

WAL MART STORES INC

FORM 8-K (Current report filing)

Filed 04/12/01 for the Period Ending 04/11/01

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

WAL MART STORES INC

FORM 8-K (Unscheduled Material Events)

Filed 4/12/2001 For Period Ending 4/11/2001

Address	702 SOUTHWEST 8TH ST BENTONVILLE, Arkansas 72716
Telephone	501-273-4000
CIK	0000104169
Industry	Retail (Department & Discount)
Sector	Services
Fiscal Year	01/31

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):
April 11, 2001 (April 6, 2001)

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:
(501) 273-4000

Item 5. Other Events.

On April 11, 2001, Wal-Mart Stores, Inc. (the "Company") completed the sale to Lehman Brothers Inc. (the "Designated Underwriter") of \$500,000,000 aggregate principal amount of the Company's 4.625% Notes due April 15, 2003 (the "Notes"), pursuant to a Pricing Agreement, dated as of April 6, 2001, by and among the Company and the Designated Underwriter (the "Pricing Agreement"). The Pricing Agreement incorporates by reference the terms of that certain Underwriting Agreement, dated as of August 5, 1999, by and between the Company and Lehman Brothers Inc., as representative for itself and the other underwriters named therein. The Notes were created pursuant to and are governed by the Company's Indenture, dated as of April 1, 1991, as amended by the First Supplemental Indenture, dated as of September 9, 1992, and the Second Supplemental Indenture, dated as of June 1, 2000, between the Company and Bank One Trust Company, NA, as successor in interest to The First National Bank of Chicago, as Trustee (the "Indenture"). The terms of the Notes are as set forth in the Indenture and in the form of Notes, a copy of which form is filed as an Exhibit to this Current Report on Form 8-K. The Designated Underwriter proposes to offer the Notes from time to time for sale in negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale. The Notes were delivered in the form of two global notes (the "Global Notes"). Copies of the Pricing Agreement and the form of Global Note are attached as exhibits to this Current Report on Form 8-K.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

1(c) Pricing Agreement, dated as of April 6, 2001, by and among Wal-Mart Stores, Inc. and Lehman Brothers Inc. The Underwriting Agreement incorporated by reference in the Pricing Agreement was filed as Exhibit 1(a) to the Company's Registration Statement on Form S-3 (File No. 333-82909), which was declared effective on August 5, 1999.

4(d) Form of Global Note representing the Wal-Mart Stores, Inc. 4.625% Notes Due 2003

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: April 11, 2001

WAL-MART STORES, INC.

By: /s/ Thomas M. Schoewe

Name: Thomas M. Schoewe
Title: Executive Vice President
and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number -----	Description -----
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4(d)	Form of Global Notes representing the Wal-Mart Stores, Inc. 4.625%
	Notes Due 2003

Exhibit 1(c)

Wal-Mart Stores, Inc.

Pricing Agreement

April 6, 2001

Lehman Brothers Inc.
3 World Financial Center
200 Vesey Street
New York, New York 10285

Dear Sirs:

Wal-Mart Stores, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein and in the Underwriting Agreement, dated August 5, 1999 (the "Underwriting Agreement"), between the Company and the Underwriters named therein, to issue and sell to Lehman Brothers Inc. (the "Designated Underwriter") the Securities specified in Schedule II hereto (the "Designated Securities").

Each of the provisions of the Underwriting Agreement is incorporated herein by reference in its entirety and shall be deemed to be a part of this Pricing Agreement to the same extent as if such provisions had been set forth in full herein except as modified and supplemented as follows: (i) references to the "Registration Statement" in the Underwriting Agreement shall be deemed to be references to the Company's registration statement on Form S-3 (File No. 333- 82909); (ii) each of the representations and warranties set forth therein shall be deemed to have been made at and as of the date of this Pricing Agreement, except that each representation and warranty that refers to the Prospectus in Section 2 of the Underwriting Agreement shall be deemed to be a representation or warranty as of the date of the Underwriting Agreement in relation to the Prospectus (as therein defined), and also a representation and warranty as of the date of this Pricing Agreement in relation to the Prospectus as amended or supplemented relating to the Designated Securities that are the subject of this Pricing Agreement; (iii) each reference to the "Representatives" herein and in the provisions of the Underwriting Agreement as incorporated by reference in this Pricing Agreement shall be deemed to refer to Lehman Brothers Inc., and (iv) except as further modified, amended or supplemented by the terms and provisions of Schedule II hereto. Unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined.

The Company proposes to file with the Commission on or about April 9, 2001 a final prospectus supplement to the Prospectus relating to the Designated Securities (which will be in a form reasonably approved by the Representatives).

Subject to the terms and conditions set forth herein and in the Underwriting Agreement incorporated herein by reference, the Company agrees to issue and sell to the Designated Underwriter, and the Designated Underwriter agrees to purchase from the Company, at the time and place and at the purchase price to the Designated Underwriter set forth in Schedule II hereto, the principal amount of Designated Securities set forth opposite the name of the Designated Underwriter in Schedule I hereto.

If the foregoing is in accordance with your understanding, please sign and return to us two counterparts hereof, and upon acceptance hereof by you, this letter and such acceptance hereof, including the provisions of the Underwriting Agreement incorporated herein by reference, shall constitute a binding agreement between the Designated Underwriter and the Company.

Very truly yours,

Wal-Mart Stores, Inc.

By: /s/ Rick W. Brazile

Name: Rick W. Brazile

Title: VP

Accepted as of the date hereof:

Lehman Brothers Inc.

By: /s/ Allen B. Cutler

Authorized Representative

SCHEDULE I

Designated Underwriter	Principal Amount of 4.625% Notes due 2003 to be Purchased
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Lehman Brothers Inc.....	\$500,000,000

SCHEDULE II

(i) Title of Designated Securities:

4.625% Notes due 2003 (the "Notes").

(ii) Aggregate Principal Amount:

\$500,000,000.

(iii) Initial Offering Price to the Public:

The Designated Underwriter will offer the Notes to the public from time to time for sale in negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale.

(iv) Purchase Price to Designated Underwriter:

The purchase price to the Designated Underwriter shall be 99.857% of the principal amount of the Notes, plus accrued interest, if any, from April 11, 2001.

(v) Specified Funds For Payment of Purchase Price:

Immediately available funds by wire.

(vi) Indenture:

Indenture dated as of April 1, 1991, as amended by the First Supplemental Indenture, dated as of September 9, 1992, and the Second Supplemental Indenture dated as of June 1, 2000 (collectively, the "Indenture"), between the Company and Bank One Trust Company, NA, as successor in interest to The First National Bank of Chicago, as Trustee, as further modified and supplemented by the specific terms, conditions and other provisions of the Notes as set forth under the caption "Description of the Notes" in the Prospectus Supplement to be dated April 6, 2001 (the "Prospectus Supplement") relating to the Notes (and to be reflected in the global Note to be delivered at the Time of Delivery).

(vii) Maturity:

April 15, 2003.

(viii) Interest Rate:

4.625% per annum from and including April 11, 2001.

Interest shall be payable semi-annually in arrears and shall be calculated on the basis of a 360-day year of twelve 30-day months.

(ix) Interest Payment Dates:

April 15 and October 15 of each year, commencing on October 15, 2001.

(x) Record Dates:

April 1 and October 1 of each year.

(xi) Redemption Provisions:

No mandatory redemption provisions.

The Company may, at its option, redeem the Notes in whole, but not in part, as set forth under the caption "Description of the Notes -- Redemption Upon Tax Event" in the Prospectus Supplement relating to the Notes.

(xii) Sinking Fund Provisions:

None.

(xiii) Time of Delivery:

9:00 a.m. (New York City time), April 11, 2001.

(xiv) Closing Location:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017

(xv) Name and Address of the Representatives:

Lehman Brothers Inc.
3 World Financial Center
New York, New York 10285

(xvi) Address for Notices:

Lehman Brothers Inc.
3 World Financial Center
New York, New York 10285
Attention: Debt Capital Markets, Consumer/Retail Products Group Fax: (212) 526-1553

(xvii) Other Matters:

(A) The Designated Underwriter hereby represents to, and agrees with, the Company that:

(1) it has not offered or sold and prior to the date six months after the Time of Delivery will not offer or sell Notes in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments as principal or agent for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

(2) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

(3) it has only issued or passed on, and will only issue or pass on, in the United Kingdom any document received by it in connection with the issue of the Notes to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisement) (Exemptions) Order 1996 (as amended) or is a person to whom the document may otherwise lawfully be issued or passed on.

(B) The Designated Underwriter hereby confirms, and the Company hereby acknowledges, that the sole information furnished in writing to the Company by, or on behalf of the Designated Underwriter specifically for inclusion in the Prospectus Supplement to the Prospectus dated August 5, 1999 (the "Prospectus") is as follows:

(1) the name of the Designated Underwriter on the front and back cover pages of the Prospectus Supplement;

(2) the first sentence of the second paragraph of text under the caption "Underwriting" in the Prospectus Supplement concerning certain terms of the offering by the Designated Underwriter and the corresponding sentence on the front page of the Prospectus Supplement; and

(3) the third and fourth paragraphs of text under the caption "Underwriting" in the Prospectus Supplement concerning stabilization, overallotment and related activities by the Designated Underwriter.

(C) With respect to matters of New York law, Hughes & Luce, L.L.P. may rely on a written opinion of Fulbright & Jaworski L.L.P. to be delivered to the Designated Underwriter at the Time of Delivery.

(D) Notwithstanding Section 7(e) of the Underwriting Agreement, Ernst & Young LLP shall deliver a single letter in accordance with such Section 7(e) at the Time of Delivery (and not on the date hereof), which letter shall be in form and substance satisfactory to the

Representatives.

Exhibit 4(d)

This Note is a global security and is registered in the name of CEDE & CO., as nominee of the depository, The Depository Trust Company. Unless and until this Note is exchanged for Notes in definitive form, this Note may not be transferred except as a whole by the depository or a nominee of the depository to the depository or another depository or by the depository or any such nominee to a successor depository or a nominee of such successor depository.

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Wal-Mart Stores, Inc.

4.625% NOTES DUE 2003

Number ____
\$ _____

CUSIP No.: 931142BK8
ISIN No.: US931142BK83
Common Code: 012808879

WAL-MART STORES, INC., a corporation duly organized and existing under the laws of the State of Delaware, and any successor corporation pursuant to the Indenture (herein referred to as the "Company"), for value received, hereby promises to pay to CEDE & CO. or registered assigns, the principal sum of _____ DOLLARS on April 15, 2003 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, computed on the basis of a 360-day year of twelve 30-day months, semi-annually in arrears on April 15 and October 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"), commencing on October 15, 2001, on said principal sum in like coin or currency, at the rate per annum specified in the title of this Note from April 11, 2001 or from the most recent April 15 or October 15 to which interest has been paid or duly provided for. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person in whose name this Note is registered (the "holder") at the close of business on the preceding April 1, in the case of an Interest Payment Date of April 15, and on the preceding October 1, in the case of an Interest Payment Date of October 15 (each, a "Record Date").

Reference is made to the further provisions of this Note set forth on the succeeding sections hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture referred to in Section 1 hereof.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed by its Chairman of the Board, its Vice Chairman, its President or one of its Vice Presidents by manual or facsimile signature under its corporate seal, attested by its Secretary, one of its Assistant Secretaries, its Treasurer or one of its Assistant Treasurers by manual or facsimile signature.

Wal-Mart Stores, Inc.

By: _____

Name:

Title:

[SEAL]

Attest: _____

Name:

Title:

Dated: April 11, 2001

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

Bank One Trust Company, NA, as successor in interest to The First National Bank of Chicago, as Trustee

By: _____ Authorized Signatory

Wal-Mart Stores, Inc.**4.625% NOTES DUE 2003**

1. Indenture; Notes. This Note is one of a duly authorized series of Securities of the Company designated as the "4.625% Notes due 2003" (the "Notes"), initially issued in an aggregate principal amount of \$500,000,000 on April 11, 2001. Such series of Securities has been established pursuant to, and is one of an indefinite number of series of debt securities of the Company, issued or issuable under and pursuant to, the Indenture, dated as of April 1, 1991 as supplemented by a First Supplemental Indenture, dated as of September 9, 1992 and as further supplemented by a Second Supplemental Indenture, dated as of June 1, 2000 (collectively, the "Indenture"), duly executed and delivered by the Company and Bank One Trust Company, NA, as successor in interest to The First National Bank of Chicago, as trustee (the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Notes and of the terms upon which this Note is, and is to be, authenticated and delivered. The terms, conditions and provisions of the Notes are those stated in the Indenture, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended the "Trust Indenture Act"), and those set forth in this Note. To the extent that the terms, conditions and other provisions of this Note modify, supplement or are inconsistent with those of the Indenture, then the terms, conditions and other provisions of this Note shall govern.

All capitalized terms which are used but not defined in this Note shall have the meanings assigned to them in the Indenture.

The Company may, without the consent of the holders, issue and sell additional Securities ranking equally with the Notes and otherwise identical in all respects (except for their date of issue, issue price and the date from which interest payments thereon shall accrue) so that such additional Securities shall be consolidated and form a single series with the Notes; provided, however, that no additional Securities of any existing or new series may be issued under the Indenture if an Event of Default has occurred and remains uncured thereunder.

2. Ranking. The Notes shall constitute the senior unsecured debt obligations of the Company and shall rank equally in right of payment among themselves and with all other existing and future senior, unsecured and unsubordinated debt obligations of the Company.

3. Payment of Overdue Amounts. The Company shall pay interest, calculated on the basis of a 360-day year of twelve 30-day months, on overdue principal and overdue installments of interest, if any, from time to time on demand at the interest rate borne by the Notes to the extent lawful.

4. Payment of Additional Amounts; Redemption Upon a Tax Event.

(a) Payment of Additional Amounts. The Company shall pay to the holder of this Note who is a United States Alien (as defined below) such additional amounts as may be necessary so that every net payment of principal of and interest on this Note to such holder, after deduction or

withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon such holder by the United States of America or any taxing authority thereof or therein, will not be less than the amount provided in the Notes to be then due and payable (such amounts, the "Additional Amounts"); provided, however, that the Company shall not be required to make any payment of Additional Amounts for or on account of:

- (i) any tax, assessment or other governmental charge that would not have been imposed but for (A) the existence of any present or former connection between such holder, or between a fiduciary, settler, beneficiary of, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation, and the United States including, without limitation, such holder, or such fiduciary, settlor, beneficiary, member, shareholder or possessor, being or having been a citizen or resident of the United States of America or treated as a resident thereof or being or having been engaged in trade or business or present in the United States of America, or (B) the presentation of this Note for payment on a date more than 30 days after the later of (x) the date on which such payment becomes due and payable and (y) the date on which payment thereof is duly provided for;
- (ii) any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, assessment or other governmental charge;
- (iii) any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as a passive foreign investment company, a controlled foreign corporation, a personal holding company or foreign personal holding company with respect to the United States of America, or as a corporation which accumulates earnings to avoid United States federal income tax;
- (iv) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payment of principal of or interest on this Note;
- (v) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on this Note if such payment can be made without withholding by any other paying agent;
- (vi) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of America of the holder or beneficial owner of this Note, if such compliance is required by statute or by regulation of the United States Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (vii) any tax, assessment or other governmental charge imposed on interest received by (A) a 10% shareholder (as defined in Section 871(h)(3) (B) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the regulations that

may be promulgated thereunder) of the Company or (B) a controlled foreign corporation with respect to the Company within the meaning of the Code; or

(viii) any combination of items (i), (ii), (iii), (iv), (v), (vi) and (vii) in this Section 4(a);

nor shall any Additional Amounts be paid to any holder who is a fiduciary or partnership or other than the sole beneficial owner of this Note to the extent that a beneficiary or settlor with respect to such fiduciary, or a member of such partnership or a beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder.

"United States Alien" means any corporation, partnership, individual or fiduciary that is, as to the United States of America, a foreign corporation, a non-resident alien individual who has not made a valid election to be treated as a United States resident, a non-resident fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, as to the United States of America, a foreign corporation, a non-resident alien individual or a non-resident fiduciary of a foreign estate or trust.

(b) Redemption Upon a Tax Event. The Notes may be redeemed at the option of the Company in whole, but not in part, on a date (such date, the "Tax Redemption Date") to be fixed by the Company on not more than 60 days' and not less than 30 days' notice, at a redemption price equal to 100% of the principal amount of the Notes (the "Redemption Price") plus accrued but unpaid interest, if any, thereon, if the Company determines that as a result of any change in or amendment to the laws, treaties, regulations or rulings of the United States of America or any political subdivision or taxing authority thereof, or any proposed change in such laws, treaties, regulations or rulings, or any change in the official application, enforcement or interpretation of such laws, treaties, regulations or rulings, including a holding by a court of competent jurisdiction in the United States of America, or any other action, other than an action predicated on laws generally known on or before April 6, 2001 except for proposals before the U.S. Congress before such date, taken by any taxing authority or a court of competent jurisdiction in the United States of America, or the official proposal of any such action, whether or not such action or proposal was taken or made with respect to the Company, (A) the Company has or will become obligated to pay Additional Amounts or (B) there is a substantial possibility that the Company will be required to pay such Additional Amounts.

Prior to the publication of any notice of redemption pursuant to Section 15 hereof, the Company shall deliver to the Trustee (1) an Officers' Certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the rights of the Company so to redeem have occurred and (2) an Opinion of Counsel to such effect based on such statement of facts.

If the Company elects to redeem the Notes pursuant to this Section 4(b), then it shall give notice to the holders pursuant to Section 15 hereof.

The notice of redemption, shall specify the following:

(i) the Tax Redemption Date;

(ii) a brief statement to the effect that the Notes are being redeemed at the option of the Company pursuant to this Section 4(b) and a brief statement of the facts permitting such redemption;

(iii) that on the Tax Redemption Date, the Redemption Price, plus accrued but unpaid interest on the Notes, if any, will become due and payable;

(iv) the amount of the Redemption Price and accrued but unpaid interest, if any, that will be due and payable on the Notes on the Tax Redemption Date;

(v) the place or places of payment of the amounts due under clause (iv) above;

(vi) that payment of the amounts due under clause (iv) above will be made upon presentation and surrender of the Notes; and

(vii) that, following the redemption of the Notes pursuant to this Section 4(b), interest shall cease to accrue thereon.

The notice of redemption regarding the Notes shall be, at the election of the Company, given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

On or before the opening of business on any Tax Redemption Date, the Company shall deposit with the Trustee or with the Paying Agent or, if the Company is acting as its own paying agent, segregate and hold in trust as provided in Section 3.06(c) of the Indenture, an amount of money sufficient to pay the Redemption Price of, and except if the Tax Redemption Date shall be an Interest Payment Date, accrued but unpaid interest on, the Notes to be redeemed on the Tax Redemption Date.

The notice of redemption having been given as specified above, the Notes shall, on the Tax Redemption Date, become due and payable at the Redemption Price, and from and after such date, unless the Company shall default in the payment of the Redemption Price and accrued but unpaid interest, if any, the Notes shall cease to bear interest. Upon surrender of the Notes for redemption in accordance with such notice, the Notes shall be paid by the Company at the Redemption Price, together with accrued but unpaid interest, if any, to the Tax Redemption Date.

If the Notes, having been called for redemption, shall not be so paid upon surrender thereof for redemption, the Redemption Price shall, until paid, bear interest from the Tax Redemption Date at the interest rate borne by this Note.

5. Place and Method of Payment. Subject to the last paragraph of Section 11 hereof, the Company shall pay principal of and interest on the Notes at the office or agency of the Company in the Borough of Manhattan, The City of New York; provided, however, that at the option of the Company, the Company may pay interest by check mailed to the person entitled thereto at such person's address as it appears on the register of the Company.

6. Defeasance of the Notes. Section 11.05 of the Indenture shall apply to the Notes.

7. No Redemption; Sinking Fund. The Notes are not redeemable prior to maturity, other than as set forth in Section 4(b) hereof, and are not subject to a sinking fund.

8. Amendment and Modification. Article Nine of the Indenture contains provisions for the amendment or modification of the Indenture and the Notes without the consent of the holders in certain circumstances and requiring the consent of holders of not less than 66% in aggregate principal amount of the Notes and Securities of other series that would be affected in certain other circumstances. However, the Indenture requires the consent of each holder of the Notes and Securities of other series that would be affected for certain specified amendments or modifications of the Indenture and the Notes. These provisions of the Indenture, which provide for, among other things, the execution of supplemental indentures, are applicable to the Notes.

9. Default; Waiver; Enforcement. (a) If an Event of Default with respect to the Notes shall have occurred and be continuing, the principal of all outstanding Notes may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture. The Indenture provides that in the event of such a declaration, the holders of a majority in aggregate principal amount of all of the Notes then outstanding, voting as a separate class (or, in certain cases, some or all of the other Securities then outstanding, voting as a single class), in accordance with the provisions of, and in the circumstances provided by, the Indenture, may rescind the declaration and its consequences and the related default and its consequences may be waived with respect to all of the Notes. The Indenture also provides that the holders of a majority in aggregate principal amount of the Notes at the time outstanding may, on behalf of the holders of all of the Notes, waive, prior to such a declaration, any past default under the Indenture with respect to the Notes and its consequences, except a default in the payment of principal of or interest on any Note.

(b) As provided in and subject to the provisions of the Indenture, no holder of this Note shall have the right to institute any suit, action or proceeding with respect to the Indenture, or for appointment of any receiver or trustee or for any other remedy thereunder, unless such holder previously shall have given the Trustee written notice of default and the continuance thereof, the holders of not less than 25% in aggregate principal amount of the Notes then outstanding shall have made written request to the Trustee to institute such suit, action or proceeding and shall have offered to the Trustee reasonable indemnity and the Trustee, for 60 days after the receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute the same and shall not have received any direction inconsistent therewith from the holders of a majority in aggregate principal amount of all affected Securities then outstanding (which holders, voting as a single class, shall be entitled to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to the Notes); provided, however, that, pursuant to the Indenture, each of the holders of the Notes covenants that no one or more holders of the Notes shall have any right in any manner whatsoever by virtue or by availing of any provision of the Indenture to affect, disturb or prejudice the rights of any other holders of the Notes or to obtain or seek to obtain priority over

or preference to any other holders of the Notes or to enforce any rights under the Indenture except as provided in the Indenture and for the equal, ratable and common benefit of all of the holders of the Notes.

(c) Any consent, waiver or other action by the holder of this Note provided pursuant to this Note or the Indenture (unless effectively revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders of this Note and of any Note issued in exchange or substitution herefor, irrespective of whether or not any notification of such consent or waiver is made upon this Note or such other Note.

10. Absolute Obligation. No reference herein to the Indenture and no provisions of the Notes or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the place, at the time and in the coin or currency herein prescribed.

11. Form and Denominations; Global Notes; Certificated Notes. The Notes are being issued in registered form without coupons in denominations of \$1,000 and multiples of \$1,000.

The Notes have been issued in the form of global notes (each, a "Global Note"), evidencing all or any portion of the Notes and registered in the name of The Depository Trust Company ("DTC") or its nominee (including their respective successors).

The Company shall only issue the Notes in certificated form (each such note, a "Certificated Note"), or exchange Global Notes for Certificated Notes, if:

(a) DTC has notified the Company that (1) it is unwilling or unable to continue as depository or (2) has ceased to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and, after the Company receives notice or becomes aware of such ineligibility or unwillingness, the Company has not appointed a successor depository within 90 days of either event set forth in this clause (a);

(b) there shall have occurred and be continuing an Event of Default with respect to the Notes; or

(c) the Company decides that the Notes shall no longer be represented by Global Notes.

If the Company is required, or decides, to issue Certificated Notes, then the Company shall issue, pursuant to Sections 2.04 and 2.05 of the Indenture, Certificated Notes in exchange for Global Notes, and such Certificated Notes shall have an aggregate principal amount equal to the aggregate principal amount of the Global Notes to be exchanged; provided, however, that if DTC surrenders Global Notes in exchange for Certificated Notes, in whole or in part, then the Company shall issue Certificated Notes, pursuant to Sections 2.04 and 2.05 of the Indenture, to:

(a) each person specified by DTC as requested by such person in aggregate principal amount equal to, and in exchange for, such person's beneficial ownership interest in the Global Note; and

(b) DTC in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Note and the aggregate principal amount of Certificated Notes delivered to the holders thereof pursuant to the immediately preceding clause (a).

In addition, if the Company issues Certificated Notes, then the Company will make payments of principal of and interest on the Notes to the holders thereof in whose names the Certificated Notes are registered at the close of business, as the case may be, on the maturity of the Notes and on the Record Dates, respectively. If the Notes are represented by Certificated Notes, then the Company will make payments of principal against the surrender of these Certificated Notes at the office of the Paying Agent in the Borough of Manhattan, The City of New York. The Company will make payments of interest on the Notes to holders by check delivered to the addresses of the holders as their addresses appear on the register of the Company or by transfer to an account maintained by that holder with a bank located in the United States.

12. Registration; Transfer and Exchange; Registration of Transfer and Exchange. As provided in the Indenture and subject to certain limitations therein set forth, the Company shall provide for the registration of the Notes and the transfer and exchange of the Notes, whether in global or certificated form. At the option of the holders, either at the office or agency to be designated and maintained by the Company for such purpose in the Borough of Manhattan, The City of New York or in the City of Chicago, Illinois, or at any of such other offices or agencies as may be designated and maintained by the Company for such purpose pursuant to the provisions of the Indenture, and in the manner and subject to the limitations provided in the Indenture, but without the payment of any service charge, except for any tax or other governmental charges imposed in connection therewith subject to Section 4 hereof, the Notes may be transferred or exchanged for an equal aggregate principal amount of the Notes of like tenor and of other authorized denominations upon surrender and cancellation of the Notes upon any such transfer.

The Company, the Trustee, and any agent of the Company or of the Trustee may deem and treat the holder as the absolute owner of this Note (whether or not the Notes shall be overdue and notwithstanding any notation of ownership or other writing hereon), for the purpose of receiving payments hereon, or on account hereof, and for all other purposes, and neither the Company nor the Trustee nor any agent of the Company or of the Trustee shall be affected by any notice to the contrary. All such payments made to or upon the order of such holder shall, to the extent of the amount or amounts paid, effectually satisfy and discharge liability for moneys payable on this Note.

The following provisions shall apply regarding the registration of transfer or exchange of a Global Note:

(a) Notwithstanding any other provision of the Indenture or the Notes, a Global Note may not be exchanged in whole or in part for Notes registered, and no

transfer of a Global Note in whole or in part may be registered, in the name of any person other than DTC or a nominee thereof unless the limited circumstances set forth in the third paragraph of Section 11 hereof shall have occurred.

(b) Subject to clause (a) of this paragraph, any exchange of a Global Note for other Notes may be made in whole or in part, and all Notes issued in exchange for a Global Note or any portion of a Global Note shall be registered in such names and delivered to such persons as DTC shall direct.

(c) Every Note authenticated and delivered upon registration or transfer of, or in exchange for or in lieu of, a Global Note or any portion hereof shall be issued and authenticated in the form of, and shall be, a Global Note, shall bear such legends as DTC may require and shall be delivered to DTC or a nominee thereof or custodian therefor, unless such Note is registered in the name of a person other than DTC or a nominee thereof.

If the Company issues Certificated Notes, the following provisions regarding the registration, transfer and exchange of Certificated Notes shall apply:

(a) Each time, if any, that the Company transfers or exchanges a new Certificated Note for another Certificated Note, and after the Transfer Agent receives a completed assignment form, then (A) the Registrar (as defined below) will record such transfer on the register of the Company and (B) the Company will make available for delivery the new Certificated Note, authenticated pursuant to Section 2.04 of the Indenture, at, as the case may be, the office of the Transfer Agent in, at the option of the holder, the Borough of Manhattan, The City of New York or the City of Chicago, Illinois. Alternatively, at the option of the person requesting the transfer or exchange, the Company will mail, at that person's risk, the new Certificated Note to the address of that person which is specified in the assignment form.

(b) Upon the exchange of a Global Note for a Certificated Note, (i) the Transfer Agent in, at the option of the holder, the Borough of Manhattan, The City of New York or the City of Chicago, Illinois, will cancel the Global Note so exchanged and (ii) the Registrar will register the Certificated Notes issued in exchange for Global Notes pursuant to the first two paragraphs of this Section 12 in such names and in such authorized denominations as the depository for such Global Notes being exchanged shall instruct the Registrar.

(c) The holder of any Certificated Note may transfer such Note in whole or in part upon the surrender of the Certificated Note to be transferred, together with a completed and executed assignment form endorsed on such Certificated Note, at the office of the Transfer Agent in, at the option of the holder, the Borough of Manhattan, The City of New York or the City of Chicago, Illinois.

13. No Recourse Against Others. No recourse for the payment of the principal of or the interest on the Notes, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the

Indenture or any supplemental indenture or in any Note, or because of the creation of any debt obligations represented hereby or thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

14. Appointment of Agents. Bank One Trust Company, NA is hereby appointed the registrar for the purpose of registering the Notes and transfers and exchanges of the Notes pursuant to the Indenture and this Note (the "Registrar"), paying agent pursuant to Section 3.06 of the Indenture (the "Paying Agent") and transfer agent (the "Transfer Agent") with respect to the Notes at its offices in the Borough of Manhattan, The City of New York and in the City of Chicago, Illinois.

15. Notices. If the Company is required to give notice to the holders of the Notes, then it shall do so by (a) publication and (b) mail.

The Company shall give notices to the holders of the Notes by publication in a leading daily newspaper in The City of New York and in London. Initially, such publication shall be made in The City of New York in The Wall Street Journal and in London in the Financial Times. Any notice shall be deemed to have been given on the date of publication or, if published more than once, on the date of the first publication.

The Company shall give notice to the holders of the Notes by mail by the following methods:

(a) if the Notes are represented by registered Global Notes, then the Company shall mail the notice to DTC by overnight mail; and

(b) if the Notes have been exchanged for a Certificated Note, then the Company shall mail the notice by first class mail, postage pre-paid or by overnight courier to the address of the holder as set forth in the register of the Company.

Any such notice shall be conclusively presumed to have been received by such holders. In any case where notice to any of the holders of the Notes is given by mail, neither the failure to mail such notice to any of the holders nor any defect in any notice so mailed to any of the holders shall affect the sufficiency of such notice with respect to the other holders of the Notes. In the event of suspension of regular mail service or for any other reason it shall be impracticable to give such notice by mail, then such a notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. Notice to any holder by mail will be deemed to have been given on the date of such mailing.

Where the Indenture or the Notes provide for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by the holder of

this Note shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

All requests, demands, authorizations, directions, notices, consents, waivers and other communications required or permitted under the Indenture and the Notes shall be in writing in the English language.

16. Separability. In case any provision of the Indenture or the Notes shall, for any reason, be held to be invalid, illegal or unenforceable, then the validity, legality and enforceability of the remaining provisions thereof and hereof shall not in any way be affected or impaired thereby.

17. GOVERNING LAW. THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

For the value received, the undersigned hereby assigns and transfers the within Note, and all rights thereunder, to:

(Insert assignee's legal name)

(Insert assignee's social security or tax identification number)

(Print or type assignee's name, address and zip code)

and irrevocably appoint

to transfer this Note on the books of Wal-Mart Stores, Inc. The agent may substitute another to act for it.

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Date: _____

Signature Guarantee

The signature(s) should be Guaranteed by an Eligible Guarantor Institution pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended.

* * * * *

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT ENT - as joint tenants with right of survivorship and not as tenants in common

_____ **UNIF GIFT MIN ACT** - _____ **Custodian** _____ **under the Uniform Gifts**
(Cust) (Minor) to Minors Act _____
(State)

Additional abbreviations may also be used although not in the above list.

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