WAL MART STORES INC

FORM 8-K
(Current report filing)

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Industry Retail (Department & Discount)
Sector Services
Fiscal Year 01/31
Item 8.01. Other Events.

Wal-Mart Stores, Inc. issued a press release on July 28, 2006 relating to its agreement to sell its German retail operations to Metro AG. A copy of that press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Wal-Mart Announces Sale of German Business

85-Supercenter Chain to be Sold to Metro AG

BENTONVILLE, Ark., July 28, 2006 – Michael Duke, Vice-Chairman of Wal-Mart Stores, Inc., announced today that the company has agreed to sell its German retail business to Metro AG. The terms of the agreement were not disclosed.

“As we focus our efforts on where we can have the greatest impact on our growth and return on investment strategies, it has become increasingly clear that in Germany’s business environment it would be difficult for us to obtain the scale and results we desire,” said Duke. “This sale positions us to increase our focus on the markets where we can achieve our objectives.”

“We appreciate the contributions our German associates have made to build up our business in Germany,” Duke added. “We will work closely with Metro to have a smooth transition.”

The Company expects to incur a pre-tax loss related to this transaction of approximately US$1 billion for the Company’s second quarter of fiscal year 2007.

Wal-Mart’s international operations comprise 2,700 stores in 14 countries outside the United States. In the past year, the company became majority owner of Seiyu in Japan, completed its acquisition of Sonae in Brazil, and expanded into six new markets including Northern Ireland, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Combined with its U.S. and SAM’s CLUB divisions, Wal-Mart operates more than 6,600 retail outlets globally with sales of US$312 billion last year.

Wal-Mart Germany operates 85 Supercenters employing 11,000 associates. Wal-Mart entered the German market eight years ago with the acquisition of the Wertkauf and Interspar hypermarket chains. The transaction is subject to approval by the competent anti-trust authorities.