

WAL MART STORES INC

FORM 8-K

(Current report filing)

Filed 02/17/05 for the Period Ending 02/17/05

Address	702 SOUTHWEST 8TH ST BENTONVILLE, AR 72716
Telephone	5012734000
CIK	0000104169
Symbol	WMT
SIC Code	5331 - Variety Stores
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported):
February 17, 2005**

Wal-Mart Stores, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
Jurisdiction of
Incorporation)

001-06991
(Commission File
Number)

71-0415188
(IRS Employer
Identification No.)

**702 S.W. 8th Street
Bentonville, Arkansas 72716**
(Address of Principal Executive Offices) (Zip code)

Registrant's telephone number, including area code:
(479) 273-4000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

Wal-Mart Stores, Inc. is furnishing this current report on Form 8-K in order to furnish to the Securities and Exchange Commission a press release that we will issue on February 17, 2005, which press release may be deemed to disclose information regarding our results of operations and financial condition for our fiscal quarter ended January 31, 2005 and our fiscal year ended January 31, 2005. A copy of the press release being furnished is included herewith as Exhibit 99.1.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: February 17, 2005

WAL-MART STORES, INC.

By: /s/ Thomas M. Schoewe

Name: Thomas M. Schoewe

Title: Executive Vice President
and Chief Financial Officer

Text of Press Release

**WAL-MART
STORES, INC.****479/273-4314 www.walmartstores.com/news/**FOR IMMEDIATE RELEASE**Investor Relations Contacts**

Investor Relations 479/273-8446

Jay Fitzsimmons 479/273-6445

Pauline Tureman 479/277-9558

Media Relations Contact

Gus Whitcomb 479/273-4314

Pre-recorded Conference Call

203/369-1090

Wal-Mart Reports Record Sales and Earnings

BENTONVILLE, Ark., February 17, 2005 — Wal-Mart Stores, Inc. reported record fourth quarter sales and earnings for the quarter ended January 31, 2005. Net sales were \$82.2 billion, an increase of 10.4 percent over the fourth quarter of fiscal 2004. Income from continuing operations for the quarter was \$3.2 billion, an increase of 16.2 percent from \$2.7 billion in the fourth quarter of fiscal 2004. Earnings per share from continuing operations were \$0.75, up from \$0.63 per share in the same prior year quarter.

Net sales for the year ended January 31, 2005, were \$285.2 billion, an increase of 11.3 percent over the year ended January 31, 2004. Income from continuing operations for fiscal 2005 increased 15.9 percent to a record \$10.3 billion, up from \$8.9 billion in fiscal 2004. Earnings per share from continuing operations for the year ended January 31, 2005, were \$2.41, up from \$2.03 in the prior year.

Lee Scott, President and CEO said, "In the year just completed, we added almost \$29 billion in sales and topped \$10 billion in net income for the first time in our history. It was a solid performance, but we can do better. With the help of our Associates, we can look forward to even better results in the current year."

Net sales were as follows (dollars in billions):

	Quarter Ended January 31,			Year Ended January 31,		
			Percent			Percent
			Change			Change
	2005	2004		2005	2004	
Wal-Mart Stores	\$55.452	\$50.646	9.5%	\$191.826	\$174.220	10.1%
SAM'S CLUB	9.980	9.555	4.4%	37.119	34.537	7.5%
International	16.784	14.293	17.4%	56.277	47.572	18.3%
Total Company	\$82.216	\$74.494	10.4%	\$285.222	\$256.329	11.3%

Total U.S. comparable sales for the fourth quarter of fiscal 2005 increased 1.5 percent, which is represented by a 1.4 percent comp increase for Wal-Mart Stores and a 2.0 percent comp increase for SAM'S CLUB. Total U.S. comparable sales for fiscal 2005 were up 3.3 percent, which is comprised of a 2.9 percent comp increase for Wal-Mart Stores and a 5.8 percent comp increase for SAM'S CLUB.

Wal-Mart Stores Segment :

For the fourth quarter of fiscal 2005, the Wal-Mart Stores segment, including Supercenters and Neighborhood Markets, had operating income (income from continuing operations before unallocated corporate expenses, net interest expense, income taxes and minority interest) of \$4.242 billion, an increase of 9.3 percent compared with \$3.880 billion in the fourth quarter of fiscal 2004.

For fiscal 2005, the Wal-Mart Stores segment had operating income of \$14.163 billion, an increase of 9.7 percent as compared with operating income of \$12.916 billion in fiscal 2004.

SAM'S CLUB Segment :

The SAM'S CLUB segment had operating income for the fourth quarter of fiscal 2005 of \$355 million, an increase of 3.5 percent compared with \$343 million in the fourth quarter of fiscal 2004.

For fiscal 2005, the SAM'S CLUB segment had operating income of \$1.280 billion, an increase of 13.7 percent as compared with operating income of \$1.126 billion in fiscal 2004.

International Segment :

The International segment had operating income of \$978 million for the most recent quarter, an increase of 13.5 percent compared with \$862 million in the fourth quarter of fiscal 2004.

The International segment had operating income of \$2.988 billion for fiscal 2005, an increase of 26.1 percent compared with \$2.370 billion for fiscal 2004.

After this earnings release has been furnished to the SEC, a pre-recorded call offering additional comments on the quarter will be available to all investors. You may listen to this call by dialing 203-369-1090. The information included in this release and our pre-recorded phone call will be

available on our web site at www.walmartstores.com, news, news releases, earnings and dividends.

Wal-Mart Stores, Inc. operates Wal-Mart Stores, Supercenters, Neighborhood Markets and SAM'S CLUB locations in the United States. Internationally, the Company operates in Argentina, Brazil, Canada, China, Germany, Japan, Mexico, Puerto Rico, South Korea and the United Kingdom. The Company's securities are listed on the New York and Pacific stock exchanges under the symbol WMT. More information about Wal-Mart can be found by visiting www.walmartfacts.com. Online merchandise sales are available at www.walmart.com.

This release contains a statement as to the view of our Chief Executive Officer regarding the balance of fiscal 2006 that Wal-Mart believes is a "forward-looking statement" within the meaning of the Private Securities Litigation Reform Act of 1995, and intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act. This forward-looking statement is subject to risks, uncertainties and other factors, domestically and internationally, including the cost of goods, competitive pressures, geopolitical conditions, inflation, consumer spending patterns and debt levels, currency exchange fluctuations, trade restrictions, changes in tariff and freight rates, changes in the cost of energy, labor and insurance, interest rate fluctuations and other capital market conditions and other risks. We discuss certain of these factors more fully in other of our filings with the SEC, including our last Annual Report on Form 10-K filed with the SEC, and this release should be read in conjunction with that Annual Report on Form 10-K, and together with all our other filings, including current reports on Form 8-K, made with the SEC through the date of this report. We urge you to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statement contained in this release. As a result of these matters, including changes in facts, assumptions not being realized or other circumstances, our actual results may differ materially from historical results or from anticipated results implied in the forward-looking statement contained in this release. That forward-looking statement is made only as of the date of this report and we undertake no obligation to update it to reflect subsequent events or circumstances.

WAL-MART STORES, INC.
Consolidated Statements of Income
(Unaudited)
(Amounts in millions except per share data)

	Three Months Ended January 31,		Year Ended January 31,	
	2005	2004	2005	2004
Revenues:				
Net sales	\$82,216	\$74,494	\$285,222	\$256,329
Other income, net	802	696	2,967	2,352
	<u>83,018</u>	<u>75,190</u>	<u>288,189</u>	<u>258,681</u>
Costs and expenses:				
Cost of sales	63,723	58,239	219,793	198,747
Operating, selling, general and administrative expenses	13,997	12,205	51,305	44,909
	<u>5,298</u>	<u>4,746</u>	<u>17,091</u>	<u>15,025</u>
Operating income				
Interest:				
Debt	284	217	934	729
Capital leases	65	65	253	267
Interest income	(52)	(81)	(201)	(164)
	<u>297</u>	<u>201</u>	<u>986</u>	<u>832</u>
Interest, net				
Income from continuing operations before income taxes and minority interest	5,001	4,545	16,105	14,193
Provision for income taxes	1,735	1,741	5,589	5,118
	<u>3,266</u>	<u>2,804</u>	<u>10,516</u>	<u>9,075</u>
Income from continuing operations before minority interest				
Minority interest	(102)	(82)	(249)	(214)
	<u>3,164</u>	<u>2,722</u>	<u>10,267</u>	<u>8,861</u>
Income from continuing operations				
Income from discontinued operation, net of tax	—	—	—	193
	<u>\$ 3,164</u>	<u>\$ 2,722</u>	<u>\$ 10,267</u>	<u>\$ 9,054</u>
Net income				
Basic net income per common share:				
Net income per common share from continuing operations	\$ 0.75	\$ 0.63	\$ 2.41	\$ 2.03
Net income per common share from discontinued operation	—	—	—	0.05
	<u>\$ 0.75</u>	<u>\$ 0.63</u>	<u>\$ 2.41</u>	<u>\$ 2.08</u>
Basic net income per common share				
Diluted net income per common share:				
Net income per common share from continuing operations	\$ 0.75	\$ 0.63	\$ 2.41	\$ 2.03
Net income per common share from discontinued operation	—	—	—	0.04
	<u>\$ 0.75</u>	<u>\$ 0.63</u>	<u>\$ 2.41</u>	<u>\$ 2.07</u>
Diluted net income per common share				
Weighted-average number of common shares:				
Basic	4,235	4,325	4,259	4,363
Diluted	4,242	4,334	4,266	4,373

Certain reclassifications have been made to the prior periods to conform to the current presentation.

WAL-MART STORES, INC.
Condensed Consolidated Balance Sheets
(Unaudited)
(Amounts in millions)

SUBJECT TO RECLASSIFICATION

	January 31,	January 31,
	2005	2004
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 5,488	\$ 5,199
Receivables	1,715	1,254
Inventories	29,447	26,612
Prepaid expenses and other	1,814	1,356
	<u> </u>	<u> </u>
Total current assets	38,464	34,421
Property, plant and equipment, at cost	84,473	72,454
Less accumulated depreciation	(18,637)	(15,684)
	<u> </u>	<u> </u>
Property, plant and equipment, net	65,836	56,770
Property under capital leases	4,997	4,286
Less accumulated amortization	(1,838)	(1,673)
	<u> </u>	<u> </u>
Property under capital leases, net	3,159	2,613
Goodwill	10,803	9,882
Other assets and deferred charges	2,362	2,079
	<u> </u>	<u> </u>
Total assets	<u>\$120,624</u>	<u>\$105,765</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Commercial paper	\$ 3,812	\$ 3,267
Accounts payable	22,099	19,785
Accrued liabilities	12,155	10,671
Accrued income taxes	1,224	1,377
Long-term debt due within one year	3,759	2,904
Obligations under capital leases due within one year	210	196
	<u> </u>	<u> </u>
Total current liabilities	43,259	38,200
Long-term debt	20,087	17,102
Long-term obligations under capital leases	3,582	2,997
Deferred income taxes and other	2,977	2,359
Minority interest	1,502	1,484
Common stock and capital in excess of par value	2,848	2,566
Retained earnings	43,854	40,206
Other accumulated comprehensive income	2,515	851
	<u> </u>	<u> </u>
Total shareholders' equity	49,217	43,623
	<u> </u>	<u> </u>
Total liabilities and shareholders' equity	<u>\$120,624</u>	<u>\$105,765</u>

Certain reclassifications have been made to the prior period to conform to the current presentation.

WAL-MART STORES, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Amounts in millions)

SUBJECT TO RECLASSIFICATION

	Year Ended January 31,	
	2005	2004
Cash flows from operating activities:		
Income from continuing operations	\$ 10,267	\$ 8,861
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,630	3,852
Other operating activities	473	350
Changes in certain assets and liabilities, net of effects of acquisitions:		
Decrease (increase) in accounts receivable	(304)	373
Increase in inventories	(2,635)	(1,973)
Increase in accounts payable	1,694	2,587
Increase in accrued liabilities	919	1,896
Net cash provided by operating activities of continuing operations	15,044	15,946
Net cash provided by operating activities of discontinued operation	—	50
Net cash provided by operating activities	15,044	15,996
Cash flows from investing activities:		
Payments for property, plant and equipment	(12,893)	(10,308)
Disposal of assets	953	481
Proceeds from sale of McLane	—	1,500
Investment in international operations	(315)	(38)
Other investing activities	(96)	78
Net cash used in investing activities of continuing operations	(12,351)	(8,287)
Net cash used in investing activities of discontinued operation	—	(25)
Net cash used in investing activities	(12,351)	(8,312)
Cash flows from financing activities:		
Increase (decrease) in commercial paper	544	(812)
Proceeds from issuance of long-term debt	5,832	5,599
Dividends paid	(2,214)	(1,569)
Payment of long-term debt	(2,131)	(3,541)
Purchase of Company stock	(4,549)	(5,046)
Other financing activities	(91)	(194)
Net cash used in financing activities	(2,609)	(5,563)
Effect of exchange rates on cash	205	320
Net increase in cash and cash equivalents	289	2,441
Cash and cash equivalents at beginning of year *	5,199	2,758
Cash and cash equivalents at end of period	\$ 5,488	\$ 5,199

* Includes cash and cash equivalents of discontinued operation of \$22 million at January 31, 2003.

Certain reclassifications have been made to the prior period to conform to the current presentation.