

WAL MART STORES INC

FORM S-3

(Securities Registration Statement (simplified form))

Filed 07/15/99

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

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

WAL-MART STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

71-0415188
(I.R.S. Employer
Identification No.)

702 S.W. Eighth Street
Bentonville, Arkansas 72716
(501) 273-4000

(Address, including zip code, and telephone number, including area
code, of Registrant's principal executive offices)

ALLISON D. GARRETT, ESQ.

Assistant General Counsel

Wal-Mart Stores, Inc.

702 S.W. Eighth Street

Bentonville, Arkansas 72716

(501) 273-4000

(Name, address, and telephone number,
including area code, of agent for service)

Copies to:

DUDLEY W. MURREY, ESQ.
Hughes & Luce, L.L.P.
1717 Main Street, Suite 2800
Dallas, Texas 75201
(214) 939-5500

GLENN M. REITER, ESQ.
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017-3954
(212) 455-2000

Approximate date of commencement of proposed sale of the securities to the public: From time to time after the effective date of this
Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the
following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the
Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box:

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be Registered	Amount to be Registered/1/	Proposed Maximum Offering Price per Share/1/	Proposed Maximum Aggregate Offering Price/2/	Amount of Registration Fee
----- Debt Securities.....	\$10,000,000,000	100%	\$10,000,000,000	\$2,780,000

(1) Pursuant to Rule 429 under the Securities Act of 1933, this Registration Statement contains a combined prospectus that relates in part to \$500,700,000 of debt securities of the Registrant being carried forward from and that were registered pursuant to the Registrant's Registration Statement on Form S-3, Registration No. 333-52045. The amount of the filing fee associated with those debt securities and that was paid with that registration statement was \$147,707.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

The prospectus contained in this Registration Statement is a combined prospectus as contemplated by Rule 429 under the Securities Act of 1933. The prospectus will be used in connection with the offer and sale of up to an aggregate of US\$500,700,000 in principal amount of the Registrant's debt securities registered pursuant to the Registrant's Registration Statement on Form S-3, Registration No. 333-52045, and the offer and sale of up to an aggregate of US\$10,000,000,000 in principal amount of the Registrant's debt securities being registered pursuant to this Registration Statement. Consequently, the prospectus contained in this Registration Statement reflects the fact that, in accordance with Rule 429 under the Securities Act of 1933, the Registrant may offer up to an aggregate of US\$10,500,700,000 in principal amount of the Registrant's debt securities by means of the prospectus contained in this Registration Statement.

This Registration Statement also includes a prospectus supplement supplementing the prospectus referred to above under which the Registrant will offer and sell certain of the debt securities being registered under this Registration Statement. The sale of those debt securities is anticipated to occur shortly after the Registration Statement is declared effective by the Securities and Exchange Commission.

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+The information in this prospectus supplement and the accompanying prospectus +

+is not complete and may be changed. This prospectus supplement and the +
+accompanying prospectus is not an offer to sell these securities or our +
+solicitation of your offer to buy these securities, nor will we sell them or +
+accept your offer to buy them, in any state or other jurisdiction where that +
+would not be permitted or legal prior to registration or qualification in +
+that state or other jurisdiction. We may not sell these securities until the +
+registration statement filed with the Securities and Exchange Commission is +
+effective. +

+++++

SUBJECT TO COMPLETION, DATED JULY 15, 1999

PROSPECTUS SUPPLEMENT
(To prospectus dated August , 1999)

U.S.\$5,000,000,000

Wal-Mart Stores, Inc.

Table with 2 columns: Amount and Maturity Date. Rows include U.S.\$1,000,000,000 % Notes due 2001, U.S.\$2,000,000,000 % Notes due 2004, and U.S.\$2,000,000,000 % Notes due 2009.

We are offering U.S. \$1,000,000,000 of our % notes due 2001, U.S.\$2,000,000,000 of our % notes due 2004 and U.S.\$2,000,000,000 of our % notes due 2009.

We will pay interest on February and August of each year, beginning on February , 2000.

The notes will be our senior unsecured debt obligations, will not be redeemable prior to maturity, except in the case of a specified tax event, and will not be convertible or exchangeable.

We will apply to list the notes on the Luxembourg Stock Exchange.

We expect to deliver the notes on or about August , 1999 through the book- entry facilities of The Depository Trust Company.

Table with 3 columns: Description, Public offering price, and Net proceeds to Wal-Mart. Rows include Per % note due 2001, Total, Per % note due 2004, Total, Per % note due 2009, and Total.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or determined that this prospectus supplement or the attached prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Lehman Brothers

August , 1999

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the attached prospectus. No one has been authorized to provide you with different information. If this prospectus supplement is inconsistent with the attached prospectus, you should rely on this prospectus supplement.

The notes are not being offered in any jurisdiction in which the offering is not permitted.

The Luxembourg Stock Exchange takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this prospectus supplement and the attached prospectus.

Wal-Mart accepts responsibility for the information contained in this prospectus supplement and the attached prospectus.

This prospectus supplement and the attached prospectus, including the documents incorporated by reference, will be available free of charge at the office of Kredietbank S.A., Luxembourg, 43, Boulevard Royal, L-2955 Luxembourg. See "Where You Can Find More Information" in the attached prospectus.

WAL-MART STORES, INC.

We are the world's largest retailer as measured by total net sales for fiscal 1999. We had total net sales of U.S.\$137.6 billion in fiscal 1999, over 90% of which was generated in the United States. We operate mass merchandising stores that serve our customers primarily through the operation of three segments:

- . Wal-Mart stores, which include our discount stores and Supercenters in the United States;
- . SAM'S Clubs, which include the warehouse membership clubs in the United States; and
- . the international segment of our business.

We currently operate in all 50 states of the United States, Puerto Rico, Argentina, Brazil, Canada, Germany and Mexico, and in China and Korea under joint venture agreements. In addition, through our subsidiary McLane Company, Inc., we provide products and distribution services to retail industry and institutional food service customers. At January 31, 1999, we operated in the United States:

- . 1,869 Wal-Mart stores;
- . 564 Supercenters; and
- . 451 SAM'S Clubs.

As of January 31, 1999, we also operated 153 Canadian Wal-Mart stores, 13 units in Argentina, 14 units in Brazil, five units in China, 95 units in Germany, 416 units in Mexico, four units in Korea and 15 units in Puerto Rico. The units operated by our International Division represent a variety of retail formats.

Wal-Mart Stores, Inc. was incorporated in 1969.

RECENT DEVELOPMENTS

On June 29, 1999, Wal-Mart made a public bid to purchase the outstanding shares of Asda Group PLC, an English company that owns 229 grocery stores in the United Kingdom. The grocery stores also carry non-food items, including clothing. Asda is the third largest grocery chain in the United Kingdom and regularly serves over 6.5 million customers per week. For its fiscal year ended May 1, 1999, Asda reported unaudited consolidated operating profit of (Pounds)436 million, or approximately U.S.\$679 million, on sales of (Pounds)8.198 billion, or approximately U.S.\$12.77 billion. At May 1, 1999, Asda had net assets of (Pounds)2.517 billion, or approximately U.S.\$3.92 billion. If we acquire Asda, Asda will serve as our initial entry into the U.K. retail market.

We have offered to buy the shares of Asda for 220 English pence, or approximately U.S.\$3.43, per share. We expect to pay a total of approximately U.S.\$10.72 billion for the Asda shares. We have excluded persons who live in the United States from our bid and will not acquire shares from any Asda shareholder who is a U.S. person for purposes of the U.S. securities laws. We anticipate that, if our bid succeeds, our purchase of the Asda shares will be substantially complete by the middle of August, 1999.

As of July 13, 1999, we have acquired Asda shares in the open market representing 29.2 percent of Asda's issued and outstanding common shares.

We will finance all of our purchases of Asda shares using the proceeds of short-term borrowings and issuances of debt securities, including the notes, and funds generated from operations. See "Use of Proceeds of the Notes."

We have made all conversions from British pounds to U.S. dollars in this section using the exchange rate as of July 13, 1999 which was U.S.\$1.5577 per (Pounds)1.00.

USE OF PROCEEDS OF THE NOTES

We estimate that the net proceeds from the sale of the notes will be approximately \$ after underwriting discounts and payment of transaction expenses.

We will use all of these net proceeds to pay a significant portion of the cost of acquiring the Asda shares. See "--Recent Developments." We expect to fund remaining costs of the Asda shares with short-term borrowings and funds generated from operations.

CAPITALIZATION

The following table presents the consolidated capitalization of Wal-Mart and its subsidiaries at April 30, 1999 and as adjusted to give effect to the offering of the notes.

	April 30, 1999	
	Actual	As Adjusted
	(in millions)	
Short-term debt		
Long-term debt due within one year.....	U.S.\$ 877	U.S.\$ 877
Obligations under capital leases due within one year.....	115	115
Total short-term debt and capital lease obligations.....	992	992
Long-term debt		
Long-term debt.....	6,933	6,933
% notes due 2001.....	--	1,000
% notes due 2004.....	--	2,000
% notes due 2009.....	--	2,000
Long-term capital lease obligations.....	2,846	2,846
Total long-term debt and capital lease obligations.....	9,779	14,779
Shareholders' equity		
Common stock.....	445	445
Capital in excess of par value.....	433	433
Retained earnings.....	21,620	21,620
Other accumulated comprehensive income.....	(481)	(481)
Total shareholders' equity.....	22,017	22,017
Total long-term debt and capital lease obligations and shareholders' equity.....	U.S.\$32,788	U.S.\$37,788
	=====	=====

The above table does not give effect to (Pounds)594 million, or approximately U.S.\$956 million, of outstanding debt of Asda at May 1, 1999, which will become part of our consolidated capitalization if we acquire Asda, or up to U.S.\$5.0 billion of additional short-term borrowings that we may incur in connection with the Asda acquisition. We converted the amount in British pounds in the preceding sentence to the amount in U.S. dollars using the April 30, 1999 exchange rate of U.S. \$1.6095 per (Pounds)1.00. See "Recent Developments."

Except as noted above, there has been no material change in the consolidated capitalization of Wal-Mart and its subsidiaries since April 30, 1999.

SELECTED FINANCIAL DATA

The following table presents selected financial data of Wal-Mart and its subsidiaries for the periods specified.

	Fiscal Years Ended January 31,					Quarter Ended April 30,	
	1995	1996	1997	1998	1999	1998	1999
	(in millions)					(unaudited)	
Income Statement Data:							
Net sales.....	U.S.\$82,494	U.S.\$93,627	U.S.\$104,859	U.S.\$117,958	U.S.\$137,634	U.S.\$29,819	U.S.\$34,717
Non-interest expense....	78,444	89,526	100,456	112,796	131,088	28,599	33,129
Interest expense.....	706	888	845	784	797	194	191
Total expense.....	79,150	90,414	101,301	113,580	131,885	28,793	33,320
Income before income taxes, minority interest and equity in unconsolidated subsidiaries.....	4,258	4,359	4,877	5,719	7,323	1,364	1,803
Net income.....	2,681	2,740	3,056	3,526	4,430	828	1,110
Balance Sheet Data:							
Cash and cash equivalents.....	45	83	883	1,447	1,879	771	1,967
Inventories.....	14,064	15,989	15,897	16,497	17,076	17,512	18,149
Total current assets....	15,338	17,331	17,993	19,352	21,132	19,690	22,346
Net property, plant and equipment.....	14,308	17,098	18,333	21,469	23,674	21,815	24,310
Net property under capital leases and other assets and deferred charges.....	3,173	3,112	3,278	4,563	5,190	4,539	5,367
Total assets.....	32,819	37,541	39,604	45,384	49,996	46,044	52,023
Accounts payable.....	5,907	6,442	7,628	9,126	10,257	9,765	11,235
Commercial paper.....	1,795	2,458	--	--	--	527	--
Long-term debt due within one year.....	23	271	523	1,039	900	281	877
Obligations under capital leases due within one year.....	64	69	95	102	106	105	115
Total current liabilities.....	9,973	11,454	10,957	14,460	16,762	14,833	17,745
Long-term debt.....	7,871	8,508	7,709	7,191	6,908	7,193	6,933
Long-term obligations under capital leases...	1,838	2,092	2,307	2,483	2,699	2,555	2,846
Total liabilities.....	20,093	22,785	22,461	26,881	28,884	27,225	30,006
Total shareholders' equity.....	12,726	14,756	17,143	18,503	21,112	18,819	22,017
Total liabilities and shareholders' equity...	32,819	37,541	39,604	45,384	49,996	46,044	52,023

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of Wal-Mart are as follows:

Principal Occupation

Directors

Jeronimo Arango..... Chairman of Cifra S.A. de C.V.
John A. Cooper, Jr..... Chairman of Cooper Communities, Inc.
Stephen Friedman..... Former Chairman of Goldman, Sachs & Co.
Stanley C. Gault..... Former Chairman and Chief Executive Officer of Goodyear Tire
& Rubber Company
David D. Glass..... President and Chief Executive Officer of Wal-Mart Stores,
Inc.
Roland A. Hernandez..... Chairman and Chief Executive Officer of Telemundo Group,
Inc.
Dr. Frederick S.
Humphries..... President of Florida A & M University
E. Stanley Kroenke..... Chairman of The Kroenke Group
Elizabeth A. Sanders.... Management Consultant with The Sanders Group
Jack C. Shewmaker..... International Consultant, Rancher and Retired Wal-Mart
Executive
Donald G. Soderquist.... Senior Vice Chairman of the Board of Directors of Wal-Mart
Stores, Inc.
Dr. Paula Stern..... President of The Stern Group, Inc.
Jose H. Villarreal..... Partner of Akin, Gump, Strauss, Hauer & Feld, L.L.P.
John T. Walton..... Chairman of Quantum Partners, L.L.C.
S. Robson Walton..... Chairman of the Board of Directors of Wal-Mart Stores, Inc.

Executive Officers

S. Robson Walton..... Chairman of the Board
David D. Glass..... President and Chief Executive Officer
Donald G. Soderquist.... Senior Vice Chairman
H. Lee Scott, Jr..... Vice Chairman and Chief Operating Officer
Paul R. Carter..... Executive Vice President and President--Wal-Mart Realty
Bob Connolly..... Executive Vice President--Merchandising
Thomas M. Coughlin..... Executive Vice President and Chief Executive Officer--Wal-
Mart Stores Division
David Dible..... Executive Vice President--Speciality Division
Thomas Grimm..... Executive Vice President and President and Chief Executive
Officer--SAM'S Club Division
John B. Menzer..... Executive Vice President and President and Chief Executive
Officer--International Division
Nick White..... Executive Vice President--Food Division
James A. Walker, Jr..... Senior Vice President and Controller

DESCRIPTION OF THE NOTES

The following description of the terms and conditions of the notes supplements the more general terms and conditions of Wal-Mart's debt securities contained in the attached prospectus.

The notes will be issued under the indenture and will constitute our senior unsecured debt obligations.

The % notes due 2001 will mature on August , 2001, the % notes due 2004 will mature on August , 2004 and the % notes due 2009 will mature on August , 2009, in each case at 100% of their principal amount. The notes will not be redeemable prior to maturity, except in the case of a tax event, as explained below. The notes will not be convertible or exchangeable. We will pay principal of and interest and any premium on the notes in U.S. dollars.

The notes will bear interest from August , 1999, at the annual interest rates specified on the cover page of this prospectus supplement. Interest will be payable semi-annually in arrears on February and August of each year, beginning on February , 2000, to the person in whose name the note is registered at the close of business on the preceding or , as the case may be. Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months.

Notices to holders of the notes will be published in a leading daily newspaper in The City of New York, in London, and, so long as the notes are listed on the Luxembourg Stock Exchange, in Luxembourg. We expect that publication will be made in The City of New York in The Wall Street Journal, in London in the Financial Times, and in Luxembourg in the Luxembourger Wort. Any notice shall be deemed to have been given on the date of publication or, if published more than once, on the date of first publication.

We may, without the consent of the holders of the notes, create and issue additional notes ranking equally with any series of notes that we are offering and otherwise similar in all respects to the notes of that series so that these further notes will be consolidated and form a single series with the notes of that series. No additional notes may be issued if an event of default under the indenture has occurred.

The indenture and the notes will be governed by New York law.

Same-Day Settlement and Payment

We will make all payments of principal of and interest on the notes to The Depository Trust Company ("DTC") in immediately available funds.

The notes will trade in same-day funds settlement system until maturity. Purchases of notes in secondary market trading must be in immediately available funds.

Payment of Additional Amounts

We will pay to the holder of any note who is a United States Alien, as defined below, additional amounts as may be necessary so that every net payment of principal of and interest on that note, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon that holder by the United States or any taxing authority thereof or therein, will not be less than the amount provided in that note to be then due and payable. We will not be required, however, to make any payment of additional amounts for or on account of:

(a) any tax, assessment or other governmental charge that would not have been imposed but for (1) the existence of any present or former connection between that holder, or between a fiduciary, settlor, beneficiary of, member or shareholder of, or possessor of a power over, that holder, if that holder is an estate, trust, partnership or corporation, and the United States including, without limitation, that holder, or that fiduciary, settlor, beneficiary, member, shareholder or possessor, being or having been a citizen or resident or treated as a resident of the U.S. or being or having been engaged in trade or business or present

in the U.S. or (2) the presentation of a note for payment on a date more than 30 days after the later of the date on which that payment becomes due and payable and the date on which payment is duly provided for;

(b) any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, assessment or other governmental charge;

(c) any tax, assessment or other governmental charge imposed by reason of that 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, or as a corporation which accumulates earnings to avoid United States federal income tax;

(d) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payment of principal of or interest on that note;

(e) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any note if that payment can be made without withholding by any other paying agent;

(f) 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 the holder or beneficial owner of that note, if such compliance is required by statute or by regulation of the U.S. Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(g) any tax, assessment or other governmental charge imposed on interest received by (i) a 10% shareholder (as defined in Section 871(h)(3)(B) of the U.S. Internal Revenue Code of 1986 and the regulations that may be promulgated thereunder) of our company or (ii) a controlled foreign corporation with respect to our company within the meaning of the Internal Revenue Code; or

(h) any combination of items (a), (b), (c), (d), (e), (f) and (g);

nor will we pay any additional amounts to any holder who is a fiduciary or partnership or other than the sole beneficial owner of that note to the extent that a beneficiary or settlor with respect to that fiduciary, or a member of that partnership or a beneficial owner thereof would not have been entitled to the payment of those additional amounts had that beneficiary, settlor, member or beneficial owner been the holder of that note.

"United States Alien" means any corporation, partnership, individual or fiduciary that is, as to the United States, 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, a foreign corporation, a non-resident alien individual or a non-resident fiduciary of a foreign estate or trust.

Redemption upon a Tax Event

The notes of either series may be redeemed at our option in whole, but not in part, on not more than 60 days' and not less than 30 days' notice, at a redemption price equal to 100% of their principal amount, if we determine that as a result of any change in or amendment to the laws, treaties, regulations or rulings of the United States 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 those laws, treaties, regulations or rulings, including a holding by a court of competent jurisdiction in the United States, or any other action, other than an action predicated on law generally known on or before August , 1999 except for proposals before the Congress before that date, taken by any taxing authority or a court of competent jurisdiction in the United States, or the official proposal of any action, whether or not such action or proposal was taken or made with respect to our company, (A) we have or will become obligated to pay

additional amounts as described under "--Payment of Additional Amounts" on any note of that series or (B) there is a substantial possibility that we will be required to pay those additional amounts. Prior to the publication of any notice of redemption, we will deliver to the Trustee (1) an officers' certificate stating that we are entitled to effect a redemption and setting forth a statement of facts showing that the conditions precedent to the right of our company so to redeem have occurred and (2) an opinion of counsel to that effect based on that statement of facts.

BOOK-ENTRY ISSUANCE

The notes will be represented by one or more global securities that will be deposited with and registered in the name of DTC or its nominee. Thus, we will not issue certificated securities to you for the notes, except in the limited circumstances described below. Each global security will be issued to DTC, which will keep a computerized record of its participants whose clients have purchased the notes. Each participant will then keep a record of its clients. Unless it is exchanged in whole or in part for a certificated security, a global security may not be transferred. DTC, its nominees and their successors may, however, transfer a global security as a whole to one another, and these transfers are required to be recorded on our records or a register to be maintained by the trustee.

Beneficial interests in a global security will be shown on, and transfers of beneficial interests in the global security will be made only through, records maintained by DTC and its participants. DTC has provided us with the following information: DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its direct participants deposit with DTC. DTC also records the settlements among direct participants of securities transactions, such as transfers and pledges, in deposited securities through computerized records for direct participants' accounts. This eliminates the need to exchange certificated securities. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC's book-entry system is also used by other organizations such as securities brokers and dealers, banks and trust companies that work through a direct participant. The rules that apply to DTC and its participants are on file with the SEC.

DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc.

When you purchase notes through the DTC system, the purchases must be made by or through a direct participant, which will receive credit for the notes on DTC's records. When you actually purchase the notes, you will become their beneficial owner. Your ownership interest will be recorded only on the direct or indirect participants' records. DTC will have no knowledge of your individual ownership of the notes. DTC's records will show only the identity of the direct participants and the amount of the notes held by or through them. You will not receive a written confirmation of your purchase or sale or any periodic account statement directly from DTC. You should instead receive these from your direct or indirect participant. As a result, the direct or indirect participants are responsible for keeping accurate account of the holdings of their customers. The trustee will wire payments on the notes to DTC's nominee. We and the trustee will treat DTC's nominee as the owner of each global security for all purposes. Accordingly, we, the trustee and any paying agent will have no direct responsibility or liability to pay amounts due on a global security to you or any other beneficial owners in that global security. Any redemption notices will be sent by us directly to DTC, which will, in turn, inform the direct participants (or the indirect participants), which will then contact you as a beneficial holder.

It is DTC's current practice, upon receipt of any payment of distributions or liquidation amounts, to proportionately credit direct participants' accounts on the payment date based on their holdings. In addition, it is DTC's current practice to pass through any consenting or voting rights to such participants by using an omnibus proxy. Those participants will, in turn, make payments to and solicit votes from you, the ultimate owner of notes, based on their customary practices. Payments to you will be the responsibility of the participants and not of DTC, the trustee or our company.

Notes represented by one or more global securities will be exchangeable for certificated securities with the same terms in authorized denominations only if:

. DTC is unwilling or unable to continue as depository or ceases to be a clearing agency registered under applicable law, and a successor is not appointed by us within 90 days; or

. we decide to discontinue the book-entry system.

If the global security is exchanged for certificated securities, the trustee will keep the registration books for the notes at its corporate office and follow customary practices and procedures regarding those certificated securities.

DTC's management is aware that some computer applications, systems and the like for processing data that are dependent upon calendar dates, including dates before, on, and after January 1, 2000, may encounter "Year 2000 problems." DTC has informed its participants and other members of the financial community that it has developed and is implementing a program so that its systems, as the same relate to the timely payment of distributions (including principal and interest payments) to security holders, book-entry deliveries, and settlement of trades within DTC, continue to function appropriately. This program includes a technical assessment and a remediation plan, each of which is complete. Additionally, DTC's plan includes a testing phase, which is expected to be completed within appropriate time frames.

However, DTC's ability to perform its services properly is also dependent upon other parties, including but not limited to issuers and their agents, as well as third-party vendors from whom DTC licenses software and hardware, and third-party vendors on whom DTC relies for information of the provision of services, including telecommunications and electrical utility service providers, among others. DTC has informed its participants and other members of the financial community that it is contacting, (and will continue to contact), third-party vendors from whom DTC acquires services to impress upon them the importance of such service being Year 2000 compliant, and determine the extent of their efforts for Year 2000 remediation and, as appropriate, testing, of their services. In addition, DTC is in the process of developing contingency plans as it deems appropriate.

Euroclear And Cedelbank

Links have been established among DTC, Cedelbank and Euroclear (two European book-entry depositories similar to DTC) to facilitate the initial issuance of the notes sold outside of the United States and cross-market transfers of the notes associated with secondary market trading.

Although DTC, Cedelbank and Euroclear have agreed to the procedures provided below in order to facilitate transfers, they are under no obligation to perform these procedures, and these procedures may be modified or discontinued at any time.

Cedelbank and Euroclear will record the ownership interests of their participants in much the same way as DTC, and DTC will record the total ownership of each of the U.S. agents of Cedelbank and Euroclear, as participants in DTC.

When notes are to be transferred from the account of a DTC participant to the account of a Cedelbank participant or a Euroclear participant, the purchaser must send instructions to Cedelbank or Euroclear through a participant at least one business day prior to settlement. Cedelbank or Euroclear, as the case may be, will instruct its U.S. agent to receive notes against payment. After settlement, Cedelbank or Euroclear will credit its participant's account. Credit for the notes will appear on the next day (European time).

Because settlement is taking place during New York business hours, DTC participants will be able to employ their usual procedures for sending notes to the relevant U.S. agent acting for the benefit of Cedelbank or Euroclear participants. The sale proceeds will be available to the DTC seller on the settlement date. As a result, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

When a Cedelbank or Euroclear participant wishes to transfer notes to a DTC participant, the seller will be required to send instructions to Cedelbank or Euroclear through a participant at least one business day prior to settlement. In these cases, Cedelbank or Euroclear will instruct its U.S. agent to transfer these notes against payment for them. The payment will then be reflected in the account of the Cedelbank or Euroclear participant the following day, with the proceeds back-valued to the value date, which would be the preceding day, when settlement occurs in New York. If settlement is not completed on the intended value date, that is, the trade fails, proceeds credited to the Cedelbank or Euroclear participant's account will instead be valued as of the actual settlement date.

U.S. FEDERAL INCOME TAX CONSEQUENCES TO UNITED STATES ALIENS

In the opinion of Hughes & Luce, L.L.P., our counsel, the following is a discussion of the material U.S. federal income tax consequences for beneficial owners of the notes that are United States Aliens. This discussion is based on current law which is subject to change. This discussion may not represent a detailed description of the U.S. federal income tax consequences to you in light of your particular circumstances. In addition, it may not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are a "controlled foreign corporation," "passive foreign investment company" or "foreign personal holding company" or, in some cases, an expatriate of the United States. We cannot assure you that a change in law will not alter significantly the tax considerations that we describe in this discussion.

You should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of the ownership of the notes, as well as the consequences to you arising under the laws of any other tax jurisdiction.

U.S. Federal Withholding Tax

The 30% U.S. federal withholding tax will not apply to any payment of principal of or interest, including original issue discount, on a particular series of notes, provided that:

. you do not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Internal Revenue Code and U.S. Treasury regulations;

. you are not a controlled foreign corporation that is related to us through stock ownership;

. you are not a bank whose receipt of interest on the notes is described in Section 881(c)(3)(A) of the Internal Revenue Code; and

. (1) you provide your name and address on an IRS Form W-8, and certify, under penalty of perjury, that you are not a U.S. person or (2) a financial institution holding the notes on your behalf certifies, under penalty of perjury, that it has received an IRS Form W-8 from the beneficial owner and provides us with a copy.

If you cannot satisfy the requirements described above, payments of premium, if any, and interest, including original issue discount, made to you will be subject to the 30% U.S. federal withholding tax, unless you provide us with a properly executed (1) IRS Form 1001 claiming an exemption from withholding under the benefit of a tax treaty or (2) IRS Form 4224 stating that interest paid on the note is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States.

The 30% U.S. federal withholding tax generally will not apply to any gain or income that you realize on the sale, exchange, retirement or other disposition of the note.

U.S. Federal Estate Tax

Your estate will not be subject to U.S. federal estate tax on notes of a series beneficially owned by you at the time of your death, provided that (1) you do not own, within the meaning of the Internal Revenue Code and the U.S. Treasury regulations, 10% or more of the total combined voting power of those classes of our voting stock and (2) interest on those notes would not have been, if received at the time of your death, effectively connected with the conduct by you of a trade or business in the United States.

U.S. Federal Income Tax

If you are engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business (although exempt from the 30% withholding tax), you will be subject to U.S. federal income tax on that interest on a net income basis in the same manner as if you were a U.S. person as defined under the Internal Revenue Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of your earnings and profits for the taxable year, subject to adjustments, that are effectively connected with the conduct by you of a trade or business in the United States. For this purpose, interest on notes will be included in your earnings and profits.

Any gain or income realized on the disposition of a note generally will not be subject to U.S. federal income tax unless (1) that gain or income is effectively connected with the conduct of a trade or business in the United States by you, or (2) you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met.

Information Reporting and Backup Withholding

In general, you will not be subject to information reporting and backup withholding with respect to payments that we make to you provided that we do not have actual knowledge that you are a U.S. person and we have received from you the statement described above under "--U.S. Federal Withholding Tax."

In addition, you will not be subject to backup withholding and information reporting with respect to the proceeds of the sale of a note within the United States or conducted through certain U.S.-related financial intermediaries, if the payor receives the statement described above and does not have actual knowledge that you are a U.S. person, as defined under the Internal Revenue Code, or you otherwise establish an exemption.

U.S. Treasury regulations were recently issued that generally modify the information reporting and backup withholding rules applicable to certain payments made after December 31, 2000. In general, the new U.S. Treasury regulations would not significantly alter the present rules discussed above, except in certain special situations.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is furnished to the Internal Revenue Service.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, we have agreed to sell to the underwriters named below, severally and not jointly, the principal amount of notes set forth opposite their respective names:

Underwriter	Principal Amount of % Notes due 2001	Principal Amount of % Notes due 2004	Principal Amount of % Notes due 2009
Lehman Brothers Inc.....	U.S.\$	U.S.\$	U.S.\$
Total.....	U.S.\$1,000,000,000	U.S.\$2,000,000,000	U.S.\$2,000,000,000
	=====	=====	=====

The underwriters have advised us that they propose to offer the notes to the public initially at the public offering prices set forth on the cover page of this prospectus supplement. The underwriters may also offer notes to dealers at that price less concessions not in excess of 0. % of the principal amount of the % notes due 2001, 0. % of the principal amount of the % notes due 2004 and 0. % of the principal amount of the % notes due 2009. After the initial public offering of the notes is completed, the public offering prices and these concessions may be changed.

In connection with the offering, SEC rules permit the underwriters to engage in certain transactions that stabilize the price of the notes. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the notes. If the underwriters create a short position in the notes in connection with the offering by selling larger principal amounts of notes than as set forth on the cover page of this prospectus supplement, the underwriters may reduce that short position by purchasing notes in the open market. In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might otherwise be in the absence of such purchases. Neither we nor any of the underwriters can make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the underwriters make any representation that the underwriters will engage in such transactions, or that such transactions, once begun, will not be discontinued without notice.

Some of the underwriters and their affiliates may from time to time in the ordinary course of business provide, and have provided in the past, investment or commercial banking services to Wal-Mart and its affiliates.

We will pay transaction expenses, estimated to be approximately U.S.\$, relating to the offering of the notes.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Each underwriter has represented and agreed that (1) it has not offered or sold and prior to the date six months after the date of issue of the notes 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.

VALIDITY OF THE NOTES

The validity of the notes will be passed on for us by Hughes & Luce, L.L.P., Dallas, Texas, and for the underwriters by Simpson Thacher & Bartlett, New York, New York.

GENERAL INFORMATION

We have applied to list the notes on the Luxembourg Stock Exchange. In connection with the listing application, Wal-Mart has deposited its certificate of incorporation and by-laws and a legal notice relating to the issuance of the notes with Greffier en Chef du Tribunal d'Arrondissement de et a Luxembourg, where copies may be obtained upon request. So long as any of the notes is outstanding, copies of these documents together with this prospectus supplement and the attached prospectus, the indenture and our current annual and quarterly reports, and all future annual reports and quarterly reports, will be made available for inspection at the main office of Kredietbank S.A. Luxembourg, in Luxembourg. Kredietbank S.A. Luxembourg will act as intermediary between the Luxembourg Stock Exchange and Wal-Mart and the holders of the notes. In addition, copies of our annual reports and quarterly reports may be obtained free of charge at that office.

Except as disclosed in the prospectus supplement or the attached prospectus, including the documents incorporated by reference, there has been no material adverse change in the financial position of Wal-Mart since April 30, 1999.

The independent auditors of Wal-Mart are Ernst & Young LLP, Tulsa, Oklahoma.

Neither Wal-Mart nor any of its subsidiaries is involved in litigation, arbitration, or administrative proceedings relating to claims or amounts that are material in the context of the offering of the notes. We are not aware of any material litigation, arbitration or administrative proceedings pending or threatened.

Resolutions authorizing the issue and sale of the notes were adopted by the executive committee of Wal-Mart's board of directors on July 13, 1999.

The notes have been accepted for clearance through Euroclear and Cedelbank and have been assigned the following identification numbers:

	Common Code	ISIN Number	CUSIP Number
% notes due 2001.....	-----	-----	-----
% notes due 2004.....			
% notes due 2009.....			

PRINCIPAL EXECUTIVE OFFICES OF WAL-MART STORES, INC.

Wal-Mart Stores, Inc.
702 S.W. 8th Street
Bentonville, Arkansas 72716
U.S.A.

TRUSTEE

The First National Bank of Chicago
One First National Plaza
Suite 126
Chicago, Illinois 60670
U.S.A.

LUXEMBOURG LISTING AND PAYING AGENT

Kredietbank S.A. Luxembourgeoise
43, Boulevard Royal
L-2955 Luxembourg

LEGAL ADVISERS

To the Company
Hughes & Luce, L.L.P.
1717 Main Street
Dallas, Texas 75201
U.S.A.

To the Underwriters
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
U.S.A.

INDEPENDENT AUDITORS

Ernst & Young LLP
3900 One Williams Center
Tulsa, Oklahoma 74172
U.S. A.

U.S.\$5,000,000,000

Wal-Mart Stores, Inc.

U.S.\$1,000,000,000 % Notes due 2001

U.S.\$2,000,000,000 % Notes due 2004

U.S.\$2,000,000,000 % Notes due 2009

Prospectus Supplement

August, 1999

Lehman Brothers

+++++

+ The information in this prospectus is not complete and may be changed. +
+This prospectus is not an offer to sell these securities or our solicitation +
+of your offer to buy these securities, nor will we sell them or accept your +
+offer to buy them, in any state or other jurisdiction where that would not be +

+permitted or legal prior to registration or qualification in that state or +
+other jurisdiction. We may not sell these securities until the registration +
+statement filed with the Securities and Exchange Commission is effective. +

+++++ SUBJECT TO
COMPLETION, DATED JULY 15, 1999

PROSPECTUS

Wal-Mart Stores, Inc.

U.S.\$10,500,700,000

DEBT SECURITIES

This prospectus forms part of shelf registration statements that we filed with the SEC. We may use these registration statements to offer and sell, in one or more offerings at various times, up to a total of U.S.\$10,500,700,000 of our debt securities. We may sell the debt securities in different series which have different terms and conditions.

This prospectus provides you with a general description of the debt securities that we may offer. When we sell a particular series of the debt securities, we will provide a prospectus supplement describing the specific terms and conditions of that series of debt securities, including:

- . the public offering price;
- . the maturity date;
- . the interest rate or rates, which may be fixed or variable;
- . the times for payment of principal, interest and any premium; and
- . any redemption provisions of the debt securities in the series.

The prospectus supplement may also contain, in the case of some series of debt securities, important information about U. S. federal income tax consequences to which you may become subject if you acquire the debt securities being offered by that prospectus supplement. The prospectus supplement may also update or change information contained in this prospectus.

You should read both this prospectus and any prospectus supplement together with the additional information described under the heading "Where You Can Find More Information."

We maintain our principal executive offices at:

702 S.W. 8th Street
Bentonville, Arkansas 72716
Telephone: (501) 273-4000.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is August , 1999.

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You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement. We have not authorized anyone to provide you with different information.

We are not offering the debt securities in any jurisdiction in which the offer is not permitted.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Instead of repeating the information that we have already filed with the SEC, the SEC allows us to "incorporate by reference" in this prospectus information contained in documents we have filed with the SEC. Those documents form an important part of this prospectus. Any documents that we file with the SEC in the future will also be considered to be part of this prospectus and will automatically update and supersede the information contained in this prospectus.

We incorporate by reference in this prospectus the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we complete or terminate the offering of debt securities by this prospectus.

. our Annual Report on Form 10-K for our fiscal year ended January 31, 1999; and

. our Quarterly Report on Form 10-Q for our quarter ended April 30, 1999.

As allowed by the SEC's rules, we have not included in this prospectus all of the information that is included in the registration statement. At your request we will provide you, free of charge, with a copy of the registration statement, any of the exhibits to the registration statement or a copy of any other filing we have made with the SEC. If you want more information, write in care of or call:

Allison D. Garrett, Esq. Assistant General Counsel and Assistant Secretary Wal-Mart Stores, Inc. Corporate Offices 702 S.W. 8th Street
Bentonville, Arkansas 72716 Telephone: (501) 273-4505

You may also obtain a copy of any filing we have made with the SEC directly from the SEC. You may either:

. read and copy any materials we file with the SEC at the SEC's public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549 and at its offices in New York, New York and Chicago, Illinois; or

. visit the SEC's Internet site at <http://www.sec.gov>, which contains reports, proxy and information statements and other information regarding issuers that file electronically.

You can obtain more information about the SEC's public reference room by calling the SEC at 1-800-SEC-0330.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes and incorporates by reference certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be included, for example, under "Wal-Mart Stores, Inc." and "Use of Proceeds," and in certain portions of our reports and other information incorporated in this prospectus by reference. These forward-looking statements may include statements that address activities, events or developments that we expect or anticipate will or may occur in the future, including:

- . future capital expenditures, including the amount and nature of those expenditures;
- . expansion and other development trends of industry segments in which we are active;
- . our business strategy;
- . expansion and growth of our business; and
- . operations and other similar matters.

Although we believe the expectations expressed in the forward-looking statements are based on reasonable assumptions within the bounds of our knowledge of our business, a number of factors could cause actual results to differ materially from those expressed in any forward-looking statements, whether oral or written, made by us or on our behalf. Many of these factors have previously been identified in filings or statements made by us or on our behalf.

Our business operations are subject to factors outside our control. Any one, or a combination, of these factors could materially affect our financial performance. These factors include:

- . the costs of goods;
- . competitive pressures;
- . inflation;
- . consumer debt levels;
- . currency exchange fluctuations;
- . trade restrictions;
- . changes in tariff and freight rates;
- . Year 2000 issues;
- . unemployment levels;
- . interest rate fluctuations; and
- . other capital market and economic conditions.

Forward-looking statements that we make or that are made by others on our behalf are based on a knowledge of our business and the environment in which we operate, but because of the factors listed above, actual results may differ from those in the forward-looking statements. Consequently, all of the forward-looking statements made are qualified by these cautionary statements. We cannot assure you that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. We assume no obligation to update any of the forward-looking statements.

WAL-MART STORES, INC.

We are the world's largest retailer as measured by total net sales for fiscal 1999. We had total net sales of US\$137.6 billion in fiscal 1999, over 90% of which was generated in the United States. We operate mass merchandising stores that serve our customers primarily through the operation of three segments:

- . Wal-Mart stores, which include our discount stores and Supercenters in the United States;
- . SAM'S Clubs, which include the warehouse membership clubs in the United States; and
- . the international segment of our business.

We currently operate in all 50 states of the United States, Puerto Rico, Argentina, Brazil, Canada, Germany and Mexico, and in China and Korea under joint venture agreements. In addition, through our subsidiary, McLane Company, Inc., we provide products and distribution services to retail industry and institutional food service customers. At January 31, 1999, we operated in the United States:

- . 1,869 Wal-Mart stores;
- . 564 Supercenters; and
- . 451 SAM'S Clubs.

As of January 31, 1999, we also operated 153 Canadian Wal-Mart stores, 13 units in Argentina, 14 units in Brazil, five units in China, 95 units in Germany, 416 units in Mexico, four units in Korea and 15 units in Puerto Rico. The units operated by our International Division represent a variety of retail formats.

Wal-Mart Stores, Inc. was incorporated in 1969.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of our earnings to fixed charges, for the periods indicated:

Year Ended January 31,					Three Months Ended April 30,	
-----	-----	-----	-----	-----	-----	-----
1995	1996	1997	1998	1999	1998	1999
----	----	----	----	----	----	----
4.62x	4.15x	4.59x	5.33x	6.24x	4.98x	6.11x

For the purpose of computing our ratios of earnings to fixed charges, we have defined "earnings" to mean:

- . our earnings before income taxes and fixed charges, excluding capitalized interest; plus
- . the earnings before taxes and fixed charges, excluding capitalized interest, of our majority-owned subsidiaries.

We have also defined "fixed charges" to mean:

- . the interest that we pay; plus
- . the capitalized interest that we show on our accounting records; plus
- . the portion of the rental expense for real and personal property that we believe represents the interest factor in those rentals.

We have not disclosed ratios of earnings to fixed charges and preferred stock dividends because we do not have any shares of preferred stock outstanding.

USE OF PROCEEDS

Except as we otherwise specifically describe in the applicable prospectus supplement, we will use the net proceeds from the sale of the debt securities:

- . to repay the short-term borrowings that we have incurred to acquire land and construct stores and other facilities;
- . to repay short-term borrowings that we have incurred to acquire other companies and assets; and
- . to meet our other general working capital requirements.

Before we apply the net proceeds to one or more of these uses, we may invest those net proceeds in short-term marketable securities.

We may also incur from time to time additional debt other than through the offering of debt securities under this prospectus.

DESCRIPTION OF THE DEBT SECURITIES

We will issue the debt securities in one or more series under an indenture, dated as of April 1, 1991, that was supplemented by a supplemental indenture dated as of September 9, 1992 (which we refer to together as the "indenture"), between us and The First National Bank of Chicago, as the trustee.

The indenture is a contract between us and the trustee. The trustee has two main roles. First, the trustee can enforce your rights against us if an "event of default," as that term is described below, occurs. Second, the trustee performs certain administrative duties for us.

We have summarized below the material provisions of the debt securities to which this prospectus relates and the indenture. However, you should understand that this is only a summary, and we have not included all of the provisions of the indenture. We have filed the indenture with the SEC, and we suggest that you read the indenture. We are incorporating by reference the provisions of the indenture referred to in the following summary, whether by reference to articles, sections or defined terms. The summary is qualified in its entirety by those provisions of the indenture. The section numbers set forth below refer to the sections of the indenture.

We will describe the particular terms and conditions of any series of debt securities offered in the applicable prospectus supplement. The prospectus supplement, which we will file with the SEC, may or may not modify the general terms found in this prospectus. For a complete description of any series of debt securities, you should read both this prospectus and the prospectus supplement relating to that series of debt securities.

General

As a holder of these debt securities, you will be one of our unsecured creditors and will have a right to payment equal to that of the other unsecured creditors of Wal-Mart Stores, Inc.

The debt securities offered by this prospectus will be limited to a total of US\$10,500,700,000, or the equivalent amount in any currency. The indenture, however, does not limit the amount of debt securities that may be issued under it and provides that debt securities may be issued under it from time to time in one or more series.

The prospectus supplement will describe the following terms of each series of debt securities:

- . the title of the series;
- . the aggregate principal amount of the debt securities of the series;
- . the date or dates on which the principal will be paid;
- . the percentage of the principal amount at which the debt securities in the series will be issued and, if less than the face amount, the portion of the principal amount payable if the holders or the trustee accelerates the maturity of those debt securities;
- . the annual interest rate or rates payable on the debt securities in the series, which may be fixed or variable;
- . the date or dates from which interest, if any, will accrue;
- . the dates on which interest will be payable and the record dates for the interest payment dates;
- . the place or places where principal, interest, and any premium will be paid;
- . the times when we may redeem some or all of the debt securities in the series or you may cause us to redeem some or all of those debt securities and terms of any of those redemptions;
- . the price at which we may redeem, at our option, the debt securities in the series;
- . whether we will be obligated to redeem or purchase any of the debt securities in the series with funds from a sinking fund and the times and terms, including price, on which we must redeem or purchase, those debt securities;
- . if other than denominations of US\$1,000 or a multiple of US\$1,000, the denominations, which may include other currencies, in which the debt securities in the series will be issuable and payable;
- . the currency of payment of principal of and interest and any premium on the debt securities in the series;
- . any index, formula or other method that we must use to determine the amount of payment of principal of and interest and any premium on the debt securities in the series;
- . the portion of the principal amount of the debt securities in the series which will be payable upon the acceleration of their maturity if the principal amount payable will be less than the total unpaid principal amount;
- . whether you may elect to be paid or we may pay you in a currency other than the currency in which the debt securities in the series are stated to be payable, and when and on what terms we must or may make that payment;
- . whether the debt securities in the series will be issued in certificated or book-entry form;
- . the applicability, if any, of the defeasance provisions of the indenture, or any modification thereof; and
- . any other specific terms and conditions of the series of debt securities.

If we sell any series of debt securities for, that we may pay in, or that are denominated in, one or more foreign currencies, currency units or composite currencies, we will disclose applicable restrictions, elections, tax consequences, specific terms and other information with respect to that series of debt securities and the relevant currencies, currencies units or composite currencies in the prospectus supplement relating to the offer of that series.

We may also offer and sell a series of the debt securities as original issue discount securities, bearing no interest or interest at a rate which at the time of issuance is below market rates, at a substantial discount below their stated principal amount. We will describe the U.S. federal income tax consequences and other special considerations applicable to any original issue discount securities of that kind described in the prospectus supplement relating to that series.

Covenants

We summarize below the covenants contained in the indenture. Following the summary of these covenants, we provide the definitions of the capitalized terms that are used in the summary.

Restrictions on Liens. We will not, and will not permit any of our subsidiaries to issue, assume or guarantee any debt for money we borrow if that debt is secured by any mortgage, deed of trust, security interest, pledge, lien or other encumbrance upon any Operating Property belonging to us or of any of our subsidiaries or any shares of stock or indebtedness of any of our subsidiaries, whether owned at the date of the indenture or thereafter acquired, without effectively securing the debt securities equally and ratably with that debt. This restriction does not, however, apply to:

- . mortgages on any property acquired, constructed or improved by us or any of our subsidiaries after January 31, 1991, created or assumed within 60 months after the acquisition, or construction or improvement is complete, or within six months after completion pursuant to a firm commitment for financing arrangement that we enter into within that 60-month period, to secure or provide for the payment of the purchase price or cost;
- . mortgages existing on any property at the time of its acquisition;
- . mortgages existing on any property, shares of stock or debt acquired from a corporation merged with or into us or one of our subsidiaries;
- . mortgages on property of any corporation existing at the time it becomes our subsidiary;
- . mortgages to secure debt of any of our subsidiaries to us or to another of our subsidiaries;
- . mortgages in favor of governmental bodies to secure partial progress, advance or other payments pursuant to any contract or statute or to secure indebtedness incurred to finance the purchase price or cost of constructing or improving the property subject to those mortgages; or
- . mortgages for extending, renewing or replacing debt secured by any mortgage referred to in the foregoing items or in this item or any mortgages existing on January 31, 1991.

This restriction does not apply to the issuance, assumption or guarantee by us or any of our subsidiaries of debt secured by a mortgage which would otherwise be subject to the restrictions described above up to an aggregate amount which, together with all of our and our subsidiaries' secured debt, not including secured debt permitted under the foregoing exceptions, and the Value of Sale and Lease-back Transactions existing at that time other than those Sale and Lease-back Transactions the proceeds of which have been applied to the retirement of certain long-term debt or to the purchase of other operating property, and other than those Sale and Lease-back Transactions in which the property involved would have been permitted to be mortgaged under the principle described in the first item above, does not exceed the greater of 10% of our Consolidated Net Tangible Assets or 15% of Consolidated Capitalization.
(Section 3.03)

Restrictions on Sale and Lease-back Transactions. We will not and will not permit any of our subsidiaries to, engage in Sale and Lease-back Transactions relating to any Operating Property, except for temporary leases for a term, including renewals, of not more than 48 months and except for leases between us and one of our subsidiaries or between our subsidiaries. However, we or our subsidiaries can engage in that type of transaction if the net proceeds of the Sale and Lease-back Transaction are at least equal to the sum of all costs incurred by us in connection with the acquisition of, and construction of any improvement on, the Operating Property to be leased and either:

- . we or our subsidiary would be entitled to incur debt secured by a mortgage on the property to be leased without securing the debt securities pursuant to the first exception to the prohibition on liens stated under "Restrictions on Liens" above; or

. the Value thereof would be an amount permitted under the last sentence under "Restrictions on Liens" above; or

. we apply an amount equal to the sum of all costs incurred by us in connection with the acquisition of, and the construction of any improvements on, that property (1) to the payment or other retirement of certain of our or one of our subsidiary's long-term debt or (2) to the purchase of Operating Property, other than that involved in that Sale and Lease-back Transaction. (Section 3.04)

Mergers, Consolidations and Sale of Our Assets. We may merge with or consolidate into another corporation or sell or convey all or substantially all of our property to another corporation that is authorized to purchase and operate our property, as long as:

. immediately after the merger, consolidation, sale or conveyance, the surviving or acquiring corporation is not in default under the indenture;

. the surviving or acquiring corporation is a U.S. corporation; and

. the surviving or acquiring corporation assumes, by a supplemental indenture satisfactory to the trustee, the obligation to pay the principal of and interest and any premium on all of the debt securities and to perform our covenants under the indenture.

In the case of a merger or consolidation or a sale or conveyance of all or substantially all of our assets and the assumption of our liabilities under the indenture by a successor corporation, the successor corporation will assume our place in the indenture as if it had originally been a party to the indenture. The successor corporation may then issue debt securities under the indenture.

Definitions. The indenture contains the following defined terms that are used in the covenants. (Section 1.01)

"Consolidated Capitalization" means the total of all the assets appearing on our and our subsidiaries' consolidated balance sheets less current liabilities and deferred income taxes.

"Consolidated Net Tangible Assets" means the total of all the assets appearing on our and our subsidiaries' consolidated balance sheets less:

. current liabilities;

. reserves for depreciation and other asset valuation reserves;

. intangible assets such as goodwill, trademarks, trade names, patents, and unamortized debt discount and expense; and

. appropriate adjustments on account of minority interests of other persons holding stock in any of our majority-owned subsidiaries.

"Operating Property" means any manufacturing or processing plant, office facility, retail store, wholesale club, Supercenter, hypermart, warehouse, distribution center or equipment located within the United States of America or its territories or possessions and owned and operated now or hereafter by us or any of our subsidiaries and having a book value on the date as of which the determination is being made of more than 0.60% of Consolidated Net Tangible Assets; provided, however, that separate items of equipment with an aggregate book value in excess of US\$200,000,000 that are secured pursuant to the same financing transaction will constitute one "Operating Property."

"Sale and Lease-back Transaction" means any arrangement with any person providing for the leasing to us or any of our subsidiaries of any Operating Property, except for temporary leases for a term, including any renewal thereof, of not more than 48 months and except for leases between us and one of our subsidiaries or between our subsidiaries, which Operating Property has been or is to be sold or transferred by us or one of our subsidiaries to that person.

"Value" means, with respect to a Sale and Lease-back Transaction, as of any particular time, the amount equal to the greater of:

- . the net proceeds from the sale or transfer of the property leased pursuant to that Sale and Lease-back Transaction; or
- . the sum of all of our costs incurred in connection with the acquisition of that property and the construction of any improvements thereon, as determined in good faith by us at the time of entering into that Sale and Lease-back Transaction,

in either case multiplied by a fraction, the numerator of which shall be equal to the number of full years of the term of the lease remaining at the time of determination and the denominator of which shall be equal to the number of full years of that term, without regard to any renewal or extension options contained in the lease.

Events of Default, Notice and Waiver

An event of default with respect to any series of debt securities is:

- . a default in payment of principal or premium, if any, at maturity;
- . a default for 30 days in payment of any interest;
- . our failure for 60 days after notice to perform any other of the covenants or agreements in the indenture;
- . our default in the payment of any of our debt or acceleration of any of that debt under the terms of the instrument under which that debt is issued, if that default in payment is not cured or that acceleration is not annulled within 10 days after written notice;
- . certain events in the case of our bankruptcy, insolvency or reorganization; or
- . any other event of default provided with respect to any series of debt securities. (Section 5.01)

If an event of default occurs and is continuing with respect to any series of debt securities and be continuing, either the trustee or the holders of 25% in principal amount then outstanding of the debt securities of that series may declare the principal of all the debt securities to be due and payable immediately, but upon certain conditions that declaration may be annulled. The holders of a majority in principal amount then outstanding of the debt securities of a series may waive defaults, except an uncured default in the payment of principal of or interest or any premium on the debt securities.
(Sections 5.01 and 5.06)

We are required to file annually with the trustee a certificate either stating the absence of any default or specifying any default that exists. (Section 3.09) The trustee is required, within 90 days after the occurrence of a default with respect to the debt securities of any series, to give to the holders of the debt securities notice of all uncured defaults known to it. However, except in the case of default in the payment of principal and premium, if any, or interest on any of the debt securities of that series, the trustee will be protected in withholding that notice if the trustee in good faith determines that the withholding of that notice is in the interest of the holders of the debt securities of that series. The term "default" for the purpose of this provision only will mean the occurrence of any of the events of default specified above excluding any grace periods. (Section 5.07)

The trustee is entitled, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified by the holders of the debt securities of any series before proceeding to exercise any right or power under the indenture at the request of those holders. The indenture provides that the holders of a majority in principal amount of each series of outstanding debt securities may direct, with regard to that series, the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, provided that the trustee may decline to act if that direction is contrary to law or if the trustee determines in good faith that the proceeding so directed would be illegal or would involve it in personal liability. (Section 5.06)

Modification of the Indenture

The trustee and we, with the consent of the holders of not less than 66 2/3% in aggregate principal amount of each series of the debt securities at the time outstanding affected thereby, may execute supplemental indentures amending, changing or eliminating the provisions of the indenture or of any supplemental indenture or modifying in any manner the rights of the holders of those debt securities. However, no supplemental indenture of that kind may:

- . extend the fixed maturity of any debt securities or the time of payment of interest, reduce the interest rate, the principal amount or any premium to be paid upon redemption or the amount of principal of an original issue discount security that would be payable upon acceleration of maturity, or impair or affect the right of any debt security holder to institute suit for payment or the right of repayment, if any, at the option of the holder of debt securities, without the consent of the holder of each debt securities so affected; or
- . reduce the above percentage of debt securities, the holders of which are required to consent to any supplemental indenture of that kind, without the consent of the holders of all the affected debt securities then outstanding.

(Section 9.02) In some circumstances, the holders of a majority in aggregate principal amount of each series of debt securities may waive all defaults and rescind and annul a declaration that the series of debt securities has become due and payable and the consequences of a declaration of that kind. (Section 5.01)

The trustee and we, without the consent of the holders of the debt securities, may execute an indenture or supplemental indentures to:

- . evidence the succession of another corporation to us and our successor's assumption to our agreements and obligations with respect to the debt securities and the indenture;
- . add to our covenants further restrictions or conditions that our board of directors and the trustee consider to be for the protection of holders of all or any series of the debt securities and to make the occurrence of a default in any of those additional covenants, restrictions or conditions a default or an event of default permitting enforcement of all or any of the several remedies provided in the indenture with some permissible limitations;
- . cure ambiguities or correct or supplement any provision contained in the indenture or any supplemental indenture that may be defective or inconsistent with another provision;
- . provide for the issuance of debt securities whether or not then outstanding under the indenture in coupon form and to provide for exchangeability of the coupon form securities with debt securities issued under the indenture in fully registered form;
- . establish the form or terms and to provide for the issuance of any series of debt securities under the indenture; and
- . evidence and provide for the acceptance of appointment of a successor trustee and to change the indenture as necessary to have more than one trustee under the indenture. (Section 9.01)

Defeasance of Offered Debt Securities in Certain Circumstances

The indenture provides that our board of directors may provide by resolution that we will be discharged from any and all obligations in respect of the debt securities of any series upon the deposit with the trustee, in trust, of money and/or obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States of America, which through the payment of interest and principal those debt securities in accordance with their terms will provide money in an amount sufficient to pay any installment of principal of and interest on the debt securities of that series on the stated maturity of that payments in accordance with the terms of the indenture and those debt securities. A discharge may only occur if we have received from, or there has been published by, the U. S. Internal Revenue Service a ruling to the effect that the discharge will not be deemed, or result in, a taxable event with respect to holders of the debt securities of that series. (Section 11.05)

Global Securities

Unless otherwise stated in a prospectus supplement, the debt securities of a series will be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depository identified in the applicable prospectus supplement relating to that series. The global securities may be issued in either registered or bearer form and in either temporary or permanent form. The specified terms of the depository arrangement with respect to a series of debt securities will be described in the applicable prospectus supplement relating to that series.

Concerning the Trustee

The First National Bank of Chicago, a national banking association with its principal offices in Chicago, Illinois, is the trustee under the indenture and will also serve as paying agent and registrar.

The First National Bank of Chicago also serves as trustee under an indenture dated as of December 1, 1986 covering secured bonds issued in the aggregate principal amount of U.S.\$137,082,000 by the owner-trustees of approximately 24 Sam's Clubs store properties which are leased to us. We have issued notes in the aggregate principal amount of U.S.\$1.00 billion under this indenture as originally executed and, as of the date of this prospectus, U.S.\$7.05 billion under the indenture as supplemented. First Chicago Leasing Corporation, an affiliate of The First National Bank of Chicago, established a business trust which purchased 15 Wal-Mart discount department stores for U.S.\$53,661,785 and leased the stores back to us for an initial term of 20 years in a transaction which was consummated on December 22, 1992. On November 10, 1994, a second business trust of which First Chicago Leasing Corporation is a beneficiary purchased an additional 23 Wal-Mart discount department stores for U.S.\$128,842,5000 and leased the stores back to us for an initial term of 20 years. We expect that we will also maintain banking relationships in the ordinary course of business with The First National Bank of Chicago.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

A prospectus supplement may describe the principal U. S. federal income tax consequences of acquiring, owning and disposing of debt securities of some series in the following circumstances:

- . payment of the principal, interest and any premium in a currency other than the U. S. dollar;
- . the issuance of any debt securities with "original issue discount," as defined for U. S. federal income tax purposes; and
- . the inclusion of any special terms in debt securities that may have a material effect for U. S. federal income tax purposes.

PLAN OF DISTRIBUTION

General

We may sell the debt securities being offered hereby:

- . directly to purchasers;
- . through agents;
- . through dealers;
- . through underwriters; or
- . through a combination of any of those methods of sale.

We may effect the distribution of the debt securities from time to time in one or more transactions either:

- . at a fixed price or prices which may be changed;
- . at market prices prevailing at the time of sale; or
- . at prices related to the prevailing market prices; or
- . at negotiated prices.

We may directly solicit offers to purchase the debt securities. Offers to purchase debt securities may also be solicited by agents designated by us from time to time. Any of those agents, who may be deemed to be an "underwriter," as that term is defined in the Securities Act of 1933, involved in the offer or sale of the debt securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to that agent will be set forth in the prospectus supplement.

If a dealer is utilized in the sale of the debt securities in respect of which this prospectus is delivered, we will sell those debt securities to the dealer, as principal. The dealer, who may be deemed to be an "underwriter", as that term is defined in the Securities Act of 1933, may then resell those debt securities to the public at varying prices to be determined by that dealer at the time of resale.

If we use an underwriter or underwriters in the sales, we will execute an underwriting agreement with those underwriters at the time of sale of the debt securities and the name of the underwriters will be set forth in the prospectus supplement, which will be used by the underwriters to make resales of the debt securities in respect of which this prospectus is delivered to the public. The compensation of any underwriters will also be set forth in the prospectus supplement.

Underwriters, dealers, agents and other persons may be entitled, under agreements that may be entered into with us, to indemnification by us against certain civil liabilities, including liabilities under the Securities Act of 1933, or to our contributing to payments those underwriters, dealers, agents and other persons are required to make.

Underwriters, dealers and agents may engage in transactions with, or perform services for, us or any of our subsidiaries in the ordinary course of business.

LEGAL MATTERS

The validity of the debt securities offered by this prospectus and any prospectus supplement will be passed upon for us by Hughes & Luce, L.L.P., our counsel.

EXPERTS

The consolidated financial statements of Wal-Mart Stores, Inc. and subsidiaries incorporated by reference in our Annual Report on Form 10-K for the fiscal year ended January 31, 1999, have been audited by Ernst & Young, LLP, independent auditors, as set forth in their report thereon incorporated by reference therein and incorporated herein by reference. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements (to the extent covered by consents filed with the Securities and Exchange Commission) given upon the authority of such firm as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Securities and Exchange Commission registration fee.....	\$2,780,000
*Printing and engraving.....	25,000
*Legal fees and charges	50,000
*Trustees' fees and expenses.....	7,500
*Accounting fees and expenses.....	20,000
*Miscellaneous.....	200,000

	\$3,082,500
	=====

* Estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Registrant's By-Laws provide that each person who was or is made a party to, or is involved in, any action, suit or proceeding by reason of the fact that he or she was a director or officer of the Registrant (or was serving at the request of the Registrant as a director, officer, employee or agent for another entity) will be indemnified and held harmless by the Registrant, to the full extent authorized by the Delaware General Corporation Law (the "DGCL").

DGCL Section 145 provides, among other things, that the Registrant may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (other than an action by or in the right of the Registrant) by reason of the fact that the person is or was a director, officer, agent, or employee of the Registrant or is or was serving at the Registrant's request as a director, officer, agent, or employee of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding. The power to indemnify applies only if such person acted in good faith and in a manner he reasonably believed to be in the best interest, or not opposed to the best interest, of the Registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The power to indemnify applies to actions brought by or in the right of the Registrant as well, but only to the extent of defense expenses (including attorneys' fees but excluding amounts paid in settlement) actually and reasonably incurred and not to any satisfaction of a judgment or settlement of the claim itself, and with the further limitation that in such actions no indemnification shall be made in the event of any adjudication of liability to the Registrant, unless the court believes that in light of all the circumstances indemnification should apply.

To the extent a present or former director or officer of the Registrant is successful on the merits or otherwise in defense of any action, suit, or proceeding described in the preceding two paragraphs, such person is entitled, pursuant to DGCL Section 145, to indemnification against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

The Registrant's Certificate of Incorporation provides that to the fullest extent permitted by Delaware General Corporation Law as the same exists or may hereafter be amended, a director of the Registrant shall not be liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director. The Delaware General Corporation Law permits Delaware corporations to include in their certificates of incorporation a provision eliminating or limiting director liability for monetary damages arising from breaches

of their fiduciary duty. The only limitations imposed under the statute are that the provision may not eliminate or limit a director's liability (i) for breaches of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or involving intentional misconduct or known violations of law, (iii) for the payment of unlawful dividends or unlawful stock purchases or redemptions, or (iv) for transactions in which the director received an improper personal benefit.

The Registrant is insured against liabilities which it may incur by reason of its indemnification of officers and directors in accordance with its By-Laws. In addition, directors and officers are insured, at the Registrant's expense, against certain liabilities which might arise out of their employment and are not subject to indemnification under the By-Laws.

The foregoing summaries are necessarily subject to the complete text of the statute, Certificate of Incorporation, By-Laws and agreements referred to above and are qualified in their entirety by reference thereto.

ITEM 16. EXHIBITS

Exhibit Number -----	Description of Document -----
1(a)	Form of Underwriting Agreement
1(b)	Form of Pricing Agreement
4(a)	Indenture dated as of April 1, 1991 between the Registrant and The First National Bank of Chicago, as Trustee (incorporated herein by reference from Exhibit 4(a) to Registration Statement on Form S-3 (File Number 33-51344))
4(b)	First Supplemental Indenture dated September 9, 1992 to the Indenture dated as of April 1, 1991, between the Registrant and The First National Bank of Chicago, as Trustee (incorporated herein by reference from Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-61858)).
5	Opinion of Hughes & Luce, L.L.P. with respect to the legality of the securities being registered
8	Opinion of Hughes & Luce, L.L.P. with respect to tax matters
12	Statement regarding computation of ratios
23.1	Consent of Ernst & Young LLP
23.2	Consent of Hughes & Luce, L.L.P. (included in Exhibit 5)
24	Power of Attorney, included in signature pages hereto
25	Statement of Eligibility of Trustee on Form T-1

ITEM 17. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the Prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if

the total dollar amount of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(d) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)

(1) or

(4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints S. Robson Walton, David D. Glass and James A. Walker, Jr., and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her in his or her name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement and additional Registration Statements relating to the same offering, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Bentonville, State of Arkansas, on July 15, 1999.

WAL-MART STORES, INC.

By: /s/ David D. Glass

David D. Glass
President and Chief Executive
Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

/s/ S. Robson Walton ----- S. Robson Walton	Chairman of the Board	July 15, 1999
/s/ David D. Glass ----- David D. Glass	President, Chief Executive Officer and Director (Principal Executive Officer)	July 15, 1999
/s/ Donald G. Soderquist ----- Donald G. Soderquist	Senior Vice Chairman and Director	July 15, 1999
/s/ J. J. Fitzsimmons ----- J. J. Fitzsimmons	Senior Vice President (Co-Principal Financial Officer)	July 15, 1999

<i>/s/ James A. Walker, Jr.</i> ----- <i>James A. Walker, Jr.</i>	<i>Senior Vice President and Controller (Co- Principal Financial Officer and Principal Accounting Officer)</i>	<i>July 15, 1999</i>
<i>/s/ Jeronimo Arango</i> ----- <i>Jeronimo Arango</i>	<i>Director</i>	<i>July 15, 1999</i>
<i>/s/ John A. Cooper, Jr.</i> ----- <i>John A. Cooper, Jr.</i>	<i>Director</i>	<i>July 15, 1999</i>
----- <i>Stephen Friedman</i>	<i>Director</i>	<i>July 15, 1999</i>
<i>/s/ Stanley C. Gault</i> ----- <i>Stanley C. Gault</i>	<i>Director</i>	<i>July 15, 1999</i>
----- <i>Roland A. Hernandez</i>	<i>Director</i>	<i>July 15, 1999</i>
----- <i>Frederick S. Humphries</i>	<i>Director</i>	<i>July 15, 1999</i>
----- <i>E. Stanley Kroenke</i>	<i>Director</i>	<i>July 15, 1999</i>
<i>/s/ Elizabeth A. Sanders</i> ----- <i>Elizabeth A. Sanders</i>	<i>Director</i>	<i>July 15, 1999</i>
<i>/s/ Jack C. Shewmaker</i> ----- <i>Jack C. Shewmaker</i>	<i>Director</i>	<i>July 15, 1999</i>
----- <i>Paula Stern</i>	<i>Director</i>	<i>July 15, 1999</i>
<i>/s/ Jose H. Villareal</i> ----- <i>Jose H. Villareal</i>	<i>Director</i>	<i>July 15, 1999</i>
----- <i>John T. Walton</i>	<i>Director</i>	<i>July 15, 1999</i>

EXHIBIT 1(a)

WAL-MART STORES, INC.

Debt Securities

Form of Underwriting Agreement

[Date]

The Underwriters listed
on Schedule I hereto

Dear Sirs:

From time to time WAL-MART STORES, INC., a Delaware corporation (the "Company"), proposes to enter into one or more Pricing Agreements (each a "Pricing Agreement") in the form of Annex I hereto, with such additions and deletions as the parties thereto may determine, and, subject to the terms and conditions stated herein and therein, to issue and sell to the firms named in Schedule I to the applicable Pricing Agreement (such firms constituting the "Underwriters" with respect to such Pricing Agreement and the securities specified therein) certain of its debt securities (the "Securities") specified in Schedule II to such Pricing Agreement (with respect to such Pricing Agreement, the "Designated Securities").

The terms and rights of any particular issuance of Designated Securities shall be as specified in the Pricing Agreement relating thereto and in or pursuant to the indenture (the "Indenture") identified in such Pricing Agreement.

1. Particular sales of Designated Securities may be made from time to time to the Underwriters of such Securities, for whom the firms designated as representatives of the Underwriters of such Securities in the Pricing Agreement relating thereto will act as representatives (the "Representatives"). The term "Representatives" also refers to a single firm acting as sole representative of the Underwriters and to Underwriters who act without any firm being designated as their representative. This Underwriting Agreement shall not be construed as an obligation of the Company to sell any of the Securities or as an obligation of the Underwriter to purchase the Securities. The obligation of the Company to issue and sell any of the Securities shall be evidenced by the Pricing Agreement with respect to the Designated Securities specified therein. Each Pricing Agreement shall specify the aggregate principal amount of such Designated Securities, the initial public offering price of such Designated Securities, the purchase price to the Underwriters of such Designated Securities, the names of the Underwriters of such Designated Securities, the names of the Representatives of such Underwriters and the principal amount of such Designated Securities to be purchased by each Underwriter and shall set forth the date, time and manner of delivery of such Designated Securities and payment therefor. The Pricing Agreement shall also specify (to the extent not set forth in the Indenture and the registration statement and prospectus with respect thereto) the terms of such Designated Securities. A Pricing Agreement shall be in the form of an executed writing (which may be in counterparts), and may be evidenced by an exchange of telegraphic communications or any other rapid transmission device

designed to produce a written record of communications transmitted. The obligations of the Underwriters under this Agreement and each Pricing Agreement shall be several and not joint.

2. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) [A] [R]egistration statement[s] in respect of the Securities have been filed with the Securities and Exchange Commission (the "Commission"); such registration statement[s] and any post-effective amendments thereto, [each] in the form heretofore delivered or to be delivered to the Representatives and, excluding exhibits to such registration statement[s] but including all documents incorporated by reference in the prospectus contained therein, delivered to the Representatives for each of the other Underwriters has [have] been declared effective by the Commission in such form; no other document with respect to such registration statement[s] or document incorporated by reference therein has heretofore been filed or transmitted for filing with the Commission; and no stop order suspending the effectiveness of such registration statement[s] has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in such registration statement[s] or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Securities Act of 1933, as amended (the "Act"), being hereinafter called a "Preliminary Prospectus"); the various parts of such registration statement[s], including all exhibits thereto and the documents incorporated by reference in the prospectus contained in the registration statement[s] at the time such part of the registration statement[s] became effective but excluding Form T-1, [each] as amended at the time such part of the registration statement[s] became effective, being hereinafter called the "Registration Statement[s]," [and the registration statement having the latter effective date being hereinafter called the "Registration Statement"]; the prospectus relating to the Securities, in the form in which it has most recently been fled, or transmitted for filing, with the Commission on or prior to the date of this Agreement, being hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to the applicable form under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or the Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment to the Registration Statement[s] shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the [applicable] effective date[s] of the Registration Statement[s] that is incorporated by reference in the Registration Statement[s]; and any reference to the Prospectus as amended or supplemented shall be deemed to refer to the Prospectus as amended or supplemented in relation to the applicable Designated Securities in the form in which it is filed with the Commission pursuant to Rule 424(b) under the Act in accordance

with Section 5(a) hereof, including any documents incorporated by reference therein as of the date of such filing;

(b) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter of Designated Securities through the Representatives expressly for use in the Prospectus as amended or supplemented relating to such Securities;

(c) The Registration Statement[s] and the Prospectus conform, and any further amendments or supplements to the Registration Statement[s] or the Prospectus will conform, in all material respects to the requirements of the Act and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date[s] as to the Registration Statement[s] and any amendments thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter of Designated Securities through the Representatives expressly for use in the Prospectus as amended or supplemented relating to such Securities;

(d) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement[s] and the Prospectus, there has not been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management financial position, stockholders'

equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus;

(e) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not individually or in the aggregate materially affect the consolidated financial position, stockholders' equity or results of operation of the Company and its subsidiaries and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(f) The Company and its subsidiaries own or possess, or can acquire on reasonable terms, adequate trademarks, service marks and trade names necessary to conduct the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any trademarks, service marks or trade names that, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially adversely affect the conduct of the business, operations, financial condition or income of the Company and its subsidiaries considered as one enterprise;

(g) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; and each subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation;

(h) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and nonassessable and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and nonassessable and (except for directors' qualifying shares and except as otherwise set forth in the Prospectus) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(i) The Securities have been duly authorized, and, when the Designated Securities are issued and delivered pursuant to this Agreement and the Pricing Agreement

with respect to such Designated Securities, such Designated Securities will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture, which will be substantially in the form filed as an exhibit to [each of] the Registration Statement[s]; the Indenture has been duly authorized and duly qualified under the Trust Indenture Act and, at the Time of Delivery for such Designated Securities (as defined in Section 4 hereof), the Indenture will constitute a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms, and the Designated Securities will conform, to the descriptions thereof contained in the Prospectus as amended or supplemented with respect to such Designated Securities;

(j) The issue and sale of the Securities and the compliance by the Company with all of the provisions of the Securities, the Indenture, this Agreement and any Pricing Agreement, and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the Restated Certificate of Incorporation, as amended, or Bylaws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities or the consummation by the Company of the transactions contemplated by this Agreement or any Pricing Agreement or the Indenture, except such as have been, or will have been prior to the Time of Delivery, obtained under the Act and the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriters;

(k) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others; and

(l) Ernst & Young, LLP, who have certified certain financial statements of the Company and its subsidiaries, are, to the best knowledge of management of the Company,

independent public accountants as required by the Act and the rules and regulations of the Commission thereunder.

3. Upon the execution of the Pricing Agreement applicable to any Designated Securities and authorization by the Representatives of the release of such Designated Securities, the several Underwriters propose to offer such Designated Securities for sale upon the terms and conditions set forth in the Prospectus as amended or supplemented.

4. Designated Securities to be purchased by each Underwriter pursuant to the Pricing Agreement relating thereto, in definitive form to the extent practicable, and in such authorized denominations and registered in such name as the Representatives may request upon at least forty-eight hours' prior notice to the Company, shall be delivered by or on behalf of the Company to the Representatives, against payment by such Underwriter or on its behalf of the purchase price therefor by certified or official bank check or checks, payable to the order of the Company in the funds specified in such Pricing Agreement, all at the place and time and date specified in such Pricing Agreement or at such other place and time and date as the Representatives and the Company may agree upon in writing, such time and date being herein called the "Time of Delivery" for such Securities.

5. The Company agrees with each of the Underwriters of any Designated Securities:

(a) To prepare the Prospectus as amended and supplemented in relation to the applicable Designated Securities in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of the Pricing Agreement relating to the applicable Designated Securities or, if applicable, such earlier time as may be required by Rule 424(b); to make no further amendment or any supplement to the Registration Statement[s] or Prospectus as amended or supplemented after the date of the Pricing Agreement relating to such Securities and prior to the Time of Delivery for such Securities that shall be disapproved by the Representatives for such Securities promptly after reasonable notice thereof; to advise the Representatives promptly of any such amendment or supplement after such Time of Delivery and furnish the Representatives with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required in connection with the offering or sale of such Securities, and during such same period to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement[s] has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Securities, of the suspension of the qualification of such Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement[s] or Prospectus or for additional information; and, in the event of the issuance of any such stop

order or of any such order preventing or suspending the use of any prospectus relating to the Securities or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(b) Promptly from time to time to take such action as the Representatives may reasonably request to qualify such Securities for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of such Securities, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) To furnish the Underwriters with copies of the Prospectus as amended or supplemented in such quantities as the Representatives may from time to time reasonably request, and, if the delivery of a prospectus is required at any time in connection with the offering or sale of the Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Representatives and upon their request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus that will correct such statement or omission or effect such compliance;

(d) To make generally available to its security holders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c)), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date of the Pricing Agreement for such Designated Securities and continuing to and including the earlier of (i) the termination of trading restrictions for such Designated Securities, as notified to the Company by the Representatives and (ii) the Time of Delivery for such Designated Securities, not to offer, sell, contract to sell or otherwise dispose of any debt securities of the Company that mature more than one year after such Time of Delivery and that are substantially similar to such Designated Securities, without the prior written consent of the Representatives;

(f) To furnish to the holders of the Securities, upon such holders' request, as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flow of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement[s]), consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail; and

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which the Securities or any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial information and statements to be on a consolidated basis in reports furnished to its stockholders generally or to the Commission).

6. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement[s], any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, any Pricing Agreement, any Indenture, any Blue Sky and Legal Investment Memoranda and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iii) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 5 (b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (iv) any fees charged by securities rating services for rating the Securities; (v) the cost of preparing the Securities; (vi) the fees and expenses of any Trustee and any agent of any Trustee and the fees and disbursements of counsel for any Trustee in connection with any Indenture and the Securities; and (vii) all other costs and expenses incident to the performance of its obligations hereunder that are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, Section 8 and Section 10 hereof, the Underwriters will pay all of their own costs and expenses including the fees of their counsel, transfer taxes on resale of any of the Securities by them and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters of any Designated Securities under the Pricing Agreement relating to such Designated Securities shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties and other statements of the Company in or incorporated by reference in the Pricing Agreement relating to such

Designated Securities are, at and as of the Time of Delivery for such Designated Securities, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

- (a) The Prospectus as amended or supplemented in relation to the applicable Designated Securities shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; no stop order suspending the effectiveness of the Registration Statement[s] or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction;
- (b) Simpson Thacher & Bartlett, counsel for the Underwriters, shall have furnished to the Representatives such opinion or opinions, dated the Time of Delivery for such Designated Securities, with respect to the incorporation of the Company, the validity of the Indenture, the Designated Securities, the Registration Statement[s], the Prospectus as amended or supplemented and other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;
- (c) Allison D. Garrett, Esq., Assistant General Counsel for the Company, shall have furnished to the Representatives her written opinion, dated the Time of Delivery for such Designated Securities, in form and substance satisfactory to the Representatives, to the effect that the Company and its subsidiaries have good and marketable title in fee simple to all real property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not individually or in the aggregate materially affect the consolidated financial position, stockholders' equity or results of operation of the Company and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries (in giving the opinion in this clause, such counsel may state that no examination of record titles for the purpose of such opinion has been made, and that she is relying upon a general review of the titles of the Company and its subsidiaries, upon opinions of local counsel and abstracts, reports and policies of title rendered or issued at or subsequent to the time of acquisition of such property by the Company or its subsidiaries, upon opinions of counsel to the lessors of such property and, in respect of matters of fact, upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that she believes that both the Representatives and she are justified in relying upon such opinions, abstracts, reports, policies and certificates);

(d) Hughes & Luce, L.L.P., outside counsel for the Company, shall have furnished to the Representatives their written opinion, dated the Time of Delivery for such Designated Securities, in form and substance satisfactory to the Representatives, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus as amended or supplemented;

(ii) The Company has an authorized capitalization as set forth in the Prospectus as amended or supplemented and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and nonassessable;

(iii) The Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company, provided that such counsel shall state that they believe that both the Representatives and they are justified in relying upon such opinions and certificates);

(iv) Each subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation; and all of the issued shares of capital stock of each such subsidiary have been duly and validly authorized and issued, are fully paid and nonassessable, and (except for directors' qualifying shares and except as otherwise set forth in the Prospectus) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both the Representatives and they are justified in relying upon such opinions and certificates);

(v) To the best of such counsel's knowledge and other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the consolidated financial position, stockholders'

equity or results of operations of the Company and its subsidiaries; and, to the best of such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(vi) This Agreement and the Pricing Agreement with respect to the Designated Securities have been duly authorized, executed and delivered by the Company;

(vii) The Designated Securities have been duly authorized, executed, authenticated, issued and delivered and constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture; and the Designated Securities and the Indenture conform to the descriptions thereof in the Prospectus as amended or supplemented;

(viii) The Indenture has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture has been duly qualified under the Trust Indenture Act;

(ix) The issue and sale of the Designated Securities and the compliance by the Company with all of the provisions of the Designated Securities, the Indenture, this Agreement and the Pricing Agreement with respect to the Designated Securities and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, nor will such actions result in any violation of the provisions of the Restated Certificate of Incorporation, as amended, or Bylaws of the Company or any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties;

(x) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Designated Securities or the consummation by the Company of the transactions contemplated by this Agreement or such Pricing Agreement or the Indenture, except such as have been obtained under the Act and the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Designated Securities by the Underwriters;

(xi) The documents incorporated by reference in the Prospectus as amended or supplemented (other than the financial statements and related schedules therein, as to which such counsel need express no opinion), when they became effective or were filed with the Commission, as the case may be, complied as to form in all material respects with the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder; and they have no reason to believe that any of such documents, when they became effective or were so filed, as the case may be, contained, in the case of a registration statement that became effective under the Act, an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or, in the case of other documents that were filed under the Act or the Exchange Act with the Commission, an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such documents were so filed, not misleading; and

(xii) The Registration Statement[s] and the Prospectus as amended or supplemented and any further amendments and supplements thereto made by the Company prior to the Time of Delivery for the Designated Securities (other than the financial statements and related schedules therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the Trust Indenture Act and the rules and regulations thereunder; they have no reason to believe that, as of its [their respective] effective date[s], the Registration Statement[s] or any further amendment thereto made by the Company prior to the Time of Delivery (other than the financial statements and related schedules therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that, as of its date, the Prospectus as amended or supplemented or any further amendment or supplement thereto made by the Company prior to the Time of Delivery (other than the financial statements and related schedules therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading or that, as of the Time of Delivery, either the Registration Statement[s] or the Prospectus as amended or supplemented or any further amendment or supplement thereto made by the Company prior to the Time of Delivery (other than the financial statements and related schedules therein, as to which such counsel need express no opinion) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and they do not know of any amendment to the Registration Statement[s] required to be filed or any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement[s] or required to be incorporated by reference into the

Prospectus as amended or supplemented or required to be described in the Registration Statement[s] or the Prospectus as amended or supplemented that are not filed or incorporated by reference or described as required;

(e) On the date of the Pricing Agreement for such Designated Securities and at the Time of Delivery for such Designated Securities, Ernst & Young LLP shall have furnished to the Representatives a letter, dated the effective date of the Registration Statement or the date of the most recent report filed with the Commission containing financial statements and incorporated by reference in the Registration Statement[s], if the date of such report is later than such effective date, and a letter or letters dated such Time of Delivery, respectively, as to such matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives;

(f) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus as amended or supplemented any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented, and (ii) since the respective dates as of which information is given in the Prospectus as amended or supplemented there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the Prospectus as amended or supplemented;

(g) On or after the date of the Pricing Agreement relating to the Designated Securities (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities;

(h) On or after the date of the Pricing Agreement relating to the Designated Securities there shall not have occurred any of the following:
(i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war if the effect of any such event specified in this clause
(iii) in the

judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Designated Securities on the terms and in the manner contemplated in the Prospectus as amended or supplemented; and

(i) The Company shall have furnished or caused to be furnished to the Representatives at the Time of Delivery for the Designated Securities a certificate or certificates of officers of the Company satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company herein at and as of such Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as the Representatives may reasonably request.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statement[s], the Prospectus as amended or supplemented and any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statement[s], the Prospectus as amended or supplemented and any other prospectus relating to the Securities, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter of Designated Securities expressly for use in the Prospectus as amended or supplemented relating to such Securities.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statement[s], the Prospectus as amended or supplemented and any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that

such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, any preliminary prospectus supplement, the Registration Statement[s], the Prospectus as amended or supplemented and any other prospectus relating to the Securities, or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection

(a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters of the Designated Securities on the other from the offering of the Designated Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters of the Designated Securities on the other in connection with the statement or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the

Company on the one hand and such Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by such Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions-in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the applicable Designated Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters of Designated Securities in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to such securities and are not joint.

(e) The obligations of the Company under this Section 8 shall be in addition to any liability that the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability that the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Designated Securities that it has agreed to purchase under the Pricing Agreement relating to such Designated Securities, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Designated Securities on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Designated Securities, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Designated Securities on such terms. In the event that, within the respective prescribed

period, the Representatives notify the Company that they have so arranged for the purchase of such Designated Securities, or the Company notifies the Representatives that it has so arranged for the purchase of such Designated Securities, the Representatives or the Company shall have the right to postpone the Time of Delivery for such Designated Securities for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement[s] or the Prospectus as amended or may thereby be made necessary in the Registration Statement[s] or the Prospectus as amended or supplemented, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement[s] or the Prospectus that in the opinion of the Representatives may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to the Pricing Agreement with respect to such Designated Securities.

(b) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of such Designated Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of the Designated Securities, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Designated Securities that such Underwriter agreed to purchase under the Pricing Agreement relating to such Designated Securities and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Designated Securities that such Underwriter agreed to purchase under such Pricing Agreement) of the Designated Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Designated Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of Designated Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of the Designated Securities, as referred to in subsection (b) above, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Designated Securities of a defaulting Underwriter or Underwriters, then the Pricing Agreement relating to such Designated Securities shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, pursuant to this Agreement, shall remain in full force and effect,

regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Securities.

11. If any Pricing Agreement shall be terminated pursuant to Section 9 hereof, the Company shall not then be under any liability to any Underwriter with respect to the Designated Securities covered by such Pricing Agreement except as provided in Section 6 and Section 8 hereof; but, if for any other reason Designated Securities are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of such Designated Securities, but the Company shall then be under no further liability to any Underwriter with respect to such Designated Securities except as provided in Section 6 and Section 8 hereof.

12. In all dealings hereunder, the Representatives of the Underwriters of Designated Securities shall act on behalf of each of such Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such Representatives jointly or by such of the Representatives, if any, as may be designated for such purpose in the Pricing Agreement.

13. All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the address of the Representatives at [_____] , Attention: [_____]; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement[s], Attention: Chief Executive Officer, with a copy to the Company's general counsel; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

14. This Agreement and each Pricing Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Section 8 and Section 10 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement or any such Pricing Agreement. No purchaser of any of the Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of each Pricing Agreement. As used herein, "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. This Agreement and each Pricing Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. This Agreement and each Pricing Agreement may be executed by any one or more of the parties hereto and thereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

[The rest of this page has been left blank intentionally; the signature page follows.]

If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof.

Very truly yours.

WAL-MART STORES, INC.

By:

Name:

Title:

Accepted as of the date hereof:
[_____]

By:

For itself and as Representative
of the several Underwriters

named in Schedule I hereto

EXHIBIT 1(b)
ANNEX I
FORM OF PRICING AGREEMENT

[Date]

[Name of Underwriter]
[Address]

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 [date] (the "Underwriting Agreement"), between the Company and _____ and _____ to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") the Securities specified in Schedule II hereto (the "Designated Securities"). Except that references to [the] "registration statement[s]" in the Underwriting Agreement shall be deemed to be references to the Company's registration statement[s] on Form S-3 (File No.[s] 333-52045 [and 333-_____]), 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 Agreement to the same extent as if such provisions had been set forth in full herein; and 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. 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 you. Unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined.

A supplement to the Prospectus, relating to the Designated Securities, in the form heretofore delivered to you, is now proposed to be filed with the Commission.

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 each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the time and place and at the purchase price to the Underwriters set forth in Schedule II hereto, the principal amount of Designated Securities set forth opposite the name of such 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, on behalf of each of the Underwriters, this letter and such acceptance hereof, including the provisions of the Underwriting Agreement incorporated herein by reference, shall constitute a binding agreement between each of the Underwriters and the Company.

Very truly yours,

Wal-mart Stores, Inc.

By:

Name:

Title:

Accepted as of the date hereof:

By:

Authorized Representative

For itself and as Representative
of the several Underwriters
named in Schedule I hereto

Date:

SCHEDULE I

Underwriter -----	Principal Amount of Designated Securities to be Purchased -----
.....\$	
.....	
.....-----	
Total.....	

SCHEDULE II

TITLE OF DESIGNATED SECURITIES:

___% Notes due ____ (the "___ Notes")

AGGREGATE PRINCIPAL AMOUNT:

\$_____ of the ___ Notes

PRICE TO PUBLIC:

___% of the principal amount of the ___ Notes, plus accrued interest, if any, from _____.

PURCHASE PRICE TO UNDERWRITERS:

___% of the principal amount of the ___ Notes, plus accrued interest, if any, from _____.

SPECIFIED FUNDS FOR PAYMENT OF PURCHASE PRICE:

Immediately-available funds by wire.

INDENTURE:

Indenture dated as of April 1, 1991, as amended by the First Supplemental Indenture, dated as of September 9, 1992, in each case between the Company and The First National Bank of Chicago, as Trustee.

MATURITY:

_____.

INTEREST RATE:

___% from and including the original issue date.

INTEREST PAYMENT DATES:

_____ and _____ of each year, commencing _____, 200_.

INTEREST PAYMENT RECORD DATES:

_____ and _____ of each year, commencing _____, 200_ for the Interest Payment Date of _____, 200_.

REDEMPTION PROVISIONS:

[_____]

SINKING FUND PROVISIONS:

[_____]

OPINIONS OF COUNSEL:

The opinions of counsel for the Underwriters referred to in section 7(b) of the Underwriting Agreement will be delivered by Simpson Thacher & Bartlett.

The opinion of counsel for the Company referred to in section 7(c) will be delivered by Allison D. Garrett, Esq., Assistant General Counsel.

The opinions of the outside counsel for the Company referred to in section 7(d) of the Underwriting Agreement will be delivered by Hughes & Luce, L.L.P. With respect to matters of New York law, Hughes & Luce, L.L.P. will rely on the opinion of _____.

TIME OF DELIVERY:

10:00 a.m., _____.

CLOSING LOCATION:

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

NAMES AND ADDRESSES OF REPRESENTATIVES:

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

ADDRESSES FOR NOTICES.:

Lehman Brothers Inc.
3 World Financial Center
New York, New York 10285
Attention: Syndicate Department

Fax: (212) 528-8822

EXHIBIT 5

Letterhead of Hughes & Luce, L.L.P.

July 15, 1999

Wal-Mart Stores, Inc.
702 S.W. 8th Street
Bentonville, Arkansas 72716

Ladies and Gentlemen:

We have acted as special counsel to Wal-Mart Stores, Inc., a Delaware corporation (the "Company"), in connection with the Company's shelf registration of \$10,000,000,000 principal amount of its debt securities (the "Securities") pursuant to a Registration Statement on Form S-3 (the "Registration Statement") as filed with the Securities and Exchange Commission (the "Commission") on July 15, 1999 under the Securities Act of 1933, as amended (the "Act"). The Securities are to be issued pursuant to an indenture, dated as of April 1, 1991, that was supplemented by a supplemental indenture, dated as of September 9, 1992 (the indenture and supplemental indenture, collectively the "Indenture"), between the Company and The First National Bank of Chicago, as trustee.

In rendering this opinion, we have examined and relied upon executed originals, counterparts or copies of such documents, records and certificates (including certificates of public officials and officers of the Company) as we considered necessary or appropriate for enabling us to express the opinions set forth herein. In all such examinations, we have assumed the authenticity and completeness of all documents submitted to us as originals and the conformity to authentic and complete original documents of all documents submitted to us as photostatic, conformed, notarized or certified copies.

Based on the foregoing, we are of the opinion that the Securities have been duly authorized and, when the Registration Statement has become effective, the specific terms of a particular series of the Securities have been established in accordance with the Indenture and each Security in the particular series of the Securities has been duly executed, authenticated, issued and delivered in accordance with the Indenture against payment therefor, that Security will be legally issued and will constitute the valid and legally binding obligation of the Company in accordance with its terms.

In connection with our opinion above, we have assumed that at or prior to the time of delivery of each Security, the authorization of the Securities and the series of the Securities to which that Security belongs will be applicable to that Security, will not have been modified or rescinded and that there will not have occurred any change in law affecting the validity or enforceability of that Security. We have also assumed that none of the terms of any Security to be established subsequent to the date hereof nor the issuance and delivery of that Security will violate any applicable law or will result in a violation of any provision of any instrument or agreement then binding on the Company or any restriction imposed by any court or governmental body having jurisdiction over the Company.

This opinion may be filed as an exhibit to the Registration Statement. We also consent to the reference to this firm as having passed on the validity of the Securities under the caption "Validity of the Notes" and "Legal Matters" in the Registration Statement. In giving this consent, we do not admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Hughes & Luce, L.L.P.

EXHIBIT 8

Letterhead of Hughes & Luce, L.L.P.

July 15, 1999

Wal-Mart Stores, Inc.
702 S.W. 8th/ Street
Bentonville, Arkansas 72716

Ladies and Gentlemen:

We have acted as special counsel to Wal-Mart Stores, Inc., a Delaware corporation (the "Company"), in connection with the Company's shelf registration of \$10,000,000,000 principal amount of its debt securities (the "Securities") pursuant to a Registration Statement on Form S-3 (the "Registration Statement") as filed with the Securities and Exchange Commission (the "Commission") on July 15, 1999 under the Securities Act of 1933, as amended (the "Act"). The Securities are to be issued pursuant to an indenture, dated as of April 1, 1991, that was supplemented by a supplemental indenture, dated as of September 9, 1992 (the indenture and supplemental indenture, collectively the "Indenture"), between the Company and The First National Bank of Chicago, as trustee.

In connection with that representation we have reviewed the discussion contained in the Registration Statement under the caption "U.S. Federal Income Tax Consequences to United States Aliens." We are of the opinion that such discussion fairly describes the material United States federal income tax consequences for United States Aliens (as defined in the Registration Statement) who are beneficial owners of the notes of the Company described in the prospectus supplement forming a part of the Registration Statement (the "Notes").

This opinion is based on the law as in effect on the date of this opinion. That law is subject to change, possibly retroactively, and a change in law could materially affect the U.S. federal income tax consequences for beneficial owners of the Notes.

This opinion may be filed as an exhibit to the Registration Statement. We also consent to the reference to this firm as having opined as to the United States federal income tax consequences for such beneficial owners under the caption "U.S. Federal Income Tax Consequences to United States Aliens" in the Registration Statement. In giving this consent, we do not admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Hughes & Luce, L.L.P.

EXHIBIT 12

Statement of Computation of Ratios

	Quarter Ended April 30,		Fiscal years ended				
	1999	1998	1999	1998	1997	1996	1995
Income before income taxes	1,803	1,364	7,323	5,719	4,877	4,359	4,258
Capitalized interest	(10)	(8)	(41)	(33)	(44)	(50)	(70)
Minority interest	(33)	(31)	(153)	(78)	(27)	(13)	4
Adjusted profit before tax	1,760	1,325	7,129	5,608	4,806	4,296	4,192
Fixed Charges							
Debt Interest	127	122	529	555	629	692	520
Capital lease interest	64	72	268	229	216	196	186
Capitalized interest	10	8	41	33	44	50	70
Interest componet of Rent	143	131	523	477	449	425	383
Total fixed expense	344	333	1,361	1,294	1,338	1,363	1,159
Profit before taxes and fixed expenses	2,104	1,658	8,490	6,902	6,144	5,659	5,351
Fixed charge coverage	6.11	4.98	6.24	5.33	4.59	4.15	4.62
Operating rent expense	179	164	654	596	561	531	479
Interest portion ratio	80%	80%	80%	80%	80%	80%	80%
Interest portion of rents	143	131	523	477	449	425	383

EXHIBIT 23.1

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-3 and related Prospectus of Wal-Mart Stores, Inc. for the registration of \$10,000,000,000 of debt securities of Wal-Mart Stores, Inc. and to the incorporation by reference therein of our report dated March 24, 1999, with respect to the consolidated financial statements of Wal-Mart Stores, Inc. incorporated by reference in its Annual Report (Form 10-K) for the year ended January 31, 1999, filed with the Securities and Exchange Commission.

Ernst & Young LLP

Tulsa, Oklahoma

July 15, 1999

EXHIBIT 25

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

**CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)_____**

THE FIRST NATIONAL BANK OF CHICAGO

(Exact name of trustee as specified in its charter)

A National Banking Association 36-0899825
(I.R.S. employer
identification number)

One First National Plaza, Chicago, Illinois 60670-0126
(Address of principal executive offices) (Zip Code)

The First National Bank of Chicago
One First National Plaza, Suite 0286
Chicago, Illinois 60670-0286

Attn: Lynn A. Goldstein, Law Department (312) 732-6919

(Name, address and telephone number of agent for service)

Wal-Mart Stores, Inc.

(Exact name of obligor as specified in its charter)

Delaware 71-0415188
(State or other jurisdiction of
incorporation or organization) (I.R.S. employer identification number)

702 S.W. Eighth Street 72716
Bentonville, Arkansas (Zip Code)
(Address of principal executive
offices)

Debt Securities
(Title of Indenture Securities)

Item 1. General Information. Furnish the following

information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency, Washington, D.C.; Federal Deposit Insurance Corporation, Washington, D.C.; and The Board of Governors of the Federal Reserve System, Washington D.C.

(b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations With the Obligor. If the obligor is an affiliate of the trustee, describe each such affiliation.

No such affiliation exists with the trustee.

Item 16. List of exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the articles of association of the trustee now in effect.*
2. A copy of the certificates of authority of the trustee to commence business.*
3. A copy of the authorization of the trustee to exercise corporate trust powers.*
4. A copy of the existing by-laws of the trustee.*
5. Not Applicable.
6. The consent of the trustee required by Section 321(b) of the Act.

7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

8. Not Applicable.

9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 13th day of July, 1999.

The First National Bank of Chicago, Trustee

By /s/ Sandra L. Caruba

Sandra L. Caruba
Vice President

* Exhibits 1, 2, 3 and 4 are herein incorporated by reference to Exhibits bearing identical numbers in Item 16 of the Form T-1 of The First National Bank of Chicago, filed as Exhibit 25 to the Registration Statement on Form S-3 of U S WEST Capital Funding, Inc., filed with the Securities and Exchange Commission on May 6, 1998 (Registration No. 333-51907-01).

EXHIBIT 6

**THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT**

July 13, 1999

Securities and Exchange Commission
Washington, D.C. 20549

Ladies and Gentlemen:

In connection with the qualification of the indenture between Wal-Mart Stores, Inc. and The First National Bank of Chicago, as Trustee, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

The First National Bank of Chicago

By: /s/ Sandra L. Caruba

Sandra L. Caruba
Vice President

EXHIBIT 7

Legal Title of Bank: The First National Bank of Chicago Call Date: 03/31/99 ST-BK: 17-1630 FFIEC 031
 Address: One First National Plaza, Ste 0460 Page RC-1
 City, State Zip: Chicago, IL 60670
 FDIC Certificate No.: 0/3/6/1/8

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for March 31, 1999

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

Schedule RC--Balance Sheet

	Dollar RCFD	Amounts in thousands BIL MIL THOU	C400 ----
	----	-----	
ASSETS			
1. Cash and balances due from depository institutions (from Schedule RC-A):	RCFD		
a. Noninterest-bearing balances and currency and coin(1).....	----		
b. Interest-bearing balances(2).....	0081	3,809,517	1.a
2. Securities	0071	4,072,166	1.b
a. Held-to-maturity securities(from Schedule RC-B, column A).....	1754	0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D).....	1773	12,885,728	2.b
3. Federal funds sold and securities purchased under agreements to resell	1350	4,684,756	3.
4. Loans and lease financing receivables:			
a. Loans and leases, net of unearned income	RCFD		
(from Schedule RC-C).....	----		
b. LESS: Allowance for loan and lease losses.....	2122	34,304,806	4.a
c. LESS: Allocated transfer risk reserve.....	3123	411,476	4.b
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c).....	3128	3,884	4.c
5. Trading assets (from Schedule RD-D).....	RCFD		
6. Premises and fixed assets (including capitalized leases).....	----		
7. Other real estate owned (from Schedule RC-M).....	2125	33,889,446	4.d
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M).....	3545	5,100,499	5.
9. Customers' liability to this bank on acceptances outstanding.....	2145	754,052	6.
10. Intangible assets (from Schedule RC-M).....	2150	5,244	7.
11. Other assets (from Schedule RC-F).....	2130	201,068	8.
12. Total assets (sum of items 1 through 11).....	2155	265,041	9.
	2143	285,709	10.
	2160	2,987,184	11.
	2170	68,940,410	12.

(1) Includes cash items in process of collection and unposted debits.
 (2) Includes time certificates of deposit not held for trading.

Schedule RC-Continued

		Dollar Amounts in Thousands -----		
LIABILITIES				
13. Deposits:				
a. In domestic offices (sum of totals of columns A and C.....	RCON			

from Schedule RC-E, part 1).....	2200	22,163,664		13.a
(1) Noninterest-bearing(1).....	6631	9,740,100		13.a1
(2) Interest-bearing.....	6636	12,423,564		13.a2
b. In foreign offices, Edge and Agreement subsidiaries, and.....	RCFN			

IBFs (from Schedule RC-E, part II).....	2200	19,273,426		13.b
(1) Noninterest bearing.....	6631	334,741		13.b1
(2) Interest-bearing.....	6636	18,938,685		13.b2
14. Federal funds purchased and securities sold under agreements to repurchase:.....	RCFD	2800	4,405,792	14
15. a. Demand notes issued to the U.S. Treasury.....	RCON	2840	173,505	15.a
b. Trading Liabilities(from Schedule RC-D).....	RCFD	3548	4,824,567	15.b
16. Other borrowed money:.....	RCFD			

a. With original maturity of one year or less.....	2332	7,453,761		16.a
b. With original maturity of more than one year.....	A547	330,300		16.b
c. With original maturity of more than three years	A548	357,737		16.c
17. Not applicable				
18. Bank's liability on acceptance executed and outstanding.....	2920	265,041		18.
19. Subordinated notes and debentures.....	3200	2,600,000		19.
20. Other liabilities (from Schedule RC-G).....	2930	1,878,367		20.
21. Total liabilities (sum of items 13 through 20).....	2948	63,726,160		21.
22. Not applicable				
EQUITY CAPITAL				
23. Perpetual preferred stock and related surplus.....	3838	0		23.
24. Common stock.....	3230	200,858		24.
25. Surplus (exclude all surplus related to preferred stock).....	3839	3,239,836		25.
26. a. Undivided profits and capital reserves.....	3632	1,813,367		26.a
b. Net unrealized holding gains (losses) on available-for-sale securities.....	8434	(37,357)		26.b
c. Accumulated net gains (losses) on cash flow hedges.....	4336	0		26.c
27. Cumulative foreign currency translation adjustments.....	3284	(2,454)		27.
28. Total equity capital (sum of items 23 through 27).....	3210	5,214,250		28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28).....	3300	68,940,410		29.

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1996
RCFD 6724 N/A Number M.1.

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)

3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

5 = Review of the bank's financial statements by external auditors

6 = Compilation of the bank's financial statements by external auditors

7 = Other audit procedures (excluding tax preparation work)

8 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

End of Filing

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