WAL MART STORES INC

FORM 10-K
(Annual Report)

Filed 04/21/97 for the Period Ending 01/31/97

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

WAL MART STORES INC

FORM 10-K
(Annual Report)

Filed 4/21/1997 For Period Ending 1/31/1997

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

FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Annual report pursuant to section 13 or 15(d) of the Securities

Exchange Act of 1934 for the fiscal year ended January 31, 1997, or
[ ] Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934
Commission file number 1-6991.

WAL-MART STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	71-0415188 (IRS Employer Identification No.)
Bentonville, Arkansas (Address of principal executive offices)	72716 (Zip Code)

Registrant's telephone number, including area code: (501) 273-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.10 per share	New York Stock Exchange Pacific Stock Exchange Toronto Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to

Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by non-affiliates of the registrant, based on the closing price of these shares on the New York Stock Exchange on March 31, 1997, was $37,486,838,461. For the purposes of this disclosure only, the registrant has assumed that its directors, executive officers and beneficial owners of 5% or more of the registrant's common stock are the affiliates of the registrant.

The registrant had 2,265,535,740 shares of Common Stock outstanding as of March 31, 1997.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Shareholders for the fiscal year ended January 31, 1997, are incorporated by reference into Parts I and II of this Form 10-K.

Portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held June 6, 1997, are incorporated by reference into

Part III of this Form 10-K.

FORWARD-LOOKING STATEMENTS OR INFORMATION

This Form 10-K includes certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this Form 10-K which address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), expansion and other development trends of industry segments in which the Company is active, business strategy, expansion and growth of the Company's business and operations and other such matters are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions within the bounds of its knowledge of its 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 or on behalf of the Company. Many of these factors have previously been identified in filings or statements made by or on behalf of the Company.

All phases of the Company's operations are subject to influences outside its control. Any one, or a combination, of these factors could materially affect the results of the Company's operations. These factors include:
competitive pressures, inflation, consumer debt levels, currency exchange fluctuations, trade restrictions, changes in tariff and freight rates, interest rate fluctuations and other capital market conditions. Forward- looking statements made by or on behalf of the Company are based on a knowledge of its business and the environment in which it operates, 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 and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Company or its business or operations.

WAL-MART STORES, INC.
FORM 10-K ANNUAL REPORT
FOR THE YEAR ENDED JANUARY 31, 1997

PART I

ITEM 1. BUSINESS

(a) General Development of Business

Wal-Mart Stores, Inc. (together with its subsidiaries hereinafter referred to as the "Company") is America's largest retailer measured by total revenues. During the fiscal year ended January 31, 1997, the Company had net sales of $104,859,000,000. The Company serves customers primarily through the operation of Wal-Mart stores (discount department stores), Sam's Clubs (warehouse membership clubs) and Wal-Mart Supercenters (combination full-line supermarket and discount department stores). Domestically, at January 31, 1997, the Company operated 1,960 Wal- Mart stores, 436 Sam's Clubs, and 344 Wal-Mart Supercenters. A table summarizing information concerning domestic Wal-Mart stores, Sam's Clubs, Wal-Mart Supercenters and other stores operated since January 31, 1992 is set forth in Schedule A to Item I found on page 9 of this annual report.

In fiscal 1992, the Company entered into a joint venture in which it has a 50% interest with CIFRA S.A. de C.V. to develop and expand retailing services in Mexico. This was the beginning of Wal-Mart's initiative outside of the United States. Today, our joint venture is Mexico's largest retailer. At January 31, 1997, the joint venture operated 28 warehouse clubs and 18 Wal-Mart Supercenters, along with 106 CIFRA joint venture units throughout Mexico.

In fiscal 1993, the Company entered Puerto Rico and at January 31, 1997, operated seven Wal-Mart stores and four Sam's Clubs.

In fiscal 1995, the Company acquired 122 Canadian Woolco department stores from Woolworth Canada, Inc., a subsidiary of Woolworth Corporation. The acquisition included all inventory, leasehold interests and other assets at each location. Today Wal-Mart is Canada's leading discount retailer. At January 31, 1997, the Company operated 136 Canadian Wal-Mart stores.

In fiscal 1996, the Company entered Brazil through a joint venture in which it has a 60% interest with Lojas Americanas. At January 31, 1997, the joint venture operated two Wal-Mart Supercenters and three warehouse clubs in the greater-Sao Paulo area.

Also in fiscal 1996, the Company entered Argentina and at January 31, 1997, operated three Wal-Mart Supercenters and three warehouse clubs in the greater-Buenos Aires region.

In fiscal 1997, the Company entered the People's Republic of China. At January 31, 1997, the Company operated one Wal-Mart Supercenter along with joint-venture partner Shenzhen International Trust & Investment Company and one warehouse club along with joint-venture partner, Shenzhen Economic Zone Development Company.

In fiscal 1997, the Company entered Indonesia through a franchise agreement. At January 31, 1997, Wal-Mart operated two Wal-Mart Supercenters in the Jakarta area.

A table summarizing information concerning international units operated since fiscal 1992 is set forth in Schedule B to Item 1 found on page 10 of this annual report.

(b) Financial Information About Industry Segments

Sales of merchandise through stores which include Wal-Mart stores, Sam's Clubs and Wal-Mart Supercenters is the only significant industry segment of which the Company is a part. For the financial results of the Company's operations, see the information incorporated by reference in Item 7 and Item 8 of Part II found on page 14 of this annual report.

(c) Narrative Description of Business

The Company, a Delaware corporation, has its principal offices in Bentonville, Arkansas. Although the Company was incorporated in October 1969, the businesses conducted by its predecessors began in 1945 when Sam M. Walton opened a franchise Ben Franklin variety store in Newport, Arkansas. In 1946, his brother, James L. Walton, opened a similar store in Versailles, Missouri. Until 1962, the Company's business was devoted entirely to the operation of variety stores. In that year, the first Wal-Mart Discount City was opened. In fiscal 1984, the Company opened its first three Sam's Clubs, and in fiscal 1988, its first Wal-Mart Supercenter. Through the years, the Company has made certain strategic acquisitions that have supported the growth of the Wal-Mart stores, clubs and Supercenters; such as the acquisition of ten full-service and four specialty distribution centers through the purchase of McLane Company, Inc. which sells and distributes merchandise to the convenience store industry and a variety of other retailers; the acquisition of selected assets of Pace Membership Warehouse, Inc. and the acquisition of selected assets related to 122 Canadian Woolco stores from Woolworth Canada, Inc., a subsidiary of Woolworth Corporation.

General. The Company operates Wal-Mart stores in all 50 states. The average size of a Wal-Mart store is approximately 92,600 square feet with store sizes generally ranging between 30,000 and 150,000 square feet of building area. The Company operates Wal-Mart Supercenter stores in 23 states, and the average size of a Supercenter store is 183,300 square feet.

The Company operates Sam's Clubs in 48 states. The average size of a Sam's Club is approximately 121,200 square feet, and club sizes generally range between 90,000 and 150,000 square feet of building area.

The Company operates Wal-Mart stores, Sam's Clubs and Wal-Mart Supercenters in Argentina, Canada and Puerto Rico, and under joint venture or franchise agreements in Brazil, China, Indonesia and Mexico.

During the last fiscal year, no single store or club location accounted for as much as 1% of sales or net income.

Merchandise. Wal-Mart stores are generally organized with 40 departments and offer a wide variety of merchandise, including apparel for women, girls, men, boys and infants. Each store also carries curtains, fabrics and notions, candy, stationery and books, shoes, housewares, hardware, electronics, home furnishings, small appliances, automotive accessories, horticulture and accessories, sporting goods, toys, cameras and supplies, health and beauty aids, pharmaceuticals and jewelry.

Nationally advertised merchandise accounts for a majority of sales in the stores. The Company markets lines of merchandise under the store brands "Sam's American Choice", "Great Value", "Ol' Roy" and "Equate". The Company also markets lines of merchandise under licensed brands; some of which include "Faded Glory", "Kathie Lee", "Better Homes & Gardens", "White Stag", "McKids", "Popular Mechanics" and "Catalina".

During the fiscal year ended January 31, 1997, domestic sales of general merchandise at Wal-Mart stores and Supercenters (which are subject to seasonal variance), including licensed departments, by product category were as follows:

CATEGORY	PERCENTAGE OF SALES
Softgoods/domestics	25%
Hardgoods	25
Stationery and candy	11
Pharmaceuticals	10
Records and electronics	9
Sporting goods and toys	8
Health and beauty aids	8
Shoes	2
Jewelry	2
	100%

Sales in pharmaceuticals are a combination of owned and licensed departments. While these percentages include sales of licensed departments, the Company records only the rentals received from the licensee as other income.

Sam's offers bulk displays of name brand hardgood merchandise, some softgoods and institutional size grocery items. Each Sam's also carries jewelry, sporting goods, toys, tires, stationery and books. Most clubs have fresh food departments which include bakery, meat and produce.

McLane offers a wide variety of grocery and non-grocery products, including perishable and non-perishable items. The non-grocery products consist primarily of tobacco products, hardgood merchandise, health and beauty aids, toys and stationery. McLane is a wholesale distributor that sells its merchandise to a variety of retailers, including the Company's Wal-Mart stores, Supercenters and Sam's Clubs.

Operations. Except for extended hours during certain holiday seasons, the majority of the Wal-Mart stores are open from 9:00 a.m. to 9:00 p.m. six days a week, and from 12:30 p.m. to 5:30 p.m. on Sundays, with the remainder of the stores being closed on Sunday. An increasing number of Wal-Mart stores and almost all of the Supercenter stores are open 24 hours each day. Wal-Mart stores maintain uniform prices, except where lower prices are necessary to meet local competition. Sales are primarily on a self-service, cash-and-carry basis with the objective of maximizing sales volume and inventory turnover while minimizing expenses. Bank credit card programs, operated without recourse to the Company, are available in all stores. During the year, the Company launched a co-branded credit card program through Chase Manhattan Bank. This card is also operated without recourse to the Company. Wal-Mart stores and Supercenters maintain a "satisfaction guaranteed" program to promote customer goodwill and acceptance.

Sam's Clubs are membership only, cash-and-carry operations. However, a financial service credit card program (Discover Card) is available in all clubs and the "Sam's Direct" commercial finance program and "Business Revolving Credit" are available to qualifying business members. Also, a "Personal Credit" program is available to qualifying club members. Any credit issued under these programs are without recourse to the Company. Club members include businesses and those individuals who are members of certain qualifying organizations, such as government and state employees and credit union members. Both business and individual members have an annual membership fee of $25 for the primary membership card.

Operating hours vary among Sam's Clubs, but they are generally open Monday through Friday from 10:00 a.m. to 8:30 p.m. Most Sam's are open Saturday from 9:30 a.m. to 8:30 p.m. and on Sunday from 11:00 a.m. to 6:00 p.m.

Distribution. During the 1997 fiscal year, approximately 84% of the Wal-Mart stores' and Supercenters' purchases were shipped from Wal-Mart's 34 distribution centers, five located in both Arkansas and Texas; two in California, Florida, Indiana, Mississippi, New York and South Carolina; and one each in Alabama, Colorado, Georgia, Iowa, Kansas, Kentucky, New Hampshire, Ohio, Pennsylvania, Utah, Virginia and Wisconsin. The balance was shipped directly to the stores from suppliers. Each distribution center is designed to serve the distribution needs of approximately 80 to 140 stores, depending on the size of the center. The size of these distribution centers ranges from approximately 700,000 to 1,600,000 square feet. Sam's Clubs receive the majority of their merchandise via direct shipment from suppliers rather than from the Company's distribution centers.

The McLane distribution centers buy, sell and distribute merchandise, primarily to the convenience store industry and they also service Wal-Mart stores, Supercenters and Sam's Clubs. The McLane Company has 19 distribution centers with two located in Arizona, California, Texas and Virginia, and one each in Colorado, Florida, Georgia, Illinois, Kentucky, Mississippi, Missouri, New York, North Carolina, Utah and Washington.

Merchandising. Substantially all purchasing and merchandising for all stores is controlled from the home offices of the Company through centralized buying and planning practices. During the fiscal year 1997, no single supplier accounted for more than 4.6% of the Company's purchases.

Store Management. Every retail outlet is managed by a store manager or club general manager and one or more assistant store or club managers. The Company is committed to ongoing training programs for managers, assistant managers and department managers in an effort to assure well trained future store management.

Fiscal 1998 Expansion Plans. Domestically, the Company plans to open approximately 50 new Wal-Mart stores and 100 Supercenters. Approximately 70 of the new Supercenters will come from relocations or expansions of existing Wal-Mart stores. The Company also plans to open five to ten new Sam's Clubs and four distribution centers. International expansion includes 30 to 35 new Wal-Mart stores, Supercenters and Sam's Clubs in Argentina, Brazil, Canada, China, Indonesia, Mexico and Puerto Rico. The Company expenses its start-up costs for each new unit during the first full month of operation. Delays may be experienced in projected opening dates because of construction problems, weather and other reasons. There can be no assurance that planned expansion will proceed as scheduled.

Seasonal Aspects of Operations. The Company's business is seasonal to a certain extent. Generally, the highest volume of sales occurs in the fourth fiscal quarter and the lowest volume occurs during the first fiscal quarter.

Competition. The Company's Wal-Mart stores compete with other discount, department, drug, variety and specialty stores, many of which are national chains. Sam's Clubs compete with wholesale clubs, as well as with discount retailers, wholesale grocers and general merchandise wholesalers and distributors. The Wal-Mart Supercenters compete with other supercenter- type stores, discount stores, supermarkets and specialty stores, many of which are national or regional chains. The Company also competes with the other stores for new store sites. As of January 31, 1997, based on net sales, the Company ranked first among all retail department store chains and among all discount department store chains.

The Company's competitive position within the industry is largely determined by its ability to offer value and service to its customers. The Company has many programs designed to meet the competitive needs of its industry. These include the "Everyday Low Price", "Item Merchandising", "Store-Within-a-Store", "Our Business is Saving Your Business Money" and "Buy America" programs. Although the Company believes it has had a major influence in most of the retail markets in which its stores are located, there is no assurance that this will continue.

Employees (Associates). As of January 31, 1997, the Company had approximately 728,000 associates, an increase of approximately 53,000 associates for the year. Part-time associates are primarily sales personnel. Most associates participate in incentive programs which provide the opportunity to receive addition compensation based upon the Company's productivity or profitability.

The Company maintains profit sharing plans under which most full- and many part-time associates participate following one year of employment with the Company. Annual contributions, based on the profitability of the Company, are made at the sole discretion of the Company. For the fiscal years ended January 31, 1992 through 1997, the Company has contributed approximately $130,000,000, $166,000,000, $166,000,000, $175,000,000, $204,000,000 and $247,000,000, respectively.

The Company also offers an associate stock ownership plan that provides for the voluntary purchase of the Company's common stock with a 15% match by the Company on up to $1,800 of annual stock purchases.

The Company also has stock option plans that provide certain management associates an opportunity to share in the long-term success of the Company. At January 31, 1997, approximately 7,000 management associates had been awarded stock options by the Company.

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE A TO ITEM 1 - DOMESTIC STORE COUNT AND NET SQUARE FOOTAGE GROWTH
YEARS ENDED JANUARY 31, 1992 THROUGH 1997

STORE COUNT

Fiscal Year Ended Jan 31,	Wal-Mart Stores Opened	Wal-Mart Stores Closed	Wal-Mart Stores Conversions*1)	Wal-Mart Stores Total	Sam's Clubs Opened	Sam's Clubs Closed	Sam's Clubs Total	Wal-Mart Supercenters Opened	Wal-Mart Supercenters Total	Total*3) Opened*2)	Total*3) Closed	Ending Balance
Balance Forward				1,568			148		9			1,725
1992	148	1	1	1,714	61	1	208	1	10	209	2	1,932
1993	159	1	24	1,848	48	0	256	24	34	207	1	2,138
1994	141	2	37	1,950	162	1	417	38	72	304	3	2,439
1995	109	5	69	1,985	21	12	426	75	147	136	17	2,558
1996	92	2	80	1,995	9	2	433	92	239	113	4	2,667
1997	59	2	92	1,960	9	6	436	105	344	81	8	2,740

NET SQUARE FOOTAGE

Fiscal Year Ended Jan 31,	Wal-Mart Stores Net Additions	Wal-Mart Stores Total	Sam's Clubs Net Additions	Sam's Clubs Total	Wal-Mart Supercenters Net Additions	Wal-Mart Supercenters Total	Total Net Additions	Total Sq. Ft.	Sales Per Sq.Ft.*4)
Balance Forward		110,385,973		15,938,838		1,733,701		128,058,512	
1992	17,729,395	128,115,368	7,320,510	23,259,348	180,545	1,914,246	25,230,450	153,288,962	$ 306.33
1993	19,251,060	147,366,428	7,444,530	30,703,878	4,037,493	5,951,739	30,733,083	184,022,045	325.86
1994	16,185,442	163,551,870	19,670,804	50,374,682	6,762,080	12,713,819	42,618,326	226,640,371	324.42
1995	10,109,978	173,661,848	1,335,742	51,710,424	14,087,725	26,801,544	25,533,445	252,173,816	336.10
1996	8,188,223	181,850,071	825,020	52,535,444	16,791,559	43,593,103	25,804,802	277,978,618	335.13
1997	(193,017)	181,657,054	298,692	52,834,136	19,661,947	63,255,050	19,767,622	297,746,240	337.35

[FN]
<F1> *1) Wal-Mart store locations relocated or expanded as Wal-Mart Supercenters. <F2> *2) Total Opened net of conversions of Wal-Mart stores to Supercenters. <F> *3) The Company also operated 63 Bud's Discount City units at January 31, 1997.
These units are not included in the above store counts or square footage totals.
<F4> *4) Includes only stores and clubs that were open at least twelve months as of January 31 of the previous year.

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE B TO ITEM 1 - INTERNATIONAL STORE COUNT AND NET SQUARE FOOTAGE GROWTH
YEARS ENDED JANUARY 31, 1992 THROUGH 1997

STORE COUNT

Fiscal Year Ended	MEXICO Wal-Mart Supercenters	MEXICO Sam's Clubs	MEXICO Total*	CANADA Wal-Mart Stores	CANADA Total	PUERTO RICO Wal-Mart Stores	PUERTO RICO Sam's Clubs	PUERTO RICO Total	ARGENTINA Wal-Mart Supercenters	ARGENTINA Sam's Clubs	ARGENTINA Total
1992	0	2	2	0	0	0	0	0	0	0	0
1993	0	3	3	0	0	2	0	2	0	0	0
1994	2	7	9	0	0	3	2	5	0	0	0
1995	11	22	33	123	123	5	2	7	0	0	0
1996	13	28	41	131	131	7	4	11	1	2	3
1997	18	28	46	136	136	7	4	11	3	3	6

Fiscal Year Ended	BRAZIL Wal-Mart Supercenters	BRAZIL Sam's Clubs	BRAZIL Total	INDONESIA Wal-Mart Supercenters	INDONESIA Total	CHINA Wal-Mart Supercenters	CHINA Sam's Clubs	CHINA Total
1992	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0
1996	2	3	5	0	0	0	0	0
1997	2	3	5	2	2	1	1	2

NET SQUARE FOOTAGE

Fiscal Year Ended	MEXICO Net Additions	Total*	CANADA Net Additions	Total	PUERTO RICO Net Additions	Total	ARGENTINA Net Additions	Total
1992	162,535	162,535	0	0	0	0	0	0
1993	143,000	305,535	0	0	229,647	229,647	0	0
1994	946,717	1,252,252	0	0	339,260	568,907	0	0
1995	3,537,080	4,789,332	14,651,969	14,651,969	266,279	835,186	0	0
1996	1,091,123	5,880,455	872,446	15,524,415	478,848	1,314,034	438,787	438,787
1997	1,032,603	6,913,058	572,803	16,097,218	0	1,314,034	625,369	1,064,156

Fiscal Year Ended	BRAZIL New Additions	Total	INDONESIA Net Additions	Total	CHINA Net Additions	Total
1992	0	0	0	0	0	0
1993	0	0	0	0	0	0
1994	0	0	0	0	0	0
1995	0	0	0	0	0	0
1996	772,221	772,221	0	0	0	0
1997	0	772,221	360,503	360,503	316,656	316,656

[FN]
* Through a joint venture, the Company also operated 25 discount stores, four combination stores, three supermarkets, seven specialty department stores and 67 restaurants as of January 31, 1997. These units are not included in the above store counts or square footage totals.

ITEM 2. PROPERTIES

The number and location of Wal-Mart stores, Supercenters and Sam's Clubs is incorporated by reference to the table under the caption "Fiscal 1997 End of Year Store Counts" on Page 19 of the Annual Report to Shareholders for the year ended January 31, 1997.

The Company owns 1,232 properties on which domestic Wal-Mart stores and Supercenters are located and 280 of the properties on which domestic Sam's are located. In some cases, the Company owns the land associated with leased buildings. New buildings, both leased and owned, are constructed by independent contractors.

The remaining buildings in which its present stores are located are either leased from a commercial property developer, leased pursuant to a sale/leaseback arrangement or leased from a local governmental entity through an industrial revenue bond transaction. All of the Company's leases for its stores provide for fixed annual rentals and, in many cases, the leases provide for additional rent based on sales volume.

The Company operated 34 Wal-Mart distribution facilities and 19 McLane distribution facilities at January 31, 1997. These distribution facilities are primarily owned by the Company, and several are subject to mortgage securing loans. Some of the distribution facilities are leased under industrial development bond financing arrangements and provide the option of purchasing these facilities at the end of the lease term for nominal amounts.

The Company leases properties on which Canadian Wal-Mart stores are located. The Company owns four properties on which Puerto Rico operating units are located with the remaining units being leased. The Company owns properties on which the operating units in Argentina, Brazil, China and Mexico are located.

The Company owns office facilities in Bentonville, Arkansas that serve as the home office and owns additional office facilities in Temple, Texas.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any material pending legal proceedings and no properties of the Company are subject to any material pending legal proceeding, other than routine litigation incidental to its business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the Company's security holders during the last quarter of the year ended January 31, 1997.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

The following information is furnished with respect to each of the executive officers of the Company, each of whom is elected by and serves at the pleasure of the Board of Directors. The business experience shown for each officer has been his principal occupation for at least the past five years.

Name	Business Experience	Current Position Held Since	Age

David D. Glass	President and Chief Executive Officer.	1988	61
S. Robson Walton	Chairman. From 1985 until his election as Chairman in 1992, he served as Vice Chairman.	1992	52
Donald G. Soderquist	Vice Chairman and Chief Operating Officer.	1988	63
Paul R. Carter	Executive Vice President - Wal-Mart Stores, Inc. and President - Wal-Mart Realty Company. Prior to 1995, he served as Executive Vice President and Chief Financial Officer.	1995	56
Thomas M. Coughlin	Executive Vice President - Store Operations. Prior to 1995, he served as Senior Vice President - Specialty Divisions.	1995	48
David Dible	Executive Vice President Specialty Divisions. Prior to 1995, he served as Senior Vice President - Merchandising.	1995	49
Joseph S. Hardin, Jr.	Executive Vice President - Wal-Mart Stores, Inc. and President and Chief Executive Officer of Sam's Club Division. Prior to October 1995, he served as Executive Vice President - Wal-Mart Stores, Inc. and Chief Operating Officer of Wal-Mart Stores Division. Prior to January 1995, he served as President and Chief Executive Officer of McLane Company, Inc. Prior to 1993, he served as Executive Vice President - Logistics and Personnel Administration. Mr. Hardin announced his intention to leave the Company in April, 1997.	1995	52
Bob L. Martin	Executive Vice President - Wal-Mart Stores, Inc. and President and Chief Executive Officer of Wal-Mart International Division. Prior to 1993, he served as Executive Vice President - Corporate Information Systems.	1993	48
John B. Menzer	Executive Vice President and Chief Financial Officer since September 1995. Prior to September 1995, he served as President and Chief Operating Officer of Ben Franklin Retail Stores, Inc.	1995	46
H. Lee Scott, Jr.	Executive Vice President - Merchandising. Prior to October 1995, he served as Executive Vice President - Logistics. Prior to that, he served as Senior Vice President - Logistics.	1995	48
Nicholas J. White	Executive Vice President - Wal-Mart Supercenter Division. Prior to 1989, he served as Executive Vice President - Sam's Clubs.	1989	52
William G. Rosier	President and Chief Executive Officer of McLane Company, Inc. Prior to 1995, he served as Senior Vice President - Marketing and Customer Services for McLane.	1995	48

James A. Walker, Jr.	Senior Vice President and Controller. Prior to 1995, he served as Vice President and Controller.	1995	50

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The information required by this item is incorporated by reference of the information "Number of Shareholders of Record" under the caption "11 Year Financial Summary" on Pages 22 and 23, and all the information under the captions "Market Price of Common Stock", "Listings - Stock Symbol: WMT" and "Dividends Paid Per Share" on page 37 of the Annual Report to Shareholders for the year ended January 31, 1997.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this item is incorporated by reference of all information under the caption "11 Year Financial Summary" on Pages 22 and 23 of the Annual Report to Shareholders for the year ended January 31, 1997.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this item is furnished by incorporation by reference of all information under the caption "Management's Discussion and Analysis" on Pages 24 through 26 of the Annual Report to Shareholders for the year ended January 31, 1997.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is furnished by incorporation by reference of all information under the captions "Consolidated Statements of Income", "Consolidated Balance Sheets", "Consolidated Statements of Shareholders' Equity", "Consolidated Statements of Cash Flows" and "Notes to Consolidated Financial Statements" on Pages 26 through 34 of the Annual Report to Shareholders for the year ended January 31, 1997.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this item with respect to the Company's directors and compliance by the Company's directors, executive officers and certain beneficial owners of the Company's Common Stock with Section 16(a) of the Securities Exchange Act of 1934 is furnished by incorporation by reference of all information under the captions entitled "Item 1:Election of Directors" on Pages 1 through 3 and "Section 16(a) Beneficial Ownership Reporting Compliance" on Page 10 and 11 of the Company's Proxy Statement for its Annual Meeting of Shareholders to be held on Friday, June 6, 1997 (the "Proxy Statement"). The information required by this item with respect to the Company's executive officers appears at Item 4A of Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is furnished by incorporation by reference of all information under the caption entitled "Executive Compensation", subcaptions "Summary Compensation Table", "Option Grants for Fiscal Year Ended January 31, 1997", and "Option Exercises and Fiscal Year End Option Values" on Pages 4 through 6, and "Compensation Committee Interlocks and Insider Participation" and "Compensation of Directors" on Page 8 of the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is furnished by incorporation by reference of all information under the caption "Equity Securities and Principal Holders of Wal-Mart Stock" on Pages 10 and 11 of the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is furnished by incorporation by reference of all information under the caption "Interest of Management in Certain Transactions" on Page 9 of the Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. & 2. Consolidated Financial Statements

The financial statements listed in the Index to Consolidated Financial Statements, which appears on Page 18, are incorporated by reference herein or filed as part of this Form 10-K.

3. Exhibits

The following documents are filed as exhibits to this Form 10-K:

3(a) Restated Certificate of Incorporation of the Company is incorporated herein by reference to Exhibit 3(a) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1989, and the Certificate of Amendment to the Restated Certificate of Incorporation is incorporated herein by reference to Registration Statement on Form S-8 (File Number 33-43315).

3(b) By-Laws of the Company, as amended June 3, 1993, are incorporated herein by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended January 31, 1994.

4(a) Form of Indenture dated as of June 1, 1985, between the Company and Boatmen's Trust Company (formerly Centerre Trust Company) of St. Louis, Trustee, is incorporated herein by reference to Exhibit 4(c) to Registration Statement on Form S-3 (File Number 2-97917).

4(b) Form of Indenture dated as of August 1, 1985, between the Company and Boatmen's Trust Company (formerly Centerre Trust Company) of St. Louis, Trustee, is incorporated herein by reference to Exhibit 4(c) to Registration Statement on Form S-3 (File Number 2-99162).

4(c) Form of Amended and Restated Indenture, Mortgage and Deed of Trust, Assignment of Rents and Security Agreement dated as of December 1, 1986, among the First National Bank of Boston and James E. Mogavero, Owner Trustees, Rewal Corporation I, Estate for Years Holder, Rewal Corporation II, Remainderman, the Company and the First National Bank of Chicago and R.D. Manella, Indenture Trustees, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-11394).

4(d) Form of Indenture dated as of July 15, 1990, between the Company and Harris Trust and Savings Bank, Trustee, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-35710).

4(e) Indenture dated as of April 1, 1991, between the Company and The First National Bank of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(a) to Registration Statement on Form S-3 (File Number 33-51344).

4(f) First Supplemental Indenture dated as of September 9, 1992, to the Indenture dated as of April 1, 1991, between the Company and The First National Bank of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-51344).

+10(a) Form of individual deferred compensation agreements is incorporated herein by reference to Exhibit 10(b) from the Annual Report on Form 10-K of the Company, as amended, for the year ended January 31, 1986.

+10(b) Wal-Mart Stores, Inc. Stock Option Plan of 1984 is incorporated herein by reference to Registration Statement on Form S-8 (File Number 2-94358).

+10(c) 1986 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan of 1984 is incorporated herein by reference to Exhibit 10(h) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1987.

+10(d) 1991 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan of 1984 is incorporated herein by reference to Exhibit 10(h) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1992.

+10(e) 1993 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan of 1984 is incorporated herein by reference to Exhibit 10(i) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1993.

+10(f) Wal-Mart Stores, Inc. Stock Option Plan of 1994 is incorporated herein by reference to Exhibit 4(c) to the registration statement on Form S-8 (File Number 33-55325).

+10(g) A written description of a consulting agreement by and between Wal-Mart Stores, Inc. and Jack C. Shewmaker, is incorporated herein by reference to the description contained in the third paragraph under the caption "Compensation of Directors" on Page 8 in the Company's definitive Proxy Statement to be filed in connection with the Annual Meeting of the Shareholders to be held on June 6, 1997.

+10(h) Wal-Mart Stores, Inc. Director Compensation Plan is incorporated herein by reference to Exhibit 4(d) to Registration Statement on Form S-8 (File Number 333-24259).

+10(i) Wal-Mart Stores, Inc. Officer Deferred Compensation Plan.

***+10(j) Wal-Mart Stores, Inc. Restricted Stock Plan.**

*13 All information incorporated by reference in Items 2, 5, 6, 7 and 8 of this Annual Report on Form 10-K from the Annual Report to Shareholders for the year ended January 31, 1997.

***21 List of the Company's Subsidiaries**

***23 Consent of Independent Auditors**

***27 Financial Data Schedule**

*Filed herewith as an Exhibit.

+Management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K

The Company did not file a report on Form 8-K during the last quarter of the fiscal year ended January 31, 1997.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Annual Report to Shareholders (page)
Covered by Report of Independent Auditors:	
Consolidated Statements of Income for each of the three years in the period ended January 31, 1997	26
Consolidated Balance Sheets at January 31, 1997 and 1996	27
Consolidated Statements of Shareholders' Equity for each of the three years in the period ended January 31, 1997	28
Consolidated Statements of Cash Flows for each of the three years in the period ended January 31, 1997	29

Notes to Consolidated Financial Statements, except Note 8 30-34

Not Covered by Report of Independent Auditors:

Note 8 - Quarterly Financial Data
(Unaudited) 34

All schedules have been omitted because the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements, including the notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATE: April 21, 1997

BY:/s/David D. Glass
David D. Glass
President and Chief
Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

DATE: April 21, 1997	*/s/S. Robson Walton* *S. Robson Walton* *Chairman of the Board*
DATE: April 21 , 1997	*/s/David D. Glass* *David D. Glass* *President, Chief Executive Officer and Director*
DATE: April 21 , 1997	*/s/Donald G. Soderquist* *Donald G. Soderquist* *Vice Chairman, Chief Operating Officer and Director*
DATE: April 21, 1997	*/s/Paul R. Carter* *Paul R. Carter* *Executive Vice President, President - Wal-Mart Realty Company and Director*
DATE: April 21, 1997	*/s/John B. Menzer* *John B. Menzer* *Executive Vice President and Chief Financial Officer* *(Principal Financial Officer)*
DATE: April 21, 1997	*/s/James A. Walker, Jr.* *James A. Walker, Jr.* *Senior Vice President and Controller* *(Principal Accounting Officer)*
DATE: April 21, 1997	*/s/John A. Cooper, Jr.* *John A. Cooper, Jr.* *Director*
DATE: April 21, 1997	*/s/Stephen Friedman* *Stephen Friedman* *Director*
DATE: April 21, 1997	______________________________ *Stanley C. Gault* *Director*
DATE: April 21, 1997	*/s/Frederick S. Humphries* *Frederick S. Humphries* *Director*
DATE: April 21, 1997	*/s/E. Stanley Kroenke* *E. Stanley Kroenke* *Director*

DATE:	*April 21, 1997*	*/s/Elizabeth A. Sanders* *Elizabeth A. Sanders* *Director*
DATE:	*April 21, 1997*	*/s/Jack C. Shewmaker* *Jack C. Shewmaker* *Director*
DATE:	*April 21, 1997*	*/s/Paula Stern* *Paula Stern* *Director*
DATE:	*April 21, 1997*	*/s/John T. Walton* *John T. Walton* *Director*

WAL-MART STORES, INC. RESTRICTED STOCK PLAN

Purpose. Wal-Mart Stores, Inc. ("Wal-Mart") believes it is important to provide incentives to Wal-Mart's Associates through participation in the ownership of Wal-Mart. This Restricted Stock Plan (the "Plan") is established to provide incentives to those Associates receiving Awards under this Plan to enhance their job performance, to remain or become associated with Wal-Mart and its Affiliates, and to increase the success of Wal-Mart. The Plan is not limited to executive officers of Wal-Mart, but will be available to provide incentives to any Associate that the Committee believes has made or may make a significant contribution to Wal-Mart or an Affiliate of Wal-Mart.

Definitions. When used in the Plan, the following words have the definitions given to them below.

"Affiliate" means any corporation, company limited by shares, partnership, limited liability company, business trust, other entity, or other business association that is controlled by Wal-Mart.

"Associate" means any individual who is employed by Wal-Mart or one of its Affiliates.

"Award" means the award of Restricted Stock under this Plan and the terms and conditions on which that award is made.

"Board of Directors" means the Board of Directors of Wal-Mart.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Committee" means (1) as to Associates who are Section 16 Persons, the Compensation Committee and 2) as to all other Associates, the committee that administers the Wal-Mart Stores, Inc. Stock Option Plan of 1994 or any successor stock option plan for persons other than Section 16 Persons.

"Compensation Committee" means the Compensation and Nominating Committee of the Board of Directors.

"Dividend Plan" means the Wal-Mart Stores, Inc. Dividend Reinvestment Plan.

"Recipient" means an Associate who has received an Award.

"Restricted Stock" means Shares awarded to a Recipient under this Plan that remain subject to a Restriction and all non-cash proceeds of such Shares that become and remain subject to a Restriction.

"Restriction" means the contractual condition(s) contained in an Award that if not met will result in the forfeiture to Wal-Mart of some or all of the Shares issued to the Recipient pursuant to such Award and the non-cash proceeds of such Shares.

"Section 16 Person" means any Associate who is required to file reports under
Section 16 of the Securities Exchange Act of 1934, as amended.

"Shares" means shares of the Common Stock, $.10 par value per share, of Wal-Mart.

Shares Subject to the Plan.Wal-Mart has reserved a total of 10,000,000 Shares for issuance under the Plan. These Shares may be authorized, but unissued Shares, or treasury Shares held by Wal-Mart or an Affiliate. Any Shares previously awarded to Recipient that have been forfeited to Wal-Mart may be awarded again under the Plan. No fractional shares may be issued under the Plan. If a stock split occurs with respect to the Shares, the number of Shares reserved for issuance pursuant to the Plan shall be proportionately increased. If a reverse stock split occurs with respect to the Shares, the number of Shares reserved for issuance pursuant to the Plan shall be proportionately decreased.

Administration. The Committee will administer the Plan and make Awards. The Committee shall have these duties as to the Plan:

(1) to establish any rules, procedures, and written forms that will govern the Plan and assist in the Plan's general administration;

(2) when a situation is not expressly addressed by the Plan, to interpret the Plan's pertinent provisions and apply them to the situation;

(3) when a situation is not expressly addressed by the terms of an Award or those terms are subject to interpretation, to interpret the pertinent terms of that Award and apply them to the situation;

(4) to assist in the resolution of any dispute arising about the Plan or an Award;

(5) to recommend amendments of the Plan to the Board of Directors;

(6) to determine those Associates to whom Awards will be made;

(7) to set the terms and conditions of those Awards;

(8) to amend the terms of an Award;

(9) to waive any conditions or obligations of a Recipient under or with respect to an Award; and

(10) to administer the terms of each Award made and monitor the compliance of the Recipient with the terms and conditions of the Award.

The Committee may act at its discretion in the discharge of the foregoing duties. The Committee will not have the right to amend the terms or conditions of any Award without the consent of the Recipient if the amendment would affect the terms and conditions of the Award in a materially adverse manner unless the Committee has expressly retained the right to do so in the terms and conditions of the Award. Subject to the foregoing, the Committee may amend any Award under which a Recipient still holds Restricted Stock if the Committee determines such amendment is in the best interests of Wal-Mart. If an Award is intended to qualify for the performance-based compensation exception under Section 162(m)(4)(C) of the Code, the Compensation Committee will exercise its discretion to qualify the Award for such exception.

The Awards.

(1) Wal-Mart, acting through the Committee and consistent with the purposes of this Plan, may make Awards to such Associates as the Committee may determine in its sole discretion.

(2) Each Award shall have those terms and conditions of Awards that are expressly set forth in, or are required, by this Plan and such other terms and conditions as the Committee making the Award may determine in its discretion.

(3) During the Restriction period as to any Recipient's Restricted Stock, the Recipient shall receive the dividends paid on the Restricted Stock and shall not be required to return such dividends to Wal-Mart in the event of the forfeiture of the Restricted Stock. In addition, during the Restriction period as to any Recipient's Restricted Stock, the Recipient shall receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of Wal-Mart, which proceeds shall automatically and without need for any other action become Restricted Stock and be subject to the Restriction then existing as to the Recipient's Restricted Stock. Such Restriction will thereafter apply proportionately to all of the Recipient's Restricted Stock, including such proceeds.

(4) The Recipient shall be entitled to vote the Restricted Stock during the Restriction period.

(5) The Restricted Stock will be issued to each Recipient subject to the understanding that, during the Restriction period, the Recipient shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any shares of Restricted Stock or any interest therein. As a result of such retention of rights in the Restricted Stock by Wal-Mart, except as required by any law, neither any shares of the Restricted Stock nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any such transaction shall be null, void, and without effect.

(6) Unless expressly provided for in the Award made to a Recipient, any Restricted Stock held by a Recipient at the time the Recipient ceases to be an Associate for any reason whatsoever shall be forfeited by the Recipient to Wal-Mart and automatically re-conveyed to Wal-Mart.

(7) The Committee may withhold any amounts necessary to collect any withholding taxes with respect to any Award or upon the fulfillment of the Restriction in such Award. These provisions may include, at the discretion of the Committee, the withholding of shares of the Restricted Stock granted in the Award to provide for payment of the withholding amount.

(8) The making of Awards and issuance of any Restricted Stock is subject to compliance by Wal-Mart with all applicable laws. Wal-Mart need not issue or transfer Restricted Stock pursuant to the Plan unless Wal-Mart's legal counsel has approved all legal matters in connection with the issuance and delivery of the Restricted Stock.

(9) Once the conditions in a Restriction are met as to any shares of Restricted Stock held by a Recipient, those Shares shall be free of all of the terms and conditions of the related Award and the Recipient shall be entitled to hold and dispose of the Shares free of any and all restrictions, except any restrictions on the transfer or disposition of such Shares as are imposed by applicable law.

Evidence of Share Ownership. The Restricted Stock will be book-entry shares only unless the Committee decides to issue certificates to evidence shares of the Restricted Stock. Any stock certificate or certificates representing the Restricted Stock issued to a Recipient (each a "Certificate") that is so issued shall bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THE WAL-MART STORES, INC.

RESTRICTED STOCK PLAN (THE "PLAN") AND ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON THEIR TRANSFER AND TO FORFEITURE TO WAL-MART STORES, INC. IF CERTAIN CONDITIONS ARE NOT MET. SUCH RESTRICTIONS AND CONDITIONS ARE SET FORTH IN THE PLAN AND IN THE AWARD PURSUANT TO WHICH SUCH SHARES WERE ISSUED TO THE REGISTERED HOLDER THEREOF.

Wal-Mart will place stop-transfer instructions with respect to all Restricted Stock on its stock transfer records. Any Certificate issued will be held in escrow by the Committee for the mutual benefit of the Recipient and Wal-Mart in accordance with such rules for such escrow as the Committee may establish pending the fulfillment of the Restriction and compliance with the other terms and conditions of the Award. If any shares of Restricted Stock are forfeited in accordance with the terms and conditions of the Award and this Plan, the forfeited shares of Restricted Stock shall be automatically re-conveyed to Wal-Mart. Any Certificate representing the forfeited shares of Restricted Stock shall be canceled. The Recipient must deliver to the Committee a stock power, executed in blank, relating to the shares of the Restricted Stock at the time the Award is granted and the Restricted Stock issued. Such a stock power must be given to the Committee as to any Certificate issued to a Recipient.

Section 162(m)(4)(C) Matters. The Compensation Committee may grant an Award that provides for a Restriction as to Restricted Stock that is based on performance-based criteria and that is intended to qualify for the performance-based exception under Section 162(m)(4)(C) of the Code (a "162 Award"). In granting any 162 Award, the Compensation Committee shall comply fully with the regulations promulgated with respect to Section 162(m) of the Code.

Limitations of Wal-Mart's and the Affiliates' Liability and Obligations. Receiving an Award or being the owner of Restricted Stock shall not:

(a) give the Recipient any rights except as expressly set forth in this Plan or in the Award and except as a stockholder of Wal-Mart with respect to the Restricted Stock alone;

(b) be considered a contract of employment or give the Recipient any right to continued employment, or to hold any position, with Wal-Mart or any Affiliate;

(c) create any fiduciary or other obligation of Wal-Mart or any Affiliate to take any action or provide to the Recipient any assistance or dedicate or permit the use of any assets of Wal-Mart or any Affiliate that would permit the Recipient to be able to attain any performance criteria stated in the Recipient's Award;

(d) create any trust or any fiduciary or other duty or obligation of Wal-Mart or any Affiliate to engage in any particular business, continue to engage in any particular business, engage in any particular business practices, or sell any particular product or products; or

(e) create any obligation of Wal-Mart or any Affiliate that shall be greater than the obligations of Wal-Mart or such Affiliate to any general unsecured creditor of Wal-Mart or the Affiliate.

The entry into, the change of, or a discontinuation of a particular business, line of business, business practice, or transaction shall not be, and shall not be deemed to be, an amendment or termination of this Plan or any Award. If Wal-Mart or an Affiliate terminates a Recipient's employment or other position with Wal-Mart or the Affiliate, the potential value of any Restricted Stock that must be returned to Wal-Mart will not be an element of any damages that the Recipient may have for any termination of employment or other relationship in violation of any contractual or other rights the Recipient may have.

No Liability of Committee Members. No member of the Committee shall be personally liable by reason of this Plan, any Award granted hereunder, or any agreement or other instrument entered into or executed by the Committee member in his or her capacity as a member of the Committee nor as a result of any mistake of judgment made in good faith. Wal-Mart shall indemnify and hold harmless each member of the Committees and each other officer and director of Wal-Mart or any Affiliate that has any duty or power relating to the administration of this Plan against any liability, obligation, cost or expense incurred by such person arising out of any act or omission to act in connection with the Plan or any Award unless that act or omission to act constitutes gross negligence, malfeasance, bad faith or fraud of such person.

Amendment and Termination of the Plan. The Board of Directors may amend or terminate this Plan at any time without the approval of the Recipients or any other person, except to the extent any such action is required to be approved by the stockholders of Wal-Mart in connection with any outstanding or future 162 Awards. No Award as to which Restricted Stock remains outstanding at the time of any amendment or termination of the Plan will be affected by such amendment or termination.

Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Arkansas, except that any matters relating to the internal governance of Wal-Mart shall be governed by the General Corporation Law of Delaware.

Fiscal 1997 End of Year Store Counts

	Discount Stores	Supercenters	Sam's Clubs
Alabama	54	22	8
Alaska	3	0	3
Arizona	33	0	6
Arkansas	54	22	4
California	95	0	24
Colorado	32	4	10
Connecticut	9	0	3
Delaware	2	1	1
Florida	109	23	31
Georgia	65	22	15
Hawaii	5	0	1
Idaho	9	0	1
Illinois	98	8	24
Indiana	62	11	14
Iowa	45	0	7
Kansas	44	3	5
Kentucky	53	15	5
Louisiana	58	17	9
Maine	19	0	3
Maryland	21	0	10
Massachusetts	25	0	4
Michigan	44	0	21
Minnesota	33	0	9
Mississippi	45	11	4
Missouri	79	29	11
Montana	7	0	1
Nebraska	13	4	3
Nevada	10	0	2
New Hampshire	16	0	4
New Jersey	14	0	6
New Mexico	19	0	3
New York	48	5	17
North Carolina	82	3	14
North Dakota	8	0	2
Ohio	77	0	22
Oklahoma	61	17	6
Oregon	20	0	0
Pennsylvania	49	10	18
Rhode Island	5	0	1
South Carolina	46	6	8
South Dakota	8	0	2
Tennessee	63	25	10
Texas	173	69	51
Utah	14	0	5
Vermont	3	0	0
Virginia	35	14	10
Washington	18	0	2
West Virginia	12	3	3
Wisconsin	54	0	11
Wyoming	9	0	2
U.S. TOTAL	1,960	344	436
Alberta	14	0	0
British Columbia	12	0	0
Manitoba	9	0	0
New Brunswick	4	0	0
Newfoundland	7	0	0
Nova Scotia	7	0	0
NW Territories	1	0	0
Ontario	50	0	0
Quebec	24	0	0
Saskatchewan	8	0	0
CANADA TOTAL	136	0	0
Argentina	0	3	3
Brazil	0	2	3
Mexico	106*	18	28
Puerto Rico	7	0	4
China	0	1	1
Indonesia	0	2	0
INT'L. TOTAL	249	26	39
GRAND TOTAL	2,209	370	475

[FN]

*Includes 3 Superamas, 25 Bodegas, 4 Aurreras, 67 Vips and 7 Suburbias

11-Year Financial Summary
(Dollar amounts in millions except per share data)

	1997	1996	1995	1994	1993
Operating Results					
Net sales	$104,859	$93,627	$82,494	$67,344	$55,484
Net sales increase	12%	13%	22%	21%	26%
Comparative store sales increase	5%	4%	7%	6%	11%
Other income-net	1,287	1,122	918	641	501
Cost of sales	83,663	74,564	65,586	53,444	44,175
Operating, selling, and general and administrative expenses	16,788	14,951	12,858	10,333	8,321
Interest costs:					
Debt	629	692	520	331	143
Capital leases	216	196	186	186	180
Provision for income taxes	1,794	1,606	1,581	1,358	1,171
Net income	3,056	2,740	2,681	2,333	1,995
Per share of common stock:					
Net income	$1.33	1.19	1.17	1.02	.87
Dividends	.21	.20	.17	.13	.11
Financial Position					
Current assets	$17,993	$17,331	$15,338	$12,114	$10,198
Inventories at replacement cost	16,193	16,300	14,415	11,483	9,780
Less LIFO reserve	296	311	351	469	512
Inventories at LIFO cost	15,897	15,989	14,064	11,014	9,268
Net property, plant and equipment and capital leases	20,324	18,894	15,874	13,176	9,793
Total assets	39,604	37,541	32,819	26,441	20,565
Current liabilities	10,957	11,454	9,973	7,406	6,754
Long-term debt	7,709	8,508	7,871	6,156	3,073
Long-term obligations under capital leases	2,307	2,092	1,838	1,804	1,772
Shareholders' equity	17,143	14,756	12,726	10,753	8,759
Financial Ratios					
Current ratio	1.6	1.5	1.5	1.6	1.5
Inventories/ working capital	2.3	2.7	2.6	2.3	2.7
Return on assets*	7.9%	7.8%	9.0%	9.9%	11.1%
Return on shareholders' equity*	19.2%	19.9%	22.8%	23.9%	25.3%
Other Year-End Data					
Number of Domestic Wal-Mart stores	1,960	1,995	1,985	1,950	1,848
Number of Domestic Supercenters	344	239	147	72	34
Number of Domestic SAM'S Clubs	436	433	426	417	256
International units	314	276	226	24	10
Average Wal-Mart store size	92,600	91,100	87,600	83,900	79,800
Number of Associates	728,000	675,000	622,000	528,000	434,000
Number of Shareholders of Record	257,215	244,483	259,286	257,946	180,584

[FN]
* On average balances.

11-Year Financial Summary
(Dollar amounts in millions except per share data)

	1992	1991	1990	1989	1988	1987
Operating Results						
Net sales	$43,887	$32,602	$25,811	$20,649	$15,959	$11,909
Net sales increase	35%	26%	25%	29%	34%	41%
Comparative store sales increase	10%	10%	11%	12%	11%	13%
Other income-net	403	262	175	137	105	85
Cost of sales	34,786	25,500	20,070	16,057	12,282	9,053
Operating, selling, and general and						

administrative expenses	6,684	5,152	4,070	3,268	2,599	2,008
Interest costs:						
Debt	113	43	20	36	25	10
Capital leases	153	126	118	99	89	76
Provision for income taxes	945	752	632	488	441	396
Net income	1,609	1,291	1,076	838	628	451
Per share of common stock:						
Net income	.70	.57	.48	.37	.28	.20
Dividends	.09	.07	.06	.04	.03	.02
Financial Position						
Current assets	$8,575	$6,415	$4,713	$3,631	$2,905	$2,353
Inventories at replacement cost	7,857	6,207	4,751	3,642	2,855	2,185
Less LIFO reserve	473	399	323	291	203	154
Inventories at LIFO cost	7,384	5,808	4,428	3,351	2,652	2,031
Net property, plant and equipment and capital leases	6,434	4,712	3,430	2,662	2,145	1,676
Total assets	15,443	11,389	8,198	6,360	5,132	4,049
Current liabilities	5,004	3,990	2,845	2,066	1,744	1,340
Long-term debt	1,722	740	185	184	186	179
Long-term obligations under capital leases	1,556	1,159	1,087	1,009	867	764
Shareholders' equity	6,990	5,366	3,966	3,008	2,257	1,690
Financial Ratios						
Current ratio	1.7	1.6	1.7	1.8	1.7	1.8
Inventories/ working capital	2.1	2.4	2.4	2.1	2.3	2.0
Return on assets*	12.0%	13.2%	14.8%	14.6%	13.7%	12.6%
Return on shareholders' equity*	26.0%	27.7%	30.9%	31.8%	31.8%	30.4%
Other Year-End Data						
Number of Domestic Wal-Mart stores	1,714	1,568	1,399	1,259	1,114	980
Number of Domestic Supercenters	10	9	6	3	2	
Number of Domestic SAM'S Clubs	208	148	123	105	84	49
International units						
Average Wal-Mart store size	74,700	70,700	66,400	63,500	61,500	59,000
Number of Associates	371,000	328,000	271,000	223,000	183,000	141,000
Number of Shareholders of Record	150,242	122,414	79,929	80,270	79,777	32,896

[FN]
* On average balances.

Management's Discussion and Analysis

Results of Operations
Increases (Decreases) In Consolidated Operating Results Over Prior Year
(Dollars in millions, except per share data)

	1997		1996	
	Amount	%	Amount	%
Revenues:				
Net sales	$11,232	12%	$11,133	13%
Other income-net	165	15%	204	22%
	11,397	12%	11,337	14%
Costs and Expenses:				
Cost of sales	9,099	12%	8,978	14%
Operating, selling and general and administrative expenses	1,837	12%	2,093	16%
Interest Costs:				
Debt	(63)	(9%)	172	33%
Capital leases	20	10%	10	5%
	10,893	12%	11,253	14%
Income Before Income Taxes	504	12%	84	2%
Provision for Income Taxes	188	12%	25	2%
Net Income	$316	12%	$59	2%
Net Income Per Share	$.14	12%	$.02	2%

Net Sales

The sales increase in fiscal 1997 was attributable to the Company's expansion program and comparative store sales increases of 5%. Expansion for fiscal 1997 included the opening of 59 Wal-Mart stores, 105 Supercenters (including the conversion of 92 Wal-Mart stores), 9 SAM'S Clubs, and 38 international units. The majority of the sales increase resulted from Wal-Mart stores and Supercenters while International sales grew to approximately 4.8% of the total sales in fiscal 1997 from 4.0% in fiscal 1996.

SAM'S Club sales as a percentage of total sales decreased from 20.4% in fiscal 1996 to 18.9% in fiscal 1997.

The sales increase of 13% in fiscal 1996 was attributable to the Company's expansion program and comparative store sales increases of 4%. Expansion for fiscal 1996 included the opening of 92 Wal-Mart stores, 92 Supercenters (including the conversion of 80 Wal-Mart stores), 9 SAM'S Clubs and 50 International units. International sales accounted for approximately 2.1% of the sales increase with the remainder primarily attributable to Wal-Mart stores and Supercenters. SAM'S Club sales as a percentage of total sales decreased from 22.9% in fiscal 1995 to 20.4% in fiscal 1996.

Costs and Expenses

Cost of sales as a percentage of sales increased .2% in fiscal 1997 and .1% in fiscal 1996 when compared to the preceding year. The increase in fiscal 1997 is due in part to one-time markdowns in the third quarter resulting from a strategic decision to reduce the merchandise assortment in selected categories. Cost of sales also increased approximately .3% due to a larger percentage of consolidated sales from departments within Wal-Mart stores which have lower markon percents, and to the Company's continuing commitment of always providing low prices. These increases were offset by approximately .2% because SAM'S Club comprised a lower percentage of consolidated sales in 1997 at a lower contribution to gross margin than the stores. The increase in fiscal 1996 was due to lower initial markons and a larger percentage of consolidated sales from departments within Wal-Mart stores which have lower markon percents. This increase is offset by approximately .3% because SAM'S Club comprised a lower percentage of consolidated sales in 1996 at a lower contribution to gross margin than the stores.

Operating, selling and general and administrative expenses as a percentage of sales were flat in fiscal 1997 when compared to fiscal 1996 and increased .4% in fiscal 1996 when compared to fiscal 1995. As sales in SAM'S Club decreased as a percentage of total sales, the Company's operating, selling and general and administrative expenses as a percentage of sales increased approximately .1% due to a lower expense to sales percentage at SAM'S Club compared to the stores and Supercenters. This increase was offset through expense control in all of the operating formats. Approximately .2% of the increase in fiscal 1996 was due to increases in payroll and related benefit costs. The remainder of the increase resulted primarily from a lower percentage of sales attributable to SAM'S Club and a higher percentage of sales attributable to international operations. SAM'S Club operating, selling and general and administrative expenses as a percentage of sales were lower than the Wal-Mart stores and Supercenters while international expenses were slightly higher.

The Company adopted Statement of Financial Accounting Standard (SFAS) No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" in fiscal 1997. The statement requires entities to review long-lived assets and certain intangible assets in certain circumstances, and if the value of the assets is impaired, an impairment loss shall be recognized. The Company's existing accounting policies were such that this pronouncement did not materially affect the Company's financial position or results of operations.

Interest Cost

Interest cost decreased in fiscal 1997 compared to fiscal 1996 due to lower average daily short-term borrowings and through retirement of maturing debt. The Company was able to reduce short-term debt through enhanced operating cash flows and lower capital spending. Interest cost increased in fiscal 1996 compared to 1995 due to increased indebtedness and increased average short-term borrowing rates. The increased indebtedness was primarily due to the Company's expansion program. See Note 2 of Notes to Consolidated Financial Statements for additional information on interest and debt.

International Operations

The Company has wholly owned operations in Argentina, Canada and Puerto Rico, and through joint ventures in Brazil, China and Mexico. International operations remain immaterial to total Company operations. However, their sales growth in fiscal 1997 exceeded all other operating formats. As a group, the international operations were profitable in fiscal 1997.

Liquidity and Capital Resources

Cash Flow Information

Cash flow provided from operations was $5.9 billion in fiscal 1997, up from $2.4 billion in fiscal 1996. The increase was primarily due to a greater emphasis on inventory management that resulted in lowering unit inventory levels. Although consolidated net sales increased by 12% in fiscal 1997, consolidated inventories decreased slightly from the prior year end. After funding capital expenditures of more than $2.6 billion, operating cash flow provided an excess of almost $3.3 billion. This enabled the Company to reduce short-term borrowings, retire maturing debt and pay dividends. At January 31, 1997, the Company eliminated short term borrowings and had $883 million invested in cash and cash equivalents. The Company anticipates that cash flows from operations will continue to exceed future capital expenditures. The excess cash flows generated may be used to purchase Company stock, pay dividends or for other investing or financing needs.

Company Stock Purchases and Common Stock Dividends In fiscal 1997, the Company purchased over 8 million shares of its common stock for $208 million. Subsequent to January 31, 1997, the Company announced plans to purchase up to $2 billion of its common stock over the next 18 months. Additionally, the Company increased the dividend 29% to $.27 per share for fiscal 1998.

Expansion

Domestically, the Company plans to open approximately 50 new Wal-Mart stores, and 100 Supercenters. Approximately 70 of the Supercenters will come from relocations or expansions of existing Wal-Mart stores. The Company also plans to open 5 to 10 new SAM'S Clubs and 4 distribution centers. International expansion includes 30 to 35 new Wal-Mart stores, Supercenters, and SAM'S Clubs in Argentina, Brazil, Canada, China, Mexico and Puerto Rico. Total planned capital expenditures for 1998 approximates $3 billion. The Company plans to primarily finance expansion with operating cash flows.

Borrowing Information

The Company had committed lines of credit of $2,450 million with 34 banks and informal lines with various banks totaling an additional $2,450 million which were used to support short-term borrowing and commercial paper. These lines of credit and their anticipated cyclical increases will be sufficient to finance the seasonal buildups in merchandise inventories and for other cash requirements.

The Company anticipates generating sufficient operating cash flow to fund all capital expenditures and accordingly, does not plan to finance future capital expenditures with debt. However, the Company may desire to obtain long-term financing for other uses of cash or for strategic reasons. The Company foresees no difficulty in obtaining long-term financing in view of its excellent credit rating and favorable experiences in the debt market in the past few years. In addition to the available credit lines mentioned above, the Company may sell up to $751 million of public debt under shelf registration statements previously filed with the Securities and Exchange Commission.

Foreign Currency Translation

All foreign operations are measured in their local currencies with the exception of Brazil, operating in a highly inflationary economy, which reports operations using U.S. dollars. Beginning in fiscal 1998, Mexico will report as a highly inflationary economy. All foreign operations as a group are immaterial to the Company's consolidated results of operations and financial position. In fiscal 1997, the foreign currency translation adjustment decreased by $12 million to $400 million primarily due to a favorable exchange rate in Canada. The cumulative foreign currency translation adjustments of $412 and $256 million in fiscal 1996 and 1995, respectively, were primarily due to operations in Mexico. The Company periodically purchases forward contracts on firm commitments to minimize the risk of foreign currency fluctuations. None of these contracts were significant during the year, and those outstanding at January 31, 1997 were insignificant to the Company's financial position. The Company minimizes its exposure to the risk of devaluation of foreign currencies by operating in local currencies and through buying forward contracts on some known transactions.

Forward-Looking Statements

Certain statements contained in Management's Discussion and Analysis and elsewhere in this annual report are forward-looking statements. These statements discuss, among other things, expected growth, future revenues and future performance. The forward-looking statements are subject to risks and uncertainties, including, but not limited to, competitive pressures, inflation, consumer debt levels, currency exchange fluctuations, trade restrictions, changes in tariff and freight rates, capital market conditions and other risks indicated in the Company's filings with the Securities and Exchange Commission. Actual results may materially differ from anticipated results described in these statements.

Consolidated Statements of Income
(Amounts in millions except per share data)

Fiscal years ended January 31,	1997	1996	1995
Revenues:			
Net sales	$104,859	$93,627	$82,494
Other income-net	1,287	1,122	918
	106,146	94,749	83,412
Costs and Expenses:			
Cost of sales	83,663	74,564	65,586
Operating, selling and general and administrative expenses	16,788	14,951	12,858
Interest Costs:			
Debt	629	692	520
Capital leases	216	196	186
	101,296	90,403	79,150
Income Before Income Taxes	4,850	4,346	4,262
Provision for Income Taxes			
Current	1,974	1,530	1,572
Deferred	(180)	76	9
	1,794	1,606	1,581
Net Income	$3,056	$2,740	$2,681
Net Income Per Share	$1.33	$1.19	$1.17

[FN]
See accompanying notes.

Consolidated Balance Sheets
(Amounts in millions)

January 31,	1997	1996
Assets		
Current Assets:		
Cash and cash equivalents	$ 883	$ 83
Receivables	845	853
Inventories		
At replacement cost	16,193	16,300
Less LIFO reserve	296	311
Inventories at LIFO	15,897	15,989
Prepaid expenses and other	368	406
Total Current Assets	17,993	17,331
Property, Plant and Equipment, at Cost:		
Land	3,689	3,559
Building and improvements	12,724	11,290
Fixtures and equipment	6,390	5,665
Transportation equipment	379	336

	23,182	20,850
Less accumulated depreciation	4,849	3,752
Net property, plant and equipment	18,333	17,098
Property under capital lease	2,782	2,476
Less accumulated amortization	791	680
Net property under capital leases	1,991	1,796
Other Assets and Deferred Charges	1,287	1,316
Total Assets	$39,604	$37,541
Liabilities and Shareholders' Equity		
Current Liabilities:		
Commercial paper	$ -	$2,458
Accounts payable	7,628	6,442
Accrued liabilities	2,413	2,091
Accrued income taxes	298	123
Long-term debt due within one year	523	271
Obligations under capital leases due within one year	95	69
Total Current Liabilities	10,957	11,454
Long-Term Debt	7,709	8,508
Long-Term Obligations Under Capital Leases	2,307	2,092
Deferred Income Taxes and Other	463	400
Minority Interest	1,025	331
Shareholders' Equity		
Preferred stock ($.10 par value; 100 shares authorized, none issued)		
Common stock ($.10 par value; 5,500 shares authorized, 2,285 and 2,293 issued and outstanding in 1997 and 1996, respectively)	228	229
Capital in excess of par value	547	545
Retained earnings	16,768	14,394
Foreign currency translation adjustment	(400)	(412)
Total Shareholders' Equity	17,143	14,756
Total Liabilities and Shareholders' Equity	$39,604	$37,541

[FN]
See accompanying notes.

Consolidated Statements of Shareholders' Equity
(Amounts in millions except per share data)

	Number of shares	Common stock	Capital in excess of par value	Retained earnings	Foreign currency translation adjustment	Total
Balance - January 31, 1994	2,299	$230	$536	$9,987	$ -	$10,753
Net income				2,681		2,681
Cash dividends $.17 per share)				(391)		(391)
Purchase of Company stock	(3)		(4)	(64)		(68)
Foreign currency translation adjustment					(256)	(256)
Other	1		7			7
Balance - January 31, 1995	2,297	230	539	12,213	(256)	12,726
Net income				2,740		2,740
Cash dividends ($.20 per share)				(458)		(458)
Purchase of Company stock	(5)		(4)	(101)		(105)
Foreign currency translation adjustment					(156)	(156)
Other	1	(1)	10			9
Balance - January 31, 1996	2,293	229	545	14,394	(412)	14,756
Net income				3,056		3,056
Cash dividends ($.21 per share)				(481)		(481)
Purchase of Company stock	(8)		(7)	(201)		(208)
Foreign currency translation adjustment					12	12
Other		(1)	9			8
Balance - January 31, 1997	2,285	$228	$547	$16,768	$(400)	$17,143

[FN]
See accompanying notes.

Consolidated Statements of Cash Flows

(Amounts in millions) Fiscal years ended January 31,	1997	1996	1995
Cash flows from operating activities			
Net income	$ 3,056	$ 2,740	$ 2,681
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,463	1,304	1,070
Increase in accounts receivable	(58)	(61)	(84)
Decrease/(increase) in inventories	99	(1,850)	(3,053)
Increase in accounts payable	1,208	448	1,914
Increase in accrued liabilities	430	29	496
Deferred income taxes	(180)	76	9
Other	(88)	(303)	(127)
Net cash provided by operating activities	5,930	2,383	2,906
Cash flows from investing activities			
Payments for property, plant and equipment	(2,643)	(3,566)	(3,734)
Proceeds from sale of photo finishing plants	464		
Acquisition of assets from Woolworth Canada, Inc.			(352)
Sale/leaseback arrangements			502
Other investing activities	111	234	(208)
Net cash used in investing activities	(2,068)	(3,332)	(3,792)
Cash flows from financing activities			
(Decrease)/increase in commercial paper	(2,458)	660	220
Proceeds from issuance of long-term debt		1,004	1,250
Net proceeds from formation of real estate investment trust (REIT)	632		
Purchase of Company stock	(208)	(105)	(68)
Dividends paid	(481)	(458)	(391)
Payment of long-term debt	(541)	(126)	(37)
Payment of capital lease obligations	(74)	(81)	(70)
Other financing activities	68	93	7
Net cash (used in)/provided by financing activities	(3,062)	987	911
Net increase in cash and cash equivalents	800	38	25
Cash and cash equivalents at beginning of year	83	45	20
Cash and cash equivalents at end of year	$ 883	$ 83	$ 45
Supplemental disclosure of cash flow information			
Income tax paid	$ 1,791	$ 1,785	$ 1,390
Interest paid	851	866	658
Capital lease obligations incurred	326	365	193

[FN]
See accompanying notes.

Notes To Consolidated Financial Statements

1 Summary of Significant Accounting Policies

Consolidation
The consolidated financial statements include the accounts of subsidiaries. Significant intercompany transactions have been eliminated in consolidation.

Segment Information
The Company and its subsidiaries are principally engaged in the operation of mass merchandising stores located in all 50 states, Argentina, Canada and Puerto Rico, and through joint ventures in Brazil, China and Mexico.

Cash and Cash Equivalents
The Company considers investments with a maturity of three months or less when purchased to be cash equivalents.

Inventories
Inventories are stated principally at cost (last-in, first-out), which is not in excess of market, using the retail method for inventories in Wal-Mart stores and Supercenters.

Pre-opening Costs
Costs associated with the opening of stores are expensed during the first full month of operations. The costs are carried as prepaid expenses prior to the store opening.

Interest during Construction
In order that interest costs properly reflect only that portion relating to current operations, interest on borrowed funds during the construction of property, plant and equipment is capitalized. Interest costs capitalized were $44 million, $50 million and $70 million in 1997, 1996 and 1995, respectively.

Depreciation and Amortization
Depreciation and amortization for financial statement purposes is provided on the straight-line method over the estimated useful lives of the various assets. For income tax purposes, accelerated methods are used with recognition of deferred income taxes for the resulting temporary differences.

Long-Lived Assets
In fiscal 1997, the Company adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." The statement requires entities to review long-lived assets and certain intangible assets in certain circumstances, and if the value of the assets is impaired, an impairment loss shall be recognized. Due to the Company's previous accounting policies, this pronouncement had no material effect on the Company's financial position or results of operations.

Operating, Selling and General and Administrative Expenses Buying, warehousing and occupancy costs are included in operating, selling and general and administrative expenses.

Net Income per Share
Net income per share is based on the weighted average outstanding common shares. The dilutive effect of stock options is insignificant and consequently has been excluded from the earnings per share computations.

Stock Options
Proceeds from the sale of common stock issued under the stock option plans and related tax benefits which accrue to the Company are accounted for as capital transactions, and no charges or credits are made to income in connection with the plans.

Estimates and Assumptions
The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2 Commercial Paper and Long-Term Debt

Information on short-term borrowings and interest rates is as follows (dollar amounts in millions):

Fiscal years ended January 31,	1997	1996	1995
Maximum amount outstanding at month-end	$ 2,209	$ 3,686	$ 2,729
Average daily short-term borrowings	1,091	2,106	1,693
Weighted average interest rate	5.3%	5.9%	4.4%

At January 31, 1997, the Company had committed lines of credit of $2,450 million with 34 banks and informal lines of credit with various banks totaling an additional $2,450 million, which were used to support short-term borrowings and commercial paper. Short-term borrowings under these lines of credit bear interest at or below the prime rate.

Long-term debt at January 31, 1997, consist of (amounts in millions):

		1997	1996
8 5/8%	Notes due April 2001	$ 750	$ 750
5 7/8%	Notes due October 2005	597	750
7 1/2%	Notes due May 2004	500	500
9 1/10%	Notes due July 2000	500	500
6 1/8%	Notes due October 1999	500	500
5 1/2%	Notes due March 1998	500	500
7 8/10%-8 1/4%	Obligations from sale/leaseback transactions due 201 4	466	478
6 1/2%	Notes due June 2003	454	500
7 1/4%	Notes due June 2013	445	500
7% - 8%	Obligations from sale/leaseback transactions due 2013	314	318
6 3/4%	Notes due May 2002	300	300
8 1/2%	Notes due September 2024	250	250
6 3/4%	Notes due October 2023	250	250
8%	Notes due September 2006	250	250
6 1/8%	Eurobond due November 2000	250	250
6 7/8%	Eurobond due June 1999	250	250
5 1/8%	Eurobond due October 1998	250	250

7 %	Eurobond due April 1998	250	250
6 3/8%	Notes due March 2003	228	250
6 3/4%	Eurobond due May 2002	200	200
5 1/2%	Notes due September 1997		500
	Other	205	212
		$ 7,709	$ 8,508

Long-term debt is unsecured except for $206 million which is collateralized by property with an aggregate carrying value of approximately $347 million. Annual maturities of long-term debt during the next 5 years are (in millions):

Fiscal year ending January 31,	Annual maturity
1998	$ 523
1999	1,024
2000	806
2001	2,018
2002	52
Thereafter	3,809

The Company has agreed to observe certain covenants under the terms of its note and debenture agreements, the most restrictive of which relates to amounts of additional secured debt and long-term leases.

The Company has entered into sale/leaseback transactions involving buildings while retaining title to the underlying land.

These transactions were accounted for as financings and are included in long- term debt and the annual maturities schedules above. The resulting obligations are amortized over the lease terms. Future minimum lease payments for each of the five succeeding years as of January 31, 1997 are (in millions):

Fiscal years ending January 31,	Minimum rentals
1998	$ 76
1999	76
2000	104
2001	100
2002	94
Thereafter	915

The fair value of the Company's long-term debt approximates $7,836 million based on the Company's current incremental borrowing rate for similar types of borrowing arrangements.

At January 31, 1997 and 1996, the Company had letters of credit outstanding totaling $811 million and $551 million, respectively. These letters of credit were issued primarily for the purchase of inventory.

Under shelf registration statements previously filed with the Securities and Exchange Commission the Company may issue debt securities aggregating $751 million.

The Company has entered into an interest rate swap on an obligation which amortizes through 2006.

The Company swapped a fixed rate of 6.97% for a variable short-term rate on a notional amount of $630 million amortizing down to $203 million with semi annual settlements. The variable rate was 5.45% at the last settlement. This interest rate swap is accounted for by recording the net interest received or paid as an adjustment to interest expense on a current basis. Gains or losses resulting from market movements are not recognized. An increase in short term rates would cause the Company an insignificant additional interest cost.

3 Defined Contribution Plan

The Company maintains a profit sharing plan under which most full and many part-time Associates become participants following one year of employment. Annual contributions, based on the profitability of the Company, are made at the sole discretion of the Company. Contributions were $247 million, $204 million and $175 million in 1997, 1996 and 1995, respectively.

4 Income Taxes

The income tax provision consists of the following(in millions):

	1997	1996	1995
Current			
Federal	$ 1,769	$ 1,342	$ 1,394
State and local	201	188	178
International	4		

Total current tax provision	1,974	1,530	1,572
Deferred			
Federal	(97)	119	7
State and local	(9)	15	2
International	(74)	(58)	
Total deferred tax (benefit) provision	(180)	76	9
Total provision for income taxes	$ 1,794	$ 1,606	$ 1,581

Items that give rise to significant portions of the deferred tax accounts at January 31, 1997, are as follows (in millions):

	1997	1996	1995
Deferred tax liabilities:			
Property, plant and equipment	$ 721	$ 617	$ 518
Inventory	145	135	88
Other	45	19	8
Total deferred tax liabilities	911	771	614
Deferred tax assets:			
Amounts accrued for financial reporting purposes not yet deductible for tax purposes	295	204	230
International, principally asset basis difference	231	101	
Capital leases	169	147	114
Deferred revenue	113		
Other	68	49	33
Total deferred tax assets	876	501	377
Net deferred tax liabilities	$ 35	$ 270	$ 237

A reconciliation of the significant differences between the effective income tax rate and the federal statutory rate on pretax income follows:

	1997	1996	1995
Statutory tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	2.2%	3.1%	2.7%
International	(1.3%)	(0.8%)	
Other	1.1%	(0.3%)	(0.6%)
	37.0%	37.0%	37.1%

5 Acquisitions

In fiscal 1995, the Company acquired selected assets related to 122 Woolco stores in Canada from Woolworth Canada, Inc., a subsidiary of Woolworth Corporation, for approximately $352 million, recording $221 million of leasehold and location value which is being amortized over 20 years.

This transaction has been accounted for as a purchase. The results of operations for the acquired units since the dates of their acquisitions have been included in the Company's results. Pro forma results of operations are not presented due to the insignificant differences from the historical results.

6 Stock Option Plans

At January 31, 1997, 74 million shares of common stock were reserved for issuance under stock option plans. The options granted under the stock option plans expire 10 years from the date of grant. Options granted prior to November 17, 1995, may be exercised in nine annual installments. Options granted on or after November 17, 1995, may be exercised in seven annual installments. The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) and related Interpretations in accounting for its employee stock options because the alternative fair value accounting provided under FASB Statement 123, "Accounting for Stock-Based Compensation," requires the use of option valuation models that were not developed for use in valuing employee stock options. Under APB 25, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized. The effect of applying the fair value method of Statement 123 to the Company's option plan would result in net income and net income per share that are not materially different from the amounts reported in the Company's consolidated financial statements.

Further information concerning the options is as follows:

	Shares	Option price per share	Total
Shares under option			
January 31, 1994	15,876,000	$ 1.43-30.82	$298,248,000
Options granted	4,125,000	21.63-26.75	95,689,000

Options canceled	(1,013,000)	1.43-30.82	(23,127,000)
Options exercised	(1,019,000)	2.08-27.25	(7,829,000)
January 31, 1995	17,969,000	2.78-30.82	362,981,000
Options granted	7,114,000	23.50-24.75	167,959,000
Options canceled	(1,953,000)	3.75-30.82	(43,873,000)
Options exercised	(1,101,000)	2.78-25.38	(9,678,000)
January 31, 1996	22,029,000	4.94-30.82	477,389,000
Options granted	11,466,000	22.25-25.25	265,931,000
Options canceled	(2,110,000)	5.78-30.82	(49,109,000)
Options exercised	(999,000)	4.94-25.75	(10,327,000)
January 31, 1997	30,386,000	$ 6.50-30.82	$683,884,000
(6,448,000 shares exerciseable)			

Shares available for option	
January 31, 1996	52,946,000
January 31, 1997	43,590,000

7 Long-term lease Obligations

The Company and certain of its subsidiaries have long-term leases for stores and equipment. Rentals (including, for certain leases, amounts applicable to taxes, insurance, maintenance, other operating expenses, and contingent rentals) under all operating leases were $561 million, $531 million and $479 million in 1997, 1996 and 1995. Aggregate minimum annual rentals at January 31, 1997, under non-cancelable leases are as follows (in millions):

7 Long-term Lease Obligations

Fiscal year	Operating leases	Capital leases
1998	$ 435	$ 317
1999	379	316
2000	364	314
2001	332	311
2002	321	311
Thereafter	2,913	3,245
Total minimum rentals	$ 4,744	4,814
Less estimated executory costs		79
Net minimum lease payments		4,735
Less imputed interest at rates ranging from 6.1% to 14.0%		2,333
Present value of minimum lease payments		$ 2,402

Certain of the leases provide for contingent additional rentals based on percentage of sales. Such additional rentals amounted to $51 million, $41 million and $42 million in 1997, 1996 and 1995, respectively. Substantially all of the store leases have renewal options for additional terms from five to 25 years at comparable rentals.

The Company has entered into lease commitments for land and buildings for 30 future locations. These lease commitments with real estate developers provide for minimum rentals for 20 years, excluding renewal options. If consummated based on current cost estimates, they will approximate $27 million annually over the lease terms.

8 Quarterly Financial Data (Unaudited)

Amounts in millions (except per share information)	Quarters ended			
1997	April 30,	July 31,	October 31,	January 31,
Net sales	$ 22,772	$ 25,587	$ 25,644	$ 30,856
Cost of sales	18,064	20,376	20,450	24,773
Net income	571	706	684	1,095
Net income per share	$.25	$.31	$.30	$.48
1996				
Net sales	$ 20,440	$ 22,723	$ 22,913	$ 27,551
Cost of sales	16,196	18,095	18,176	22,097
Net income	553	633	612	942
Net income per share	$.24	$.28	$.27	$.41

Listings Stock Symbol: WMT
New York Stock Exchange
Pacific Stock Exchange
Toronto Stock Exchange

Market Price of Common Stock

	Fiscal years ended January 31,			
	1997		1996	
Quarter	Hi	Low	Hi	Low
April 30	$ 24.50	$ 20.88	$ 26.00	$ 23.13
July 31	$ 26.25	$ 22.88	$ 27.50	$ 23.00
October 31	$ 28.13	$ 24.50	$ 26.00	$ 21.63
January 31	$ 27.00	$ 22.13	$ 24.75	$ 19.25

Dividends Paid Per Share

Fiscal years ended January 31, Quarterly			
1997		1996	
April 8	$ 0.0525	April 14	$ 0.05
July 8	$ 0.0525	July 10	$ 0.05
October 7	$ 0.0525	October 3	$ 0.05
January 17	$ 0.0525	January 5	$ 0.05

EXHIBIT 21
SUBSIDIARIES OF WAL-MART STORES, INC.

SUBSIDIARY	STATE OF INCORPORATION	PERCENT OF EQUITY SECURITIES OWNED	NAME UNDER WHICH DOING BUSINESS OTHER THAN SUBSIDIARY'S
McLane Company, Inc., and its subsidiaries	Texas	100%	Wal-Mart
Wal-Mart Property Company	Delaware	100%	NA

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Wal-Mart Stores, Inc. of our report dated March 21, 1997, included in the 1997 Annual Report to Shareholders of Wal-Mart Stores, Inc.

We also consent to the incorporation by reference of our report dated March 21, 1997, with respect to the consolidated financial statements of Wal-Mart Stores, Inc. incorporated by reference in this Annual Report (Form 10-K) for the year ended January 31, 1997, in the following registration statements and related prospectuses.

The Wholesale Club, Inc. Incentive Stock Option Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 33-42617
Associate Stock Purchase Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 2-64662
Stock Option Plan of 1984 of Wal-Mart Stores, Inc., as amended	Form S-8	File No. 2-94358 and 33-43315
Stock Option Plan of 1994 of Wal-Mart Stores, Inc.	Form S-8	File No. 33-55325
Debt Securities and Pass-Through Certificates of Wal-Mart Stores, Inc.	Form S-3	File No. 33-55725
Director Compensation Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 333-24259
Debt Securities of Wal-Mart Stores, Inc.	Form S-3	File No. 33-53125
Dividend Reinvestment and Stock Purchase Plan of Wal-Mart Stores, Inc.	Form S-3	File No. 333-2089

ERNST & YOUNG LLP

Tulsa, Oklahoma
April 18, 1997

ARTICLE 5

PERIOD TYPE	YEAR
FISCAL YEAR END	JAN 31 1997
PERIOD END	JAN 31 1997
CASH	883
SECURITIES	0
RECEIVABLES	845
ALLOWANCES	0
INVENTORY	15,897
CURRENT ASSETS	17,993
PP&E	23,182
DEPRECIATION	4,849
TOTAL ASSETS	39,604
CURRENT LIABILITIES	10,957
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	228
OTHER SE	16,915
TOTAL LIABILITY AND EQUITY	39,604
SALES	104,859
TOTAL REVENUES	106,146
CGS	83,663
TOTAL COSTS	101,296
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	845
INCOME PRETAX	4,850
INCOME TAX	1,794
INCOME CONTINUING	3,056
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	3,056
EPS PRIMARY	1.33
EPS DILUTED	1.33

End of Filing