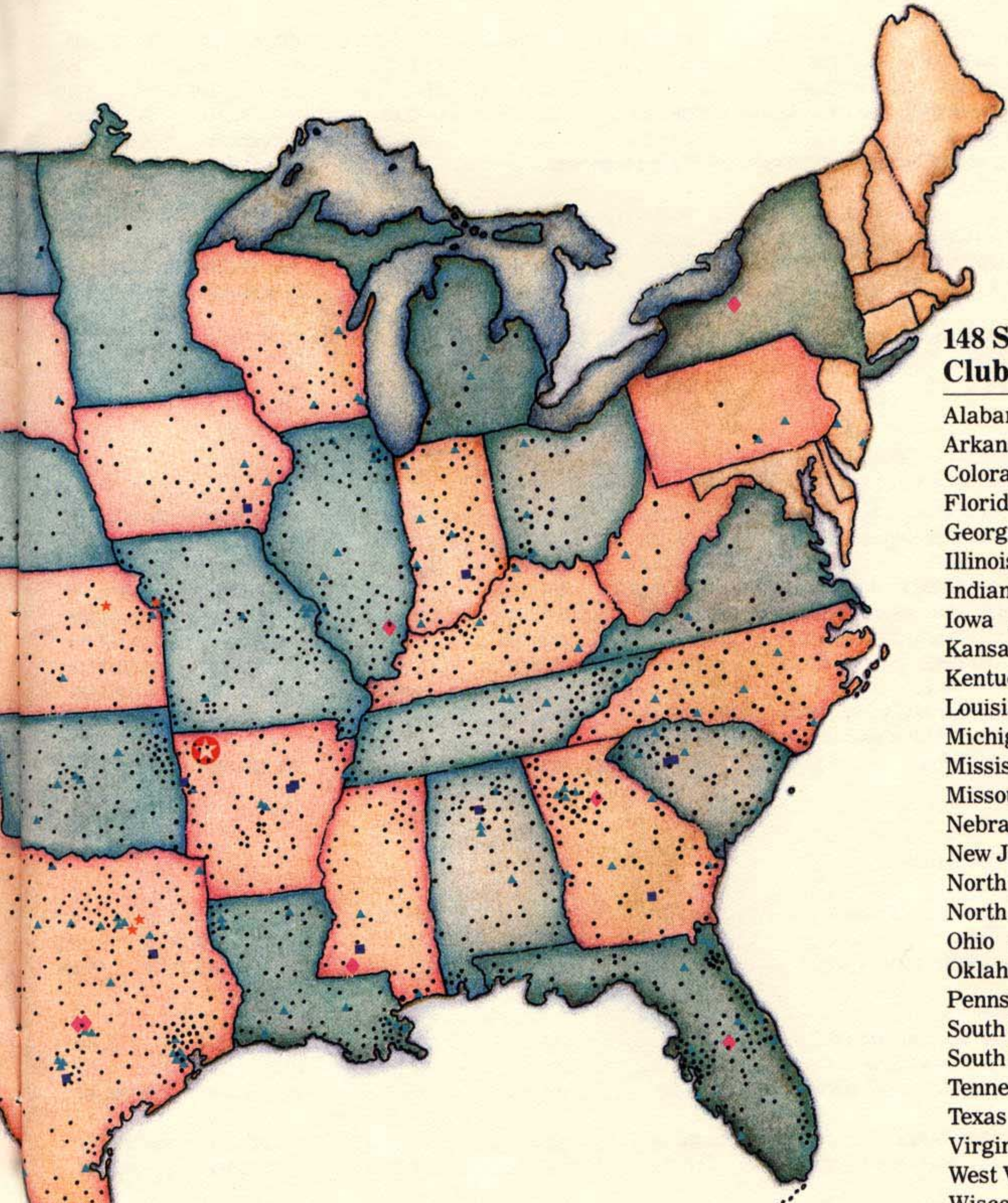


1573 Wal-Mart stores

Alabama	73
Arizona	20
Arkansas	77
California	10
Colorado	29
Florida	113
Georgia	79
Illinois	80
Indiana	49
Iowa	37
Kansas	41
Kentucky	64
Louisiana	74
Michigan	9
Minnesota	9
Mississippi	56
Missouri	105
Nebraska	14
Nevada	3
New Mexico	19
North Carolina	58
North Dakota	5
Ohio	28
Oklahoma	80
Pennsylvania	3
South Carolina	47
South Dakota	7
Tennessee	85
Texas	230
Utah	5
Virginia	18
West Virginia	6
Wisconsin	33
Wyoming	7

35 States and Growing

Fiscal Year Ended January 31, 1991



148 Sam's Clubs

Alabama	5
Arkansas	4
Colorado	2
Florida	15
Georgia	8
Illinois	8
Indiana	6
Iowa	2
Kansas	2
Kentucky	3
Louisiana	9
Michigan	2
Mississippi	2
Missouri	8
Nebraska	1
New Jersey	2
North Carolina	5
North Dakota	1
Ohio	4
Oklahoma	5
Pennsylvania	2
South Carolina	4
South Dakota	1
Tennessee	7
Texas	34
Virginia	1
West Virginia	1
Wisconsin	4

Ten-Year Financial Summary

Wal-Mart Stores, Inc. and Subsidiaries

(Dollar amounts in thousands except per share data)	1991	1990
EARNINGS		
Net sales	$32,601,594	$25,810,656
Net sales increase	26%	25%
Comparative store sales increases	10%	11%
Licensed department rentals and other income-net	261,814	174,644
Cost of sales	25,499,834	20,070,034
Operating, selling and general and administrative expenses	5,152,178	4,069,695
Interest costs:		
Debt	42,716	20,346
Capital leases	125,920	117,725
Taxes on income	751,736	631,600
Net income	1,291,024	1,075,900
Per share of common stock:*		
Net income	1.14	.95
Dividends	.14	.11
FINANCIAL POSITION		
Current assets	$ 6,414,775	$ 4,712,616
Inventories at replacement cost	6,207,852	4,750,619
Less LIFO reserve	399,436	322,546
Inventories at LIFO cost	5,808,416	4,428,073
Net property, plant, equipment and capital leases	4,712,039	3,430,059
Total assets	11,388,915	8,198,484
Current liabilities	3,990,414	2,845,315
Long-term debt	740,254	185,152
Long-term obligations under capital leases	1,158,621	1,087,403
Preferred stock with mandatory redemption provisions	—	—
Shareholders' equity	5,365,524	3,965,561
FINANCIAL RATIOS		
Current ratio	1.6	1.7
Inventories/working capital	2.4	2.4
Return on assets**	15.7%	16.9%
Return on shareholders' equity**	32.6%	35.8%
Other year-end data:		
Number of Wal-Mart stores	1,573	1,402
Number of Sam's Clubs	148	123
Average Wal-Mart store size	70,700	66,400
Number of associates	328,000	271,000
Number of shareholders	122,414	79,929

**All per share data have been adjusted to reflect the two-for-one stock split on July 6, 1990.*

***On beginning of year balances.*

1989	1988	1987	1986	1985	1984	1983	1982
$20,649,001	$15,959,255	$11,909,076	$ 8,451,489	$ 6,400,861	$ 4,666,909	$ 3,376,252	$ 2,444,997
29%	34%	41%	32%	37%	38%	38%	49%
12%	11%	13%	9%	15%	15%	11%	15%
136,867	104,783	84,623	55,127	52,167	36,031	22,435	17,650
16,056,856	12,281,744	9,053,219	6,361,271	4,722,440	3,418,025	2,458,235	1,787,496
3,267,864	2,599,367	2,007,645	1,485,210	1,181,455	892,887	677,029	495,010
36,286	25,262	10,442	1,903	5,207	4,935	20,297	16,053
99,395	88,995	76,367	54,640	42,506	29,946	18,570	15,351
488,246	441,027	395,940	276,119	230,653	160,903	100,416	65,943
837,221	627,643	450,086	327,473	270,767	196,244	124,140	82,794
.74	.55	.40	.29	.24	.17	.11	.08
.08	.06	.0425	.035	.0263	.0175	.0113	.0082
$ 3,630,987	$ 2,905,145	$ 2,353,271	$ 1,784,275	$ 1,303,254	$ 1,005,567	$ 720,537	$ 589,161
3,642,696	2,854,556	2,184,847	1,528,349	1,227,264	857,155	658,949	578,088
291,329	202,796	153,875	140,181	123,339	121,760	103,247	87,515
3,351,367	2,651,760	2,030,972	1,388,168	1,103,925	735,395	555,702	490,573
2,661,954	2,144,852	1,676,282	1,303,450	870,309	628,151	457,509	333,026
6,359,668	5,131,809	4,049,092	3,103,645	2,205,229	1,652,254	1,187,448	937,513
2,065,909	1,743,763	1,340,291	992,683	688,968	502,763	347,318	339,961
184,439	185,672	179,234	180,682	41,237	40,866	106,465	104,581
1,009,046	866,972	764,128	595,205	449,886	339,930	222,610	154,196
—	—	—	4,902	5,874	6,411	6,861	7,438
3,007,909	2,257,267	1,690,493	1,277,659	984,672	737,503	488,109	323,942
1.8	1.7	1.8	1.8	1.9	2.0	2.1	1.7
2.1	2.3	2.0	1.8	1.8	1.5	1.5	2.0
16.3%	15.5%	14.5%	14.8%	16.4%	16.5%	13.2%	14.0%
37.1%	37.1%	35.2%	33.3%	36.7%	40.2%	38.3%	33.3%
1,259	1,114	980	859	745	642	551	491
105	84	49	23	11	3		
63,500	61,500	59,000	57,000	55,000	53,000	50,000	49,000
223,000	183,000	141,000	104,000	81,000	62,000	46,000	41,000
80,270	79,777	32,896	21,828	14,799	14,172	4,855	2,698

Management's Discussion and Analysis

RESULTS OF OPERATIONS

Sales for the three fiscal years ended January 31, 1991, and the respective total and comparable store percentage increases over the prior year were as follows:

Fiscal year ended January 31,	Sales	Total company increases	Comparable stores increases
1991	$32,601,594,000	26%	10%
1990	25,810,656,000	25	11
1989	20,649,001,000	29	12

Sales increases were primarily due to the productivity of comparable stores, the contribution of new stores (176 Wal-Mart stores - five were closed - and 25 Sam's units in fiscal 1991, 145 Wal-Mart stores - two were closed - and 18 Sam's units in fiscal 1990 and 145 Wal-Mart stores and 21 Sam's units in fiscal 1989), and inflation of approximately three percent.

The Sam's units contributed the following sales for the periods indicated:

Fiscal year ended January 31,	Sales
1991	$6,578,595,000
1990	4,840,870,000
1989	3,828,683,000

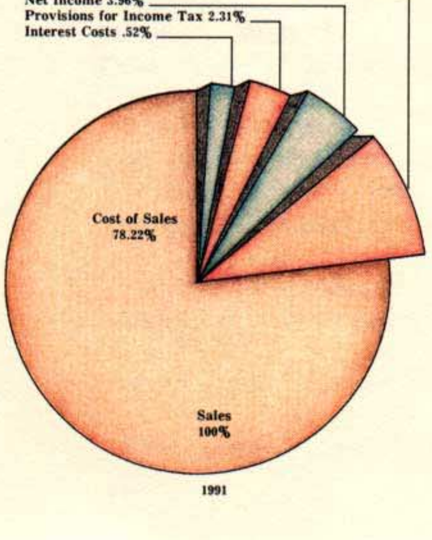
Cost of sales as a percentage of sales increased .5% in fiscal 1991 as compared with fiscal 1990, and remained constant in fiscal 1990 as compared with fiscal 1989. The increase was due to the cost of sales in the Sam's units, which is significantly higher than in the balance of the Company (due to lower markon on purchases), the continuation of reduced initial markons supporting emphasis in the Wal-Mart stores on everyday low prices, and LIFO costs being higher in 1991 as a percentage of sales compared with fiscal 1990.

Operating, selling and general and administrative expenses as a percentage of sales remained constant in fiscal 1991 as compared with fiscal 1990, and decreased .1% in fiscal 1990 as compared with fiscal 1989. The decrease in fiscal 1990 was due to reduced payroll and payroll-related benefits and taxes.

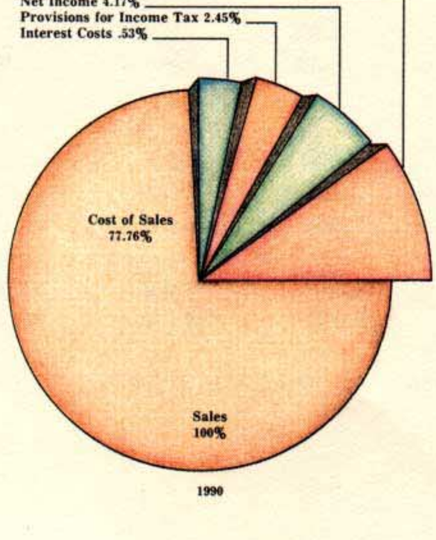
Interest costs as a percentage of sales remained constant in fiscal 1991 as compared with fiscal 1990, and decreased .1% in fiscal 1990 as compared with fiscal 1989. See NOTE 2 of Notes to Consolidated Financial Statements for additional information on interest and debt.

The effective tax rate was 36.8% in fiscal 1991, 37.0% in fiscal 1990 and 36.8% in fiscal 1989. See NOTE 4 of Notes to Consolidated Financial Statements for additional information on taxes.

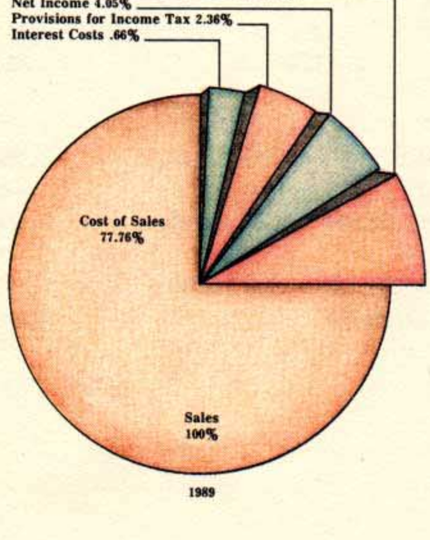
In December 1990, Wal-Mart acquired all the outstanding common stock of McLane Company, Inc. and in February 1991, acquired all the outstanding common stock of The Wholesale Club, Inc. Because both of these entities, as a percentage of sales, have lower gross profit margins (due to lower markons on purchases), and lower expense and net profit ratios than Wal-Mart's historical ratios, Wal-Mart's consolidated ratios will be affected in the future. See NOTE 8 of Notes to Consolidated Financial Statements for additional information pertaining to the acquisitions.



1991



1990



1989

LIQUIDITY AND CAPITAL RESOURCES

Fiscal 1991

Cash provided from current operations was a record $1,295,885,000 in fiscal 1991. These funds combined with long-term borrowings of $500,306,000 and issuance of commercial paper of $395,179,000 were used to finance capital expenditures of $1,388,298,000 (excluding leased properties) for fixtures, equipment, and leasehold improvements, to pay dividends, to provide general working capital and to finance the building of 72 Wal-Mart stores and 25 Sam's Clubs, the acquisition and funding of the operations of McLane Company, Inc., completion of construction for three distribution centers and partial construction of three distribution centers. Real estate developers provided financing to build 49 additional Wal-Mart stores, and 55 Wal-Mart stores were financed with sale/leaseback transactions.

The Company maintains $945,000,000 in lines of credit to support the short-term borrowing and commercial paper, of which $549,821,000 was available at January 31, 1991, sufficient to finance the seasonal buildups in merchandise inventories and interim financing requirements for store properties developed under sale/leaseback arrangements.

For fiscal 1992, the Company's expansion program includes 150 to 160 Wal-Mart stores, 35 Sam's Clubs, and two Supercenter stores. Total capital expenditures planned for fiscal 1992 are approximately $2,400,000,000. This includes 62 Wal-Mart stores, 35 Sam's Clubs, fixture additions, equipment, acquisitions of land and construction of stores and clubs to be opened in subsequent fiscal years, completion of three distribution centers scheduled to open the last half of fiscal 1992 and home office renovations. These expenditures will be financed primarily with internally generated funds and the issuance of long-term debt. The remaining expansion program will be funded with leases from developers and sale/leaseback arrangements.

In the first quarter of fiscal 1992, the Company issued ten year notes totalling $750,000,000. These notes become due in 2001 and bear interest of $8^5/_8$%. The Company is considering the issuance of long-term debt totalling $250,000,000 in the second or third quarter of fiscal 1992. Proceeds from these issues will be used to support the Company's expansion program and general working capital needs.

The Company's debt (including obligations under capital leases)-to-equity ratio increased to .36:1 at the end of fiscal 1991 as compared with .33:1 at the end of the preceding year.

In view of the Company's significant liquid assets, its consistent ability to generate cash flows from operations and the availability of external financing, the Company foresees no difficulty in providing financing necessary to fund its expansion programs and working capital needs for the foreseeable future.

Statement of Financial Accounting Standard No. 96 "Accounting for Income Taxes" was issued in December, 1987. The statement will be effective for the Company's fiscal year ended January 31, 1993. The statement requires deferred income taxes to be recorded using the liability method and when applied will not have a material effect on the Company's financial statements.

Return on shareholders' equity is a measure of the Company's effectiveness in the use of its resources. It measures the relationship of net income to beginning of the year shareholders' equity. The Company's returns on shareholders' equity for the three years ended January 31, 1991, 1990 and 1989 were 32.6%, 35.8% and 37.1%, respectively.

Dividends for fiscal 1992 have been increased to 17 cents per share from 14 cents per share, payable quarterly at 4.25 cents per share.

Fiscal 1990

Cash provided from operating activities was $866,817,000. The Company had access to $905,000,000 in lines of credit to support short-term borrowing and the issuance of commercial paper.

Payments for purchase of property, plant and equipment totaled $954,602,000, excluding leased store properties, and were financed with internally generated funds. The debt-to-equity ratio decreased to .33:1 in fiscal 1990 from .40:1 in fiscal 1989.

Consolidated Statements of Income

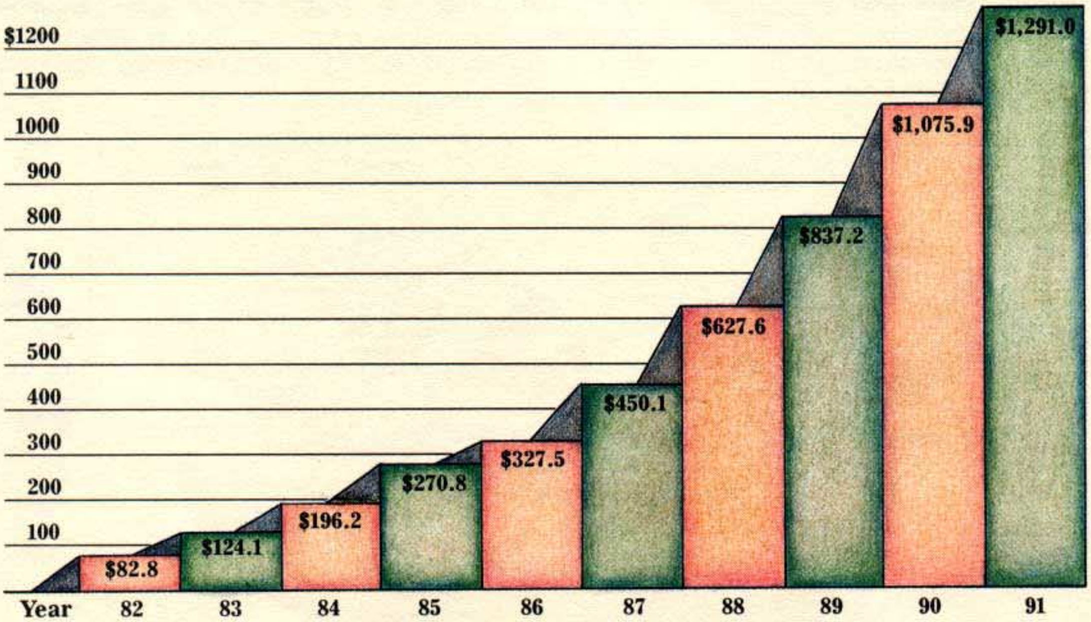
Wal-Mart Stores, Inc. and Subsidiaries

(Amounts in thousands except per share data)	Fiscal year ended January 31,		
	1991	1990	1989
Revenues:			
Net sales	$32,601,594	$25,810,656	$20,649,001
Rentals from licensed departments	22,362	16,685	12,961
Other income-net	239,452	157,959	123,906
	32,863,408	25,985,300	20,785,868
Costs and expenses:			
Cost of sales	25,499,834	20,070,034	16,056,856
Operating, selling and general and administrative expenses	5,152,178	4,069,695	3,267,864
Interest costs:			
Debt	42,716	20,346	36,286
Capital leases	125,920	117,725	99,395
	30,820,648	24,277,800	19,460,401
Income before income taxes	2,042,760	1,707,500	1,325,467
Provision for federal and state income taxes:			
Current	737,020	608,912	474,016
Deferred	14,716	22,688	14,230
	751,736	631,600	488,246
Net income	$ 1,291,024	$ 1,075,900	$ 837,221
Net income per share	$ 1.14	$ .95*	$ .74*

**Adjusted to reflect the two-for-one stock split on July 6, 1990.*

See accompanying notes.

Net Income
(Millions of Dollars)



Consolidated Balance Sheets

Wal-Mart Stores, Inc. and Subsidiaries

(Amounts in thousands)	January 31, 1991	1990
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,014	$ 12,790
Receivables	305,070	155,811
Recoverable costs from sale/leaseback	239,867	78,727
Inventories:		
At replacement cost	6,207,852	4,750,619
Less LIFO reserve	399,436	322,546
LIFO	5,808,416	4,428,073
Prepaid expenses	48,408	37,215
TOTAL CURRENT ASSETS	6,414,775	4,712,616
Property, plant and equipment, at cost:		
Land	833,344	463,110
Buildings and improvements	1,764,155	1,227,519
Fixtures and equipment	2,037,476	1,441,752
Transportation equipment	63,237	57,215
	4,698,212	3,189,596
Less accumulated depreciation	974,060	711,763
Net property, plant and equipment	3,724,152	2,477,833
Property under capital leases	1,298,452	1,212,169
Less accumulated amortization	310,565	259,943
Net property under capital leases	987,887	952,226
Other assets and deferred charges	262,101	55,809
Total assets	$ 11,388,915	$ 8,198,484
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Commercial paper	$ 395,179	$ 184,774
Accounts payable	2,651,315	1,826,720
Accrued liabilities:		
Salaries	189,535	157,216
Other	539,020	473,677
Accrued federal and state income taxes	184,512	179,049
Long-term debt due within one year	6,394	1,581
Obligations under capital leases due within one year	24,459	22,298
TOTAL CURRENT LIABILITIES	3,990,414	2,845,315
Long-term debt	740,254	185,152
Long-term obligations under capital leases	1,158,621	1,087,403
Deferred income taxes	134,102	115,053
Shareholders' equity:		
Common stock (shares outstanding, 1,142,282 in 1991 and 566,135 in 1990)	114,228	56,614
Capital in excess of par value	415,586	180,465
Retained earnings	4,835,710	3,728,482
TOTAL SHAREHOLDERS' EQUITY	5,365,524	3,965,561
Total liabilities and shareholders' equity	$ 11,388,915	$ 8,198,484

See accompanying notes.

Consolidated Statements of Shareholders' Equity

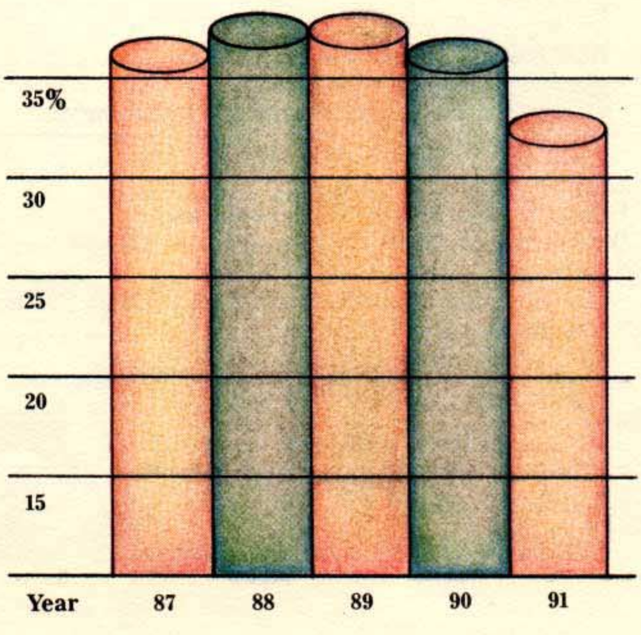
Wal-Mart Stores, Inc. and Subsidiaries

(Amounts in thousands except per share data)	Number of shares	Common stock	Capital in excess of par value	Retained earnings	Total
Balance - January 31, 1988	565,112	$ 56,511	$ 170,440	$2,030,316	$2,257,267
Net income				837,221	837,221
Cash dividends ($.08* per share)				(90,464)	(90,464)
Exercise of stock options	609	61	2,974		3,035
Tax benefit from stock options			4,778		4,778
Other	(130)	(13)	(3,915)		(3,928)
Balance - January 31, 1989	565,591	56,559	174,277	2,777,073	3,007,909
Net income				1,075,900	1,075,900
Cash dividends ($.11* per share)				(124,491)	(124,491)
Exercise of stock options	679	68	3,876		3,944
Tax benefit from stock options			7,000		7,000
Other	(135)	(13)	(4,688)		(4,701)
Balance - January 31, 1990	566,135	56,614	180,465	3,728,482	3,965,561
Net income				1,291,024	1,291,024
Cash dividends ($.14* per share)				(158,889)	(158,889)
Exercise of stock options	156	15	1,327		1,342
Other	(34)	(4)	(1,626)		(1,630)
Two-for-one stock split	566,257	56,625	(56,625)		
Exercise of stock options	506	51	2,427		2,478
Shares issued for McLane acquisition	10,366	1,037	273,659		274,696
Tax benefit from stock options			6,075		6,075
Purchase of stock	(1,000)	(100)	(819)	(24,907)	(25,826)
Walton Enterprises, Inc. stock exchange			14,000		14,000
Other	(104)	(10)	(3,297)		(3,307)
Balance - January 31, 1991	1,142,282	$ 114,228	$ 415,586	$4,835,710	$5,365,524

**Cash dividends per share on stock prior to July 6, 1990, have been adjusted to reflect the two-for-one stock split on that date.*

See accompanying notes.

Percentage of Return on Shareholders' Equity



Consolidated Statements of Cash Flows

Wal-Mart Stores, Inc. and Subsidiaries

(Amounts in thousands)	Fiscal year ended January 31,		
	1991	1990	1989
Cash flows from operating activities:			
Net income	$ 1,291,024	$ 1,075,900	$ 837,221
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	346,614	269,406	213,629
Loss from sale of assets	3,378	5,039	1,073
Increase in accounts receivable	(58,324)	(29,173)	(30,710)
Increase in inventories	(1,087,520)	(1,076,706)	(699,607)
Decrease (increase) in prepaid expenses	11,823	(11,439)	(6,561)
Increase in accounts payable	689,435	436,990	289,769
Increase in accrued liabilities	84,739	174,112	114,954
Increase in deferred income tax	14,716	22,688	14,230
Net cash provided by operating activities	1,295,885	866,817	733,998
Cash flows from investing activities:			
Payments for property, plant and equipment	(1,388,298)	(954,602)	(592,756)
Recoverable sale/leaseback expenditures	(235,894)	(131,464)	(204,262)
Sale/leaseback arrangements and other property sales	91,000	184,900	246,797
Decrease in other assets	7,058	7,375	9,087
Net cash used in investing activities	(1,526,134)	(893,791)	(541,134)
Cash flows from financing activities:			
Increase (decrease) in commercial paper	30,405	165,774	(85,382)
Proceeds from issuance of long-term debt	500,306	4,763	1,624
Proceeds from Walton Enterprises, Inc. stock exchange	14,000	-	-
Exercise of stock options	4,958	243	3,885
Payments for purchase of common stock	(25,826)	-	-
Dividends paid	(158,889)	(124,491)	(90,464)
Payment of long-term debt	(109,304)	(4,159)	(3,213)
Payment of capital lease obligation	(25,177)	(20,919)	(18,086)
Net cash provided by (used in) financing activities	230,473	27,211	(191,636)
Net increase in cash and cash equivalents	224	237	1,228
Cash and cash equivalents at beginning of year	12,790	12,553	11,325
Cash and cash equivalents at end of year	$ 13,014	$ 12,790	$ 12,553
Supplemental disclosure of cash flow information:			
Income tax paid	$ 721,036	$ 551,021	$ 473,631
Interest paid	166,134	136,762	134,048
Capital lease obligations incurred	100,972	104,122	164,845
McLane Company, Inc. liabilities at acquisition date	513,000	-	-

See accompanying notes.

Notes to Consolidated Financial Statements

Wal-Mart Stores, Inc. and Subsidiaries

Note 1 Summary of significant accounting policies

Segment information—The Company and its subsidiaries are principally engaged in the operation of mass merchandising stores in a 35-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.

Cash and cash equivalents—The Company considers all highly liquid investments with a maturity of three months or less when purchased, to be "cash equivalents."

Inventories—Inventories are stated principally 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.

Recoverable costs from sale/leaseback—All costs of acquisition and construction of properties for which the Company has a commitment for sale/leaseback are accumulated in current assets until properties are sold.

Interest during construction—In order that interest costs properly reflect only that portion 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 $25,688,000, $16,688,000 and $8,801,000 in 1991, 1990 and 1989, 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 methods are 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—Deferred income taxes are provided on timing differences between financial statement and taxable income.

Net income per share—Net income per share is based on the weighted average outstanding common 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 plans and related tax benefits which accrue to the Company are accounted for as capital transactions, and no charges or credits are made to income in connection with the plans.

Note 2 Notes payable and long-term debt

Information on short-term borrowings and interest rates follows:

	Fiscal years ended January 31,		
	1991	1990	1989
Maximum amount outstanding at month-end	$761,244,000	$846,600,000	$698,888,000
Average daily short-term borrowings	$345,452,000	$239,482,000	$321,370,000
Weighted average interest rate	8.2%	8.8%	7.7%

At January 31, 1991, the Company had committed lines of credit with ten banks to support short-term borrowings and commercial paper in an aggregate of $400,000,000. In addition, the Company had uncommitted facilities to support master participating agreements totalling $545,000,000. Short-term borrowings under these lines of credit bear interest at or below the prime rate.

Long-term debt at January 31 consists of:

		1991	1990
9 1/10%	Notes due July 2000	$500,000,000	$ —
10 7/8%	Debentures due August 2000	100,000,000	100,000,000
8 1/3-14 1/8%	Mortgage notes due 1991 through 2020	66,914,000	28,957,000
	Tax-exempt mortgage obligations, at an average rate of 7.9% due 1991 through 2014	32,395,000	15,705,000
8½%	Participating Mortgage Certificates II due 2005	22,924,000	23,303,000
9%	Participating Mortgage Certificates due 2005	14,615,000	14,762,000
	Other	3,406,000	2,425,000
		$740,254,000	$185,152,000

Long-term debt of $136,847,000 is collateralized by property with an aggregate carrying value of approximately $207,158,000.

Annual maturities on long-term debt during the next five years are:

Fiscal years ending January 31,	Annual maturity
1992	$ 6,394,000
1993	9,159,000
1994	7,756,000
1995	9,164,000
1996	6,130,000

Under the terms of the 9 1/10% Notes and 10 7/8% Debentures, the Company has agreed to observe certain covenants. Among these are provisions relating to amounts of additional secured debt and long-term leases.

The agreements relating to the Participating Mortgage Certificates contain provisions for contingent additional interest to be payable based on the sales performance of the Wal-Mart stores collateralized by the issues.

Note 3 Defined contribution plan

The Company maintains a profit sharing plan under which most full and many part-time associates become participants following one year of employment with the Company. Annual contributions, based on the profitability of the Company, are made at the sole discretion of the Company. Contributions were $98,327,000 in 1991, $90,447,000 in 1990, and $77,067,000 in 1989.

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:

	1991	1990	1989
Statutory tax rate	34.0%	34.0%	34.0%
State income taxes	3.0	3.0	3.0
Other	(.2)	—	(.2)
Effective tax rate	36.8%	37.0%	36.8%

Deferred tax expense results from timing differences in the recognition of revenue and expense for tax and financial reporting purposes with respect to the following:

	1991	1990	1989
Depreciation	$44,144,000	$49,345,000	$30,632,000
Capital leases	(10,948,000)	(10,661,000)	(7,741,000)
Other	(18,480,000)	(15,996,000)	(8,661,000)
	$14,716,000	$22,688,000	$14,230,000

Note 5 Preferred and common stock

The Company has 100 million shares of $.10 preferred stock authorized but unissued.

There are 1.3 billion shares of $.10 par value common stock authorized, with 1,142,281,964 shares of common stock issued and outstanding at January 31, 1991, and 566,135,104 shares issued and outstanding at January 31, 1990. On May 31, 1990, the Board of Directors authorized a two-for-one stock split effected in the form of a 100% stock dividend paid on July 6, 1990. The common stock is listed on the New York Stock Exchange and the Pacific Stock Exchange, and at January 31, 1991, there were 122,414 shareholders of record.

At January 31, 1991, 8,363,521 shares of common stock were reserved for issuance under stock option plans. The options granted under the stock option plans expire 10 years from date of grant and may be exercised in nine annual installments. Further information concerning the options is as follows:

		Option price (market price at date of grant)	
	Shares	Per share	Total
Shares under option			
January 31, 1990	7,103,402	$ .97-21.31	$96,215,999
Options granted	1,440,554	20.50-29.00	40,750,955
Options canceled	(260,918)	4.80-27.00	(4,663,722)
Options exercised	(818,056)	.97-21.31	(3,820,491)
January 31, 1991 (1,575,987 shares exercisable)	7,464,982	$ 1.16-29.00	$128,482,741
Shares available for option			
January 31, 1990	2,088,476		
January 31, 1991	898,539		

Note 6 Licensed department sales

The sales of licensed departments as reported by licensees are $140,893,000, $111,147,000 and $101,346,000 for 1991, 1990 and 1989, respectively.

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 $267,455,000 in 1991, $233,390,000 in 1990 and $194,684,000 in 1989.

Aggregate minimum annual rentals at January 31, 1991, under noncancelable leases are as follows:

Fiscal years	Operating leases	Capital leases
1992	$ 228,006,000	$ 155,206,000
1993	231,551,000	156,406,000
1994	220,734,000	156,511,000
1995	212,670,000	156,195,000
1996	203,396,000	156,507,000
Thereafter	2,471,868,000	2,106,407,000
Total minimum rentals	$3,568,225,000	2,887,232,000
Less estimated executory costs		36,132,000
Net minimum lease payments		2,851,100,000
Less imputed interest at rates ranging from 8.5% to 14.0%		1,668,020,000
Present value of net minimum lease payments		$1,183,080,000

Certain of the leases provide for contingent additional rentals based on percentage of sales. Such additional rentals amounted to $23,204,000 in 1991, $22,128,000 in 1990 and $19,590,000 in 1989.

Substantially all of the store leases have renewal options for additional terms from five to 25 years at the same or lower minimum rentals.

The Company has entered into lease commitments for land and buildings for 69 future locations. 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 will approximate $26,228,000 annually over the lease terms.

Note 8 Acquisitions

On December 10, 1990, the Company acquired all of the outstanding common stock of McLane Company, Inc. (McLane). For its most recent fiscal year, McLane had sales of approximately $2,894,939,000, which included $596,217,000 in sales to the Company. This transaction was accounted for as a purchase and the results of operations of McLane since the date of its acquisition have been included in the results of operation of the Company. Pro forma results of operation are not presented for 1991 or 1990 due to insignificant differences from the historical results presented.

Effective February 2, 1991, the Company acquired 28 wholesale clubs in a purchase transaction of all the outstanding common stock of The Wholesale Club, Inc. For its most recent fiscal year, The Wholesale Club, Inc. had sales of $725,944,000.

Note 9 Quarterly financial data (unaudited)

Summarized consolidated quarterly financial data for 1991 and 1990 is as follows:

	Quarters ended			
1991	April 30,	July 31,	October 31,	January 31,
Net sales	$6,768,195,000	$7,543,510,000	$7,930,951,000	$10,358,938,000
Cost of sales	5,276,954,000	5,906,145,000	6,196,905,000	8,119,830,000
Net income	253,443,000	272,931,000	282,807,000	481,843,000
Net income per share	$.22*	$.24	$.25	$.42
1990				
Net sales	$5,373,260,000	$6,046,413,000	$6,283,497,000	$ 8,107,486,000
Cost of sales	4,171,610,000	4,728,606,000	4,881,263,000	6,288,555,000
Net income	198,289,000	219,048,000	232,701,000	425,862,000
Net income per share*	$.18	$.19	$.20	$.38

** Per share data prior to quarter ending July 31, 1990 have been adjusted to reflect the two-for-one stock split on July 6, 1990.*

Net income for the quarter ended January 31, 1990 was increased $24,626,000 ($.02 per share) 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 the year.

Report of Independent Auditors

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

We have audited the accompanying consolidated balance sheets of Wal-Mart Stores, Inc., and Subsidiaries as of January 31, 1991 and 1990, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended January 31, 1991. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wal-Mart Stores, Inc., and Subsidiaries at January 31, 1991 and 1990, and their consolidated results of operations and cash flows for each of the three years in the period ended January 31, 1991, in conformity with generally accepted accounting principles.

Ernst + Young

Ernst & Young

Tulsa, Oklahoma
March 26, 1991

Responsibility for Financial Statements

The financial statements and information of Wal-Mart Stores, Inc. and Subsidiaries presented in this Report have been prepared by management which has responsibility for their integrity and objectivity. These financial statements have been prepared in conformity with generally accepted accounting principles, applying certain estimates and judgments based upon currently available information and management's view of current conditions and circumstances. The services of certain specialists, both from within the Company and from outside the Company, have been utilized in making such estimates and judgments.

Management has developed and maintains a system of accounting and controls, including an extensive internal audit program, designed to provide reasonable assurance that the Company's assets are protected from improper use and that accounting records provide a reliable basis for the preparation of financial statements. This system is continually reviewed, improved and modified in response to changing business conditions and operations and to recommendations made by the independent auditors 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 Company has adopted a Statement of Responsibility which is intended to guide our management in the continued observance of high ethical standards of honesty, integrity and fairness in the conduct of the business and in accordance with the law. Compliance with the guidelines and standards is continuously reviewed and is acknowledged in writing by all management associates.

The Board of Directors, through the activities of its Audit Committee consisting solely of outside Directors, participates in the process of reporting financial information. The duties of the Committee include keeping informed of the financial condition of the Company and reviewing its financial policies and procedures, its internal accounting controls and the objectivity of its financial reporting. Both the Company's independent auditors and the internal auditors have free access to the Audit Committee and the Board of Directors and meet with the Committee periodically, with and without management present.

Paul R. Carter

Paul R. Carter
Executive Vice President and
Chief Financial Officer

Corporate Information

Registrar and Transfer Agent
Boatmen's Trust Company
510 Locust Street
Post Office Box 14768
St. Louis, Missouri 63178

Trustee
$9^{1}/_{10}$% Notes:
Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

$10^{7}/_{8}$% Debentures:
Bankers Trust Company
4 Albany Street
Ninth Floor
New York, New York 10015

Independent Auditors
Ernst & Young
4300 One Williams Center
Tulsa, Oklahoma 74172

Listings
New York Stock Exchange
Stock Symbol: WMT

Pacific Stock Exchange
Stock Symbol: WMT

Annual Meeting
Our Annual Meeting of Shareholders will be held on Friday, June 7, 1991, at 10:00 a.m. in Barnhill Arena on the University of Arkansas campus, Fayetteville, Arkansas. You are cordially invited to attend. A proxy statement, including a request for proxies will be mailed to shareholders in early May, 1991.

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, 1991, as filed with the Securities and Exchange Commission, may be obtained without charge by writing to:
Bette Hendrix
Assistant Secretary
Wal-Mart Stores, Inc.
Bentonville, Arkansas 72716

Board of Directors

David R. Banks	Chairman of the Board, President, and Chief Executive Officer Beverly Enterprises
Paul R. Carter	Executive Vice President and Chief Financial Officer, Wal-Mart Stores, Inc.
Hillary Rodham Clinton	Partner, Rose Law Firm, P.A.
John A. Cooper, Jr.	Chairman of the Board, Cooper Communities, Inc.
Robert H. Dedman	Chairman of the Board, Club Corporation International
David D. Glass	President and Chief Executive Officer, Wal-Mart Stores, Inc.
F. Kenneth Iverson	Chairman of the Board and Chief Executive Officer, Nucor Corporation
A. L. Johnson	Vice Chairman, Wal-Mart Stores, Inc., Chief Executive Officer, Sam's Clubs, Division of Wal-Mart Stores, Inc.
James H. Jones	Chairman of the Board and Chief Executive Officer, Jameson Pharmaceutical Corp.
Robert Kahn	President, Robert Kahn and Associates Wal-Mart Stores, Inc. Consultant
R. Drayton McLane, Jr.	Vice Chairman, Wal-Mart Stores, Inc. President and Chief Executive Officer McLane Company, Inc., a wholly owned subsidiary of Wal-Mart Stores, Inc.
Jack Shewmaker	Vice Chairman, Retired, Wal-Mart Stores, Inc. Consultant
Donald G. Soderquist	Vice Chairman and Chief Operating Officer, Wal-Mart Stores, Inc.
John E. Tate	Executive Vice President, Retired, Wal-Mart Stores, Inc. Consultant
James L. Walton	Senior Vice President, Wal-Mart Stores, Inc.
Sam M. Walton	Chairman of the Board, Wal-Mart Stores, Inc.
S. Robson Walton	Vice Chairman, Wal-Mart Stores, Inc.

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Chairman

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Chief Executive Officer

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Sam's Clubs Chief Executive Officer

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President and Chief Executive Officer McLane Company, Inc.

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Chief Operating Officer

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Merchandise and Sales

A. L. Miles
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Operations

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General Merchandise Manager

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Distribution and Transportation

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International Merchandising

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Construction

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Treasurer

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Store Planning

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General Counsel and Secretary

James A. Walker, Jr.
Controller

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Transportation

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Doyle Graham
Director of Business Systems Planning

Harryetta Bailey
Education

Stephen M. Bailey
Merchandising

J.R. Campbell
Merchandising

Dwight A. Carney
Merchandising

Robert Connolly
Merchandising

Les Dietzman
Merchandising

Arthur Emmanuel
Merchandising

Roger Lee Gildehaus
Merchandising

Lewis Ray Hobbs
Merchandising

Peter Jasan
Merchandising

John Lupo
Merchandising

Richard L. Mahan
Merchandising

P. Terry Tucker
Merchandising

Carl White
Merchandising

William C. Woodard
Merchandising

Jim Woodruff
Merchandising

B.D. Adams
Operations

Jim Dawdy
Operations

Lawrence E. Fennell
Operations

Edwin Fountain
Operations

Robert L. Hart
Operations

David Jackson
Operations

Joe Mains
Operations

Harold A. Miller, Jr.
Operations

Duane G. Naccarato
Operations

Thomas R. Putnam
Operations

Leroy W. Schuetts
Operations

Lew Skelton
Operations

Thomas N. Smith
Operations

Larry E. Williams
Operations

Andrew H. Wilson
Operations

SAM'S CLUBS VICE PRESIDENTS

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Merchandising

Michael D. Laney
Merchandising

Mike Spear
Merchandising

Steve Tiernan
Operations

Mickey Robinson
Operations

Chuck Webb
Operations

HYPERMART★USA VICE PRESIDENTS

Richard H. Donckers
General Manager Food Division

Mark Schwartz
Operations

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Clarence E. Archer
Vice President Pharmacy

Randy Edwards
Vice President TBA

Bill Harris
Executive Vice President Shoes

James A. Koenigseder
Vice President Jewelry

Rod Welty
President Shoes

David York
Executive Vice President Shoes

McLANE COMPANY, INC. SENIOR VICE PRESIDENTS

Skip Balcomb
Sales

Terry McElroy
Grocery Operations

Grady Rosier
Distribution/Purchasing

G.W. Sanford, Jr.
Finance/Administration

McLANE COMPANY, INC. VICE PRESIDENTS

Bud Harger
Administration and Accounting

Robert Hudspeth
International Development

Duane Marvick
Distribution

Neil McCarty
Grocery Operations

Earl McGoldrick
Data Systems

Jerry Rose
Grocery Operations

CORPORATE OFFICES
Wal-Mart Stores, Inc.
Bentonville, Arkansas 72716
Telephone (501) 273-4000