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WAL MART STORES INC

FORM 10-K/A
(Amended Annual Report)

Filed 04/17/01 for the Period Ending 01/31/01

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

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(Amended Annual Report)

Filed 4/17/2001 For Period Ending 1/31/2001

Address	702 SOUTHWEST 8TH ST
	BENTONVILLE, Arkansas 72716
Telephone	501-273-4000
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A

☒ Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended January 31, 2001, 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

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 ☒ 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 common stock of the registrant held by non-affiliates of the registrant, based on the closing price of these shares on the New York Stock Exchange on March 31, 2001, was $134,499,545,923. For the purposes of this disclosure only, the registrant has assumed that its directors, officers and beneficial owners of 5% or more of the registrant's common stock are the affiliates of the registrant.

The registrant had 4,470,462,986 shares of common stock outstanding as of March 31, 2001.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Annual Report to Shareholders for the fiscal year ended January 31, 2001, are incorporated by reference into Parts I and II of this Form 10-K.

Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Shareholders to be held June 1, 2001, are incorporated by reference into Part III and IV 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 included or incorporated by reference 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: the cost of goods, competitive pressures, inflation, consumer debt levels, currency exchange fluctuations, trade restrictions, changes in tariff and freight rates, unemployment levels, interest rate fluctuations and other capital market and economic 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 and other 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.

Introductory Note

Wal-Mart Stores, Inc. is filing this amended Annual Report on Form 10-K for its fiscal year ended January 31, 2001, which includes the full text of that Annual Report on Form 10-K, in order to include the full text of its consolidated financial statements required by Item 8 of Form 10-K, which were inadvertently not included in the original filing of that Annual Report on Form 10-K.

WAL-MART STORES, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED JANUARY 31, 2000

PART I

ITEM 1 . BUSINESS

Wal-Mart Stores, Inc. (together with its subsidiaries hereinafter referred to as the "Company") is the world's largest retailer measured by total revenues. During the fiscal year ended January 31, 2001, the Company had net sales of $191,329,000,000.

(a) Development of Business

Domestically, at January 31, 2001, the Company operated 1,736 discount stores, 888 Supercenters, 475 SAM'S Clubs and 19 Neighborhood Markets. Internationally, at January 31, 2001, the Company operated units in Argentina (11), Brazil (20), Canada (174), Germany (94), Korea (6) Mexico (499), Puerto Rico (15) and the United Kingdom (241), and, under joint venture agreements, in China (11). Tables summarizing information concerning additions of units and square footage for domestic discount stores, Supercenters, SAM'S Clubs, Neighborhood Markets and international units in fiscal years 1996 through 2001, are included as Schedules A, B and C to Item 1 found on pages 11 through 15 of this annual report.

On April 19, 2000, the Company purchased 271.3 million shares of stock in Wal-Mart de Mexico S.A. de C.V. (formerly Cifra S.A. de C.V.) at a total cash cost of $587 million. This transaction increased the Company's ownership percentage in Wal-Mart de Mexico S.A. de C.V. by approximately 6% and resulted in recognition of goodwill of $422 million, which is being amortized over a 40-year life.

In the third quarter of fiscal 2000, the Company completed its acquisition of all the outstanding common shares of ASDA Group PLC (ASDA), the third largest retailer in the United Kingdom which had, at the time of the acquisition, 229 stores. The acquired assets are included in the Company's consolidated balance sheet as of January 31, 2000, and five months of results of ASDA operations are included in the Company's consolidated statements of income for the year ended January 31, 2000. ASDA reports on a December 31 year-end, therefore ASDA results are consolidated on a trailing month reporting basis.

See Note 6 of Notes to Consolidated Financial Statements incorporated by reference in Item 8 of Part II found on page 20 of this annual report for additional information regarding our acquisitions.

(b) Financial information about the Company's industry segments

The Company is principally engaged in the operation of mass merchandising stores, which serve our customers primarily through the operation of three segments.

The Company identifies segments based on management responsibility within the United States and geographically for all international units. The Wal-Mart Stores segment includes the Company's discount stores, Supercenters and Neighborhood Markets in the United States and Wal-Mart.com, Inc. ("Wal-Mart.com"). The SAM'S Club segment includes the warehouse membership clubs in the United States. The International segment includes all operations in Argentina, Brazil, Canada, China, Germany, Korea, Mexico, Puerto Rico and the United Kingdom. The Other segment includes McLane Company, Inc. (McLane). For the financial results of the Company's operating segments and the total assets of the segments, see Note 9 of Notes to Consolidated Financial Statements incorporated by reference in Item 8 of Part II, found on page 20 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 (a discount store) was opened. In fiscal 1984, the Company opened its first three SAM'S Clubs, and in fiscal 1988, its first Wal-Mart Supercenter (a combination full-line supermarket and discount store). In fiscal 1992, the Company began its first international initiative when the Company entered into a joint venture in which it had a 50% interest with Cifra S.A. de C.V. (Cifra). In fiscal 1998, the Company acquired the controlling interest in Cifra, and in February 2000, Cifra officially changed its name to Wal-Mart de Mexico, S.A. de C.V. The Company's international presence has continued to expand and at January 31, 2001, the Company had international operations in eight countries and Puerto Rico.

WAL-MART STORES OPERATING SEGMENT

The Wal-Mart Stores segment, had sales of $121,889,000,000, $108,721,000,000 and $95,395,000,000 for the three fiscal years ended January 31, 2001, 2000, and 1999, respectively. During the most recent fiscal year, no single discount store or Supercenter location accounted for as much as 1% of total Company sales or net income. See Note 9 of Notes to Consolidated Financial Statements incorporated by reference in Item 8 of Part II, found on page 20 of this annual report for additional information regarding our operating segments.

General. The Company operates Wal-Mart discount stores in all 50 states. The average size of a discount store is approximately 95,262 square feet. Discount stores range in size from 30,000 square feet to 155,000 square feet. Wal-Mart Supercenters are located in 40 states and

the average size of a Supercenter is approximately 183,106 square feet. Supercenters range in size from 108,000 square feet to 241,000 square feet. The Company operates Neighborhood Market stores in Arkansas, Oklahoma and Texas. Neighborhood Market stores range in size from 40,000 square feet to 64,000 square feet with an average size of approximately 47,271 square feet. Wal-Mart.com is a majority-owned subsidiary of Wal-Mart Stores, Inc. with offices in Brisbane, California and was formed in fiscal 2000 to further develop the Company's e-commerce initiatives and internet business.

Merchandise. Wal-Mart discount stores and the general merchandise area of the Supercenters 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 domestics, fabrics and notions, stationery and books, shoes, housewares, hardware, electronics, home furnishings, small appliances, automotive accessories, horticulture and accessories, sporting goods, toys, pet food and accessories, cameras and supplies, health and beauty aids, pharmaceuticals and jewelry. In addition, the stores offer an assortment of grocery merchandise, with the grocery assortment in Supercenters being broader and including meat, produce, deli, bakery, dairy, frozen foods and dry grocery.

Nationally advertised merchandise accounts for a majority of sales in the stores. The Company markets lines of merchandise under store brands including but not limited to "Sam's American Choice", "One Source", "Great Value", "Ol' Roy" "Puritan", and "Equate". The Company also markets lines of merchandise under licensed brands, some of which include "Faded Glory", "Kathie Lee", "White Stag, "Popular Mechanics", "Catalina" and "McKids".

During the fiscal year ended January 31, 2001, sales in discount stores and Supercenters (which are subject to seasonal variance) by product category were as follows:

CATEGORY	PERCENTAGE OF SALES
Hardgoods	21
Softgoods/domestics	19
Grocery, candy and tobacco	19
Pharmaceuticals	10
Electronics	8
Sporting goods and toys	7
Health and beauty aids	7
Stationery	3
Shoes	2
Jewelry	2

One-hour photo	2
	100%

Operations. Hours of operation for nearly all Supercenters and an increasing number of discount stores are 24 hours each day. Hours of operation for the remaining discount stores vary by location, but generally range from 7:00 a.m. to 11:00 p.m., six days a week, and from 10:00 a.m. to 8:00 p.m. on Sundays. Wal-Mart discount stores and Supercenters 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.

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

Competition. Wal-Mart discount stores compete with other discount, department, drug, variety and specialty stores, many of which are national chains. 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 others for new store sites. As of January 31, 2001, based on net sales, the Wal-Mart Stores segment 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 pressures within its industry. These include the Company's "Everyday Low Price", "Item Merchandising", "Store-Within-a-Store" "Price Rollbacks", and "Store of the Community" 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 influence will continue.

Distribution. During fiscal 2001, approximately 84% of the Wal-Mart discount stores' and Supercenters' purchases were shipped from Wal-Mart's 55 distribution centers, 16 of which are grocery distribution centers, and three of which are import distribution centers. The balance of merchandise purchased was shipped directly to the stores from suppliers. The 55 distribution centers are located throughout the continental United States. Six distribution centers are located in Texas; five in each of Arkansas and Georgia; four in New York; three in South Carolina; two in each of Alabama, California, Florida, Indiana, Mississippi, Pennsylvania, Utah, Virginia, Wisconsin; and one in each of Arizona, Colorado, Iowa, Illinois, Kansas, Kentucky, Louisiana, Michigan, New Mexico, North Carolina, Ohio, Oklahoma, Oregon and Tennessee. During fiscal 2001, Wal-Mart.com utilized two third party distribution centers, one in Utah and one in Ohio to fulfill orders for goods placed through its website.

SAM'S CLUB OPERATING SEGMENT

The SAM'S Club segment had sales of $26,798,000,000, $24,801,000,000 and $22,881,000,000 for the three fiscal years ended January 31, 2001, 2000, and 1999, respectively. During the most recent fiscal year, no single club location accounted for as much as 1% of total Company sales or net income. See Note 9 of Notes to Consolidated Financial Statements incorporated by reference in Item 8 of Part II found on page 20 of this annual report for additional information regarding our segments.

General. The Company operates SAM'S Clubs in 48 states. The average size of a SAM'S Club is approximately 122,107 square feet, and club sizes generally range between 90,000 and 160,000 square feet of building area.

Merchandise . SAM'S Clubs offer bulk displays of name brand hardgood merchandise, some softgoods and institutional size grocery items, and selected items under the "Member's Mark" store brand. Generally each SAM'S Club also carries software, electronic goods, jewelry, sporting goods, toys, tires, stationery and books. Most clubs have fresh food departments, which include bakery, meat and produce. In addition, some clubs offer one-hour photo, embroidery departments, pharmaceuticals, optical departments and gas stations.

During the fiscal year ended January 31, 2001, sales in the clubs (which are subject to seasonal variance) by product category were as follows:

CATEGORY	**PERCENTAGE OF SALES**
Sundries	32
Food	31
Hardlines	21
Service Businesses	10
Softlines	6
	100%

Operations. 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., Saturday from 9:30 a.m. to 8:30 p.m. and Sunday from 11:00 a.m. to 6:00 p.m.

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 extended to members under these programs is without recourse to the Company. Club members include businesses and those individuals who are members of certain qualifying organizations, such as federal and state government employees and credit union members. In fiscal 2001, business members paid an annual membership fee of $30 for the primary membership card with a spouse card available at no additional cost. The annual membership fee for an individual member is $35 for the primary membership card with a spouse card available at no additional cost. SAM'S Clubs Elite Membership program offers additional benefits such as long distance service, roadside assistance, internet access, home improvement,

Telebank, business insurance and financial planning, auto brokering, pharmacy discounts, and entertainment savings guides. The annual membership fee for an Elite Member is $100.

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

Competition. SAM'S Clubs compete with other warehouse clubs, as well as with discount retailers, wholesale grocers and general merchandise wholesalers and distributors. The Company also competes with others for new club sites. As of January 31, 2001, based on domestic U.S. net sales, the SAM'S Club segment ranked first among all warehouse clubs.

Distribution. During fiscal 2001, approximately 59% of the SAM'S Club purchases were shipped from the Segment's distribution facilities. The balance was shipped directly to the clubs location from suppliers. The principal focus of SAM's Clubs distribution operations is on crossdocking product, while stored inventory is minimized. A combination of 6 Company owned and operated facilities and 17 third-party owned and operated facilities constitute the overall distribution structure for the SAM's Club segment. Two of the Company owned and operated facilities are located in Texas with one located in each of Arkansas, Colorado, Minnesota and Indiana. Of the third party owned and operated facilities, two are located in each of Illinois and Pennsylvania and one in each of Arizona, California, Florida, Georgia, Maryland, Michigan, Missouri, New Hampshire, Nevada, North Carolina, Ohio, Texas and Washington.

INTERNATIONAL OPERATING SEGMENT

The Company's International Segment comprises the Company's wholly owned operations in Argentina, Canada, Germany, Korea, Puerto Rico and the United Kingdom; operations through joint ventures in China; and of operations through majority-owned subsidiaries in Brazil and Mexico. The International Segment's sales for the three fiscal years ended January 31, 2001, 2000 and 1999, were $32,100,000,000, $22,728,000,000 and $12,247,000,000, respectively. Sales for the United Kingdom operation during fiscal 2001 and 2000 were $14,500,000,000 and $7,200,000,000, respectively. During the most recent fiscal year, no single location accounted for as much as 1% of total Company sales or net income. At January 31, 2001 and 2000, International segment long lived assets, primarily plant, property and equipment and goodwill, totaled $19,400,000,000 and $19,600,000,000 of which $12,400,000,000 and $13,100,000,000, respectively were held in the United Kingdom. See Note 9 of Notes to Consolidated Financial Statements incorporated by reference in Item 8 of Part II found on page 20 of this annual report for additional information regarding our segments.

General. Operating formats vary by country, but include Wal-Mart discount stores in Canada and Puerto Rico; Supercenters in Argentina, Brazil, China, Korea, Mexico and the United Kingdom; SAM'S Clubs in Brazil, China, Mexico, and Puerto Rico; Hypermarkets in Germany; Superamas (traditional supermarket), Bodegas (discount store), Aurreras (combination store), Suburbias (specialty department store) and Vips (restaurant) in Mexico and ASDA stores (combination grocery and apparel store) in the United Kingdom.

Merchandise. The merchandising strategy for the International operating segment is similar to that of domestic segments in the breadth and scope of merchandise offered for sale. While brand name merchandise accounts for a majority of sales, several store brands not found in the United States have been developed to serve customers in the different markets in which the International segment operates. In addition, steps have been taken to develop relationships with local vendors in each country to ensure reliable sources of quality merchandise.

Operations. The hours of operation for operating units in the international division vary by country and by individual markets within countries, depending upon local and national ordinances governing hours of operation. While sales are primarily on a cash-and-carry basis, credit cards or other consumer finance programs exist in certain markets to facilitate the purchase of goods by the customer.

Seasonal Aspects of Operations. The International operating segment's business is seasonal to a certain extent. Generally, the highest volume of sales occurs in the Company's fourth fiscal quarter. The seasonality of the business varies by country due to different national and religious holidays, festivals and customs, as well as different climatic conditions.

Competition. The International operating segment competes with a variety of local, national and international chains in the discount, department, drug, variety, specialty and wholesale sectors of the retail market. The segment's competitive position is determined, to a large extent, by its ability to offer its customers low prices on quality merchandise that offers exceptional value. In Supercenters, our ability to effectively operate the food departments has a major impact on the segment's competitive position in the markets where we operate.

Distribution. The International segment operates export consolidation facilities in Los Angeles, California; Jacksonville, Florida; Seattle, Washington; and Laredo, Texas in support of product flow to its Mexican, Asian, and Latin American markets. 37 distribution facilities are located in Argentina, Brazil, Canada, China, Germany, Puerto Rico, the United Kingdom and Mexico. Through these facilities the Company processes and distributes both imported and domestic product to the operating units. During fiscal 2001, approximately 70% of the International merchandise purchases flowed through these distribution facilities. The balance was shipped directly to the stores from suppliers. A combination of Company

owned and operated facilities and third-party facilities comprises the overall distribution structure for International logistics.

OTHER

The sales reported in the "Other" category result from sales to third parties by McLane. McLane is a wholly-owned wholesale distributor that sells its merchandise to a variety of retailers, primarily in the convenience store industry. McLane also services Wal-Mart discount stores, Supercenters, Neighborhood Markets and SAM'S Clubs. 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, general merchandise, health and beauty aids, toys and stationery. Segment sales for the "Other" segment for the three fiscal years ended January 31, 2001, 2000 and 1999 were $10,542,000,000, $8,763,000,000 and $7,111,000,000 respectively.

During fiscal 2001, McLane acquired substantially all of the business and domestic distribution assets of AmeriServe Food Distribution, Inc. (AmeriServe). AmeriServe is a leading distributor of food and restaurant supply products to the quick service food industry. The acquisition was not significant to the Company's financial position or results of operations for fiscal 2001. However, included in the acquisition were 17 leased distribution centers. These distribution centers are located two each in California and Texas and one in each of Arizona, Colorado, Florida, Georgia, Kansas, Kentucky, New Jersey, New York, North Carolina, Tennessee, Oregon, Virginia and Wisconsin. Also, during fiscal 2001 McLane operated 16 grocery distribution centers. These distribution centers are located as follows: two in each of California and Texas, and one each in Arizona, Alabama, Colorado, Florida, Georgia, Illinois, Kentucky, Mississippi, New York, North Carolina, Virginia and Washington.

Employees (Associates).

As of January 31, 2001, the Company employed approximately 1,244,000 associates worldwide, with approximately 962,000 associates in the United States and 282,000 associates in foreign countries. Most associates participate in incentive programs, which provide the opportunity to receive additional compensation based upon the Company's productivity or profitability.

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE A TO ITEM 1 - WAL-MART STORES SEGMENT STORE COUNT GROWTH
YEARS ENDED JANUARY 31, 1996 THROUGH 2001

STORE COUNT

Fiscal Year Ended Jan 31,	Wal-Mart Discount stores Opened	Closed	Conversions (1)	Total	Wal-Mart Supercenters Opened (2)	Total
Balance Forward				1,985		147
1996	92	2	80	1,995	92	239
1997	59	2	92	1,960	105	344
1998	37	1	75	1,921	97	441
1999	37	1	88	1,869	123	564
2000	29	1	96	1,801	157	721
2001	41	2	104	1,736	167	888

Fiscal Year Ended Jan 31,	Neighborhood Markets Opened	Total	Total Opened (3)	Closed	Ending Balance
Balance Forward					2,132
1996	0	0	104	2	2,234
1997	0	0	72	2	2,304
1998	0	0	59	1	2,362
1999	4	4	76	1	2,437
2000	3	7	97	1	2,533

2001	12	19	116	2	2,647

(1) Wal-Mart discount store locations relocated or expanded as Wal-Mart Supercenters.

(2) Includes conversions or relocations of Wal-Mart discount stores to Wal-Mart Supercenters

(3) Total opened net of conversions of Wal-Mart discount stores to Wal-Mart Supercenters

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE A TO ITEM 1 - WAL-MART STORES SEGMENT NET SQUARE FOOTAGE GROWTH
YEARS ENDED JANUARY 31, 1996 THROUGH 2001

NET SQUARE FOOTAGE

Fiscal Year Ended Jan 31	Wal-Mart Discount Stores Net Additions	Total	Wal-Mart Supercenters Net Additions (1)	Total
Balance Forward		173,661,848		26,801,544
1996	8,188,223	181,850,071	16,791,559	43,593,103
1997	(103,486)	181,746,585	19,661,948	63,255,051
1998	(2,411,149)	179,335,436	17,076,582	80,331,633
1999	(3,062,418)	176,273,018	21,892,838	102,224,471
2000	(5,486,901)	170,786,117	28,488,737	130,713,208
2001	(5,411,275)	165,374,845	31,884,669	162,597,877

Fiscal Year Ended Jan 31	Neighborhood Markets Net Additions	Total	Total Net Additions	Total
Balance Forward				200,463,392
1996			24,979,782	225,443,174
1997			19,558,462	245,001,636
1998			14,665,433	259,667,069
1999	176,407	176,407	19,006,827	278,673,896
2000	144,083	320,490	23,145,919	301,819,815
2001	577,662	898,152	27,051,056	328,870,871

(1) Includes square footage of Wal-Mart Supercenters created by the conversion or relocation of Wal-Mart discount stores.

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE B TO ITEM 1 - SAM'S CLUB SEGMENT CLUB COUNT
AND NET SQUARE FOOTAGE GROWTH
YEARS ENDED JANUARY 31, 1996 THROUGH 2001

STORE COUNT

Fiscal Year Ended Jan 31,	SAM'S Clubs Opened	Closed	Total
Balance Forward			426
1996	9	2	433
1997	9	6	436
1998	8	1	443
1999	8	0	451
2000	12	1	462
2001	13	0	475

NET SQUARE FOOTAGE

Fiscal Year Ended Jan 31,	SAM'S Clubs Net Additions	Total
Balance Forward		51,710,424
1996	825,020	52,535,444
1997	298,692	52,834,136
1998	716,150	53,550,286

1999	1,099,144	54,649,430
2000	1,577,678	56,227,108
2001	1,773,830	58,000,938

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE C TO ITEM 1 - INTERNATIONAL SEGMENT UNIT COUNT
YEARS ENDED JANUARY 31, 1996 THROUGH 2001

STORE COUNT

Fiscal Year Ended	Argentina			Brazil			Canada
	Wal-Mart Supercenters	SAM'S Clubs	Total	Wal-Mart Supercenters	SAM'S Clubs	Total	Wal-Mart Stores
1996	1	2	3	2	3	5	131
1997	3	3	6	2	3	5	136
1998	6	3	9	5	3	8	144
1999	10	3	13	9	5	14	154
2000	10	3	13	9	5	14	166
2001	11	0	11	12	8	20	174

Fiscal Year Ended	China			Germany	Korea
	Wal-Mart Supercenters	SAM'S Clubs	Total	Hypermarkets	Wal-Mart Supercenters
1996	0	0	0	0	0
1997	1	1	2	0	0
1998	2	1	3	21	0
1999	4	1	5	95	4
2000	5	1	6	95	5
2001	10	1	11	94 **	6

Fiscal Year Ended	Mexico				Puerto Rico		
	Wal-Mart Supercenters	SAM'S Clubs	Other*	Total	Wal-Mart Stores	SAM'S Clubs	Total
1996	13	28	0	41	7	4	11
1997	18	28	0	46	7	4	11
1998	27	28	330	385	9	5	14
1999	27	31	358	416	9	6	15
2000	27	34	397	458	9	6	15
2001	32	38	429	499	9	6	15

Fiscal Year Ended	United Kingdom		
	ASDA Stores	ASDA Supercenters	Total

1996	0	0	0
1997	0	0	0
1998	0	0	0
1999	0	0	0
2000	231	1	232
2001	238	3	241

* At January 31, 2001, includes 37 Aurreras (combination stores), 80 Bodegas (discount stores), 54 Suburbias (specialty department stores), 40 Superamas (traditional supermarkets), and 218 Vips (restaurants).

** One Germany unit was damaged by fire in fiscal 2001.

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE C TO ITEM 1 - INTERNATIONAL NET SQUARE FOOTAGE GROWTH
YEARS ENDED JANUARY 31, 1996 THROUGH 2001

NET SQUARE FOOTAGE

Fiscal Year Ended	Argentina Net Additions	Argentina Total	Brazil Net Additions	Brazil Total	Canada Net Additions	Canada Total
1996	444,621	444,621	761,581	761,581	868,518	15,475,398
1997	625,369	1,069,990	0	761,581	578,508	16,053,906
1998	506,884	1,576,874	540,056	1,301,637	914,365	16,968,271
1999	663,986	2,240,860	914,618	2,216,255	981,261	17,949,532
2000	0	2,240,860	0	2,216,255	1,510,890	19,460,422
2001	(165,885) *	2,074,975	818,833	3,035,088	1,019,999	20,480,421

Fiscal Year Ended	China Net Additions	China Total	Germany Net Additions	Germany Total	Korea Net Additions	Korea Total
1996	0	0	0	0	0	0
1997	316,656	316,656	0	0	0	0
1998	145,558	462,214	2,449,369	2,449,369	0	0
1999	224,827	687,041	6,845,491	9,294,860	553,683	553,683
2000	125,150	812,191	0	9,294,860	71,042	624,725
2001	836,701	1,648,892	(92,636)	9,202,224	223,425	848,150

Fiscal Year Ended	Mexico Net Additions	Mexico Total	Puerto Rico Net Additions	Puerto Rico Total	United Kingdom Net Additions	United Kingdom Total
1996	1,012,734	5,983,207	470,266	1,305,452	0	0
1997	1,032,603	7,015,810	0	1,305,452	0	0
1998	10,292,640	17,308,450	342,888	1,648,340	0	0
1999	714,459	18,022,909	100,250	1,748,590	0	0
2000	1,696,475	19,719,384	0	1,748,590	18,825,234	18,825,234
2001	2,310,043	22,029,427	35,084	1,783,674	452,787	19,278,021

* Reduction is the result of the sale of three SAM'S Clubs.

ITEM 2. PROPERTIES

The number and location of domestic and international Wal-Mart discount stores, Supercenters and SAM'S Clubs is incorporated by reference to the table under the caption "Fiscal 2001 End of Year Store Counts" on page 6 of the Annual Report to Shareholders for the year ended January 31, 2001.

The Company owns 1,380 of the properties on which domestic discount stores and Supercenters are located and 282 of the properties on which domestic SAM'S Clubs 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 domestic locations 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.

Domestically, the Company operated 55 Wal-Mart distribution facilities and 33 McLane distribution facilities as of January 31, 2001. With the exception of the AmeriServe facilities, the Company primarily owns these distribution facilities, and several are subject to mortgages granted to secure 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 owns office facilities in Bentonville, Arkansas that serve as the home office for the Company and an office facility in Temple, Texas which serves as the home office for McLane.

Internationally, the Company has a combination of owned and leased properties in each country in which the operating units are located. The Company owns eight properties in Argentina, 13 properties in Brazil, 14 properties in Canada, one property in China through joint venture, 19 properties in Germany, six properties in Korea, 212 properties in Mexico, four properties in Puerto Rico and 158 properties in the United Kingdom in which the operating units are located, with the remaining units in each country being leased.

The Company utilizes both owned and leased properties for office facilities in each country in which it conducts business.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any material pending legal proceedings. Neither the Company nor any of its properties is subject to any material pending legal proceeding, other than routine litigation incidental to the Company's business.

The Company recently opened a Supercenter in Honesdale, Pennsylvania. In February 1999, the Company settled claims made by the Pennsylvania Department of Environmental Protection (PDEP) that a subcontractor's acts and omissions relating to the construction of the Supercenter led to excess erosion and sedimentation of a nearby creek. In the settlement, the Company agreed to pay a fine of $25,000 and to perform a $75,000 community environmental project in the Honesdale area. The Company is negotiating settlement of a claim by the United States Army Corps of Engineers that the construction resulted in the filling of approximately 0.76 acres in excess of the permitted fill area of waters and wetlands at the site. The proposed settlement with the Corps will require the Company to pay $200,000 to a non-profit corporation for the purchase of local wetlands conservation areas and easements. The Company has been reimbursed for these amounts by the contractor on the project.

The United States Environmental Protection Agency (EPA) is threatening to bring suit against the Company and five of its contractors over alleged violations of a 1992 storm water permit issued with respect to various Wal-Mart development sites in Texas, New Mexico and Oklahoma. The EPA has presented the Company with penalty calculations of $5.6 million.

During the fiscal 2001, the State of Connecticut filed suit against the Company in the State of Connecticut Superior Court for the Judicial District of Hartford for various violations of state environmental laws alleging the Company failed to adequately permit and or maintain records relating to storm water management practices at 12 stores. The suit seeks to ensure the Company's compliance with the general permit for the discharge of stormwater associated with those stores. The Company will vigorously defend against these allegations.

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, 2001.

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
S. Robson Walton	Chairman of the Board	1992	56
David D. Glass	Chairman, Executive Committee of the Board. Prior to January 2000, he served as President and Chief Executive Officer of the Company	2000	65
H. Lee Scott, Jr.	President and Chief Executive Officer. Prior to January 2000, he served as Vice Chairman and Chief Operating Officer of	2000	52

	the Company. Prior to January 1999, he served as President and Chief Executive Officer of Wal-Mart Stores Division. Prior to January 1998, he served as Executive Vice President - Merchandising of the Company.		
Thomas M. Coughlin	Executive Vice President and President and Chief Executive Officer of Wal-Mart Stores Division. Prior to January 1999, he served as Executive Vice President and Chief Operating Officer of Wal-Mart Stores Division. Prior to January 1998, he served as Executive Vice President - Store Operations of the Company.	1999	52
Thomas R. Grimm	Executive Vice President and President and Chief Executive Officer of SAM'S Club Division. Prior to October 1998, he was retired, but served as a consultant to various organizations.	1998	56
John B. Menzer	Executive Vice President and President and Chief Executive Officer of Wal-Mart International Division. Prior to June 1999, he served as Executive Vice President and Chief Financial Officer of the Company.	1999	50
Thomas M. Schoewe	Executive Vice President and Chief Financial Officer. Prior to January 2000, he served as Senior Vice President and Chief Financial Officer of Black & Decker Corporation. Prior to February 1997, he served as Vice President and Chief Financial Officer of Black & Decker Corporation.	2000	48
James A. Walker, Jr.	Senior Vice President and Controller of the Company.	1995	54

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 to the information "Number of Shareholders of record" under the caption "11-Year Financial Summary" on pages 16 and 17, and all the information under the captions "Market Price of Common Stock", "Listings - Stock Symbol: WMT" and "Dividends Paid Per Share" on page 41 of the Annual Report to Shareholders for the year ended January 31, 2001.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this item is incorporated by reference to all information under the caption "11-Year Financial Summary" on pages 16 and 17 of the Annual Report to Shareholders for the year ended January 31, 2001.

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 to all information under the caption "Management's Discussion and Analysis" on pages 18 through 23 of the Annual Report to Shareholders for the year ended January 31, 2001.

ITEM 7a. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The information required by this item is furnished by incorporation by reference to all information under the sub-caption "Market Risk" of the caption "Management's Discussion and Analysis" on pages 19 through 22 of the Annual Report to Shareholders for the year ended January 31, 2001.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is furnished by incorporation by reference to all information under the captions "Consolidated Statements of Income", "Consolidated Balance Sheets", "Consolidated Statements of Shareholders' Equity", "Consolidated Statements of Cash Flows", "Notes to Consolidated Financial Statements" and "Report of Independent Auditors" on pages 24 through 40 of the Annual Report to Shareholders for the year ended January 31, 2001.

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 to all information under the captions entitled "Nominees for Directors" on pages 2 and 3 and "Section 16(a) Beneficial Ownership Reporting Compliance" on page 13 of the Company's definitive Proxy Statement for its Annual Meeting of Shareholders to be held on Friday, June 1, 2001 (the "Proxy Statement"). The information required by this item with respect to the Company's executive officers is included as Item 4 of Part I found on pages 18 and 19 of this annual report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is furnished by incorporation by reference to all information under the caption entitled "Compensation of Directors" on page 4, "Compensation and Nominating Committee Report on Executive Compensation" on pages 6 through 8, and "Summary Compensation", "Option Grants In Last Fiscal Year", and "Option Exercises and Fiscal Year End Option Values" on pages 9 through 11 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 to all information under the caption entitled "Stock Ownership", subcaptions "Ownership of Major Shareholders" and "Holdings of Officers and Directors" on pages 11 through 13 of the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is furnished by incorporation by reference to all information under the caption "Related-Party Transactions with Wal-Mart" on page 5 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 25 of this annual report, 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, 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) and the Certificate of Amendment to the Restated Certificate of Incorporation is incorporated hereby by reference to the Current Report on Form 8-K dated June 27, 1999.

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. This document is located in the Securities and Exchange Commission's Public Reference Room in Washington, D.C. in the Securities and Exchange Commission's file no. 1-6991.

4(a) Form of Indenture dated as of June 1, 1985, between the Company and Bank of New York, Trustee, (formerly Boatmen's Trust Company and Centerre Trust Company) 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 Bank of New York, Trustee, (formerly Boatmen's Trust Company and Centerre Trust Company) 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. This document is located in the Securities and Exchange Commission's Public Reference Room in Washington, D.C. in the Securities and Exchange Commission's file no. 1-6991.

+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) 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. This document is located in the Securities and Exchange Commission's Public Reference Room in Washington, D.C. in the Securities and Exchange Commission's file no. 1-6991.

+10(d) 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. This document is located in the Securities and Exchange Commission's Public Reference Room in Washington, D.C. in the Securities and Exchange Commission's file no. 1-6991.

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

+10(f) 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(g) Wal-Mart Stores, Inc. Officer Deferred Compensation Plan 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, 1996. This document is located in the Securities and Exchange Commission's Public Reference Room in Washington, D.C. in the Securities and Exchange Commission's file no. 1-6991.

+10(h) Wal-Mart Stores, Inc. Restricted Stock Plan is incorporated herein by reference to Exhibit 10(j) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1997.

+10(i) 1996 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan of 1994 is incorporated herein by reference to Exhibit 10(j) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1998.

+10(j) 1997 Amendment to the Wal-Mart Stores, Inc. Stock Option Plan of 1994 is incorporated herein by reference to Exhibit 10(k) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1998.

+10(k) Wal-Mart Stores, Inc. Stock Incentive Plan of 1998 is filed herewith as an Exhibit to this Form 10-K.

+10(l) Wal-Mart Stores, Inc. Management Incentive Plan of 1998 is filed herewith as an Exhibit to this Form 10-K.

*12 Statement re computation of ratios

*13	All information incorporated by reference in Items 1, 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, 2001.
*21	List of the Company's Subsidiaries
*23	Consent of Independent Auditors

*Filed herewith as an Exhibit.

+Management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K

Report on Form 8-K, dated November 6, 2000, with respect to the Company's November 3, 2000 sale of $500,000,000 floating rate Notes due November 30, 2001.

Report on Form 8-K dated December 4, 2000, with respect to the Company's November 30, 2000 sale of $500,000,000 floating rate Notes due December 27, 2001.

Report on Form 8-K dated December 21, 2000, with respect to the Company's December 19, 2000 sale of 500,000,000 Pounds 5.75% Notes due 2030.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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 on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

DATE: April 17, 2001

/s/ H. Lee Scott

H. Lee Scott
President and Chief
Executive Officer

Exhibit 12

Statement re computation of ratios

	Fiscal Years Ended				
	2001	2000	1999	1998	1997
Income before income taxes	10,116	9,083	7,323	5,719	4,877
Capitalized interest	(93)	(57)	(41)	(33)	(44)
Minority interest	(129)	(170)	(153)	(78)	(27)
Adjusted profit before tax	9,894	8,856	7,129	5,608	4,806
Fixed Charges					
Debt interest	1,095	756	529	555	629
Capital lease interest	279	266	268	229	216
Capitalized interest	93	57	41	33	44
Interest component of rent	714	458	523	477	449
Total fixed expense	2,181	1,537	1,361	1,294	1,338
Profit before taxes and fixed expenses	12,075	10,393	8,490	6,902	6,144
Fixed charge coverage	**5.54**	**6.76**	**6.24**	**5.33**	**4.59**

* Does not include the cumulative effect of accounting change recorded by the Company in Fiscal 2000

Exhibit 13

Fiscal 2001 End-of-Year Store Count

State	**Discount Stores**	**Supercenters**	**SAM'S ClubS**	**Neighborhood Markets**
Alabama	41	41	8	0
Alaska	5	0	3	0
Arizona	26	13	9	0
Arkansas	41	36	4	5
California	117	0	26	0

Colorado	23	18	12	0
Connecticut	19	1	3	0
Delaware	3	2	1	0
Florida	86	57	34	0
Georgia	51	45	16	0
Hawaii	5	0	1	0
Idaho	7	6	1	0
Illinois	86	25	27	0
Indiana	50	33	14	0
Iowa	33	18	7	0
Kansas	34	16	5	0
Kentucky	36	38	5	0
Louisiana	43	37	11	0
Maine	17	3	3	0
Maryland	27	3	11	0
Massachusetts	36	1	3	0
Michigan	55	2	21	0
Minnesota	37	2	9	0
Mississippi	30	31	4	0
Missouri	66	46	13	0
Montana	6	4	1	0
Nebraska	12	8	3	0
Nevada	12	4	4	0
New Hampshire	18	4	4	0
New Jersey	23	0	6	0
New Mexico	9	13	4	0
New York	52	13	18	0
North Carolina	59	35	16	0
North Dakota	8	0	2	0
Ohio	76	12	25	0
Oklahoma	48	32	6	8
Oregon	25	0	0	0
Pennsylvania	49	29	19	0
Rhode Island	7	0	1	0
South Carolina	27	32	9	0
South Dakota	8	0	2	0
Tennessee	47	41	15	0
Texas	142	112	56	6
Utah	12	3	5	0
Vermont	4	0	0	0
Virginia	26	41	10	0
Washington	26	0	2	0
West Virginia	8	20	3	0
Wisconsin	53	7	11	0
Wyoming	5	4	2	0
U.S. Totals	1736	888	475	19

International/Worldwide

State	**Discount Stores**	**Supercenters**	**SAM'S ClubS**	**Neighborhood Markets**
Argentina	0	11	0	0
Brazil	0	12	8	0
Canada	174	0	0	0

China	0	10	1	0
South Korea	0	6	0	0
Germany	0	94	0	0
Mexico	429*	32	38	0
Puerto Rico	9	0	6	0
United Kingdom	0	241**	0	0
INT'l Total:	612	406	53	0
World Wide Grand Total:	2348	1294	528	19

* Includes: 37 Aurreras, 80 Bodegas, 54 Suburbias, 40 Superamas, and 218 Vips.
**Includes: 238 ASDA Stores and 3 ASDA/Wal-Mart Supercentres.

11-Year Financial Summary

(Dollar amounts in millions except per share data)	**2001**	**2000**	**1999**
Net sales	$ 191,329	$ 165,013	$ 137,634
Net sales increase	16%	20%	17%
Domestic comparative store sales increase	5%	8%	9%
Other income-net	1,966	1,796	1,574
Cost of sales	150,255	129,664	108,725
Operating, selling and general and administrative expenses	31,550	27,040	22,363
Interest costs:			
Debt	1,095	756	529
Capital leases	279	266	268
Provision for income taxes	3,692	3,338	2,740
Minority interest and equity in unconsolidated subsidiaries	(129)	(170)	(153)
Cumulative effect of accounting change, net of tax	—	(198)	—
Net income	6,295	5,377	4,430
Per share of common stock:			
Basic net income	1.41	1.21	0.99
Diluted net income	1.40	1.20	0.99
Dividends	0.24	0.20	0.16
Financial Position			
Current assets	$ 26,555	$ 24,356	$ 21,132
Inventories at replacement cost	21,644	20,171	17,549
Less LIFO reserve	202	378	473
Inventories at LIFO cost	21,442	19,793	17,076
Net property, plant and equipment and capital leases	40,934	35,969	25,973
Total assets	78,130	70,349	49,996
Current liabilities	28,949	25,803	16,762
Long-term debt	12,501	13,672	6,908
Long-term obligations under capital leases	3,154	3,002	2,699
Shareholders' equity	31,343	25,834	21,112
Financial Ratios			
Current ratio	0.9	0.9	1.3
Inventories/working capital	(9.0)	(13.7)	3.9
Return on assets*	8.7%	9.5%***	9.6%
Return on shareholders' equity**	22.0%	22.9%	22.4%
Other Year-End Data			
Number of domestic Wal-Mart stores	1,736	1,801	1,869
Number of domestic Supercenters	888	721	564
Number of domestic SAM'S CLUBS	475	463	451
Number of domestic Neighborhood Markets	19	7	4
International units	1,071	1,004	715
Number of Associates	1,244,000	1,140,000	910,000
Number of Shareholders of record	362,000	341,000	261,000

* Net income before minority interest, equity in unconsolidated subsidiaries and cumulative effect of accounting change/average assets
** Net income/average shareholders' equity
*** Calculated giving effect to the amount by which a lawsuit settlement exceeded established reserves. If this settlement was not considered, the return was 9.8%. See Management's Discussion and Analysis.

1998	1997	1996	1995	1994	1993	1992	1991
$ 117,958	$ 104,859	$ 93,627	$ 82,494	$ 67,344	$ 55,484	$ 43,887	$ 32,602
12%	12%	13%	22%	21%	26%	35%	26%
6%	5%	4%	7%	6%	11%	10%	10%
1,341	1,319	1,146	914	645	497	404	262
93,438	83,510	74,505	65,586	53,444	44,175	34,786	25,500
19,358	16,946	15,021	12,858	10,333	8,321	6,684	5,152
555	629	692	520	331	143	113	43
229	216	196	186	186	180	153	126
2,115	1,794	1,606	1,581	1,358	1,171	945	752
(78)	(27)	(13)	4	(4)	4	(1)	—
0.78	0.67	0.60	0.59	0.51	0.44	0.35	0.28
0.78	0.67	0.60	0.59	0.51	0.44	0.35	0.28
0.14	0.11	0.10	0.09	0.07	0.05	0.04	0.04
$ 19,352	$ 17,993	$ 17,331	$ 15,338	$ 12,114	$ 10,198	$ 8,575	$ 6,415
16,845	16,193	16,300	14,415	11,483	9,780	7,857	6,207
348	296	311	351	469	512	473	399
16,497	15,897	15,989	14,064	11,014	9,268	7,384	5,808
23,606	20,324	18,894	15,874	13,176	9,793	6,434	4,712
45,384	39,604	37,541	32,819	26,441	20,565	15,443	11,389
14,460	10,957	11,454	9,973	7,406	6,754	5,004	3,990
7,191	7,709	8,508	7,871	6,156	3,073	1,722	740
2,483	2,307	2,092	1,838	1,804	1,772	1,556	1,159
18,503	17,143	14,756	12,726	10,753	8,759	6,990	5,366
1.3	1.6	1.5	1.5	1.6	1.5	1.7	1.6
3.4	2.3	2.7	2.6	2.3	2.7	2.1	2.4
8.5%	7.9%	7.8%	9.0%	9.9%	11.1%	12.0%	13.2%
19.8%	19.2%	19.9%	22.8%	23.9%	25.3%	26.0%	27.7%
1,921	1,960	1,995	1,985	1,950	1,848	1,714	1,568
441	344	239	147	72	34	10	9
443	436	433	426	417	256	208	148
—	—	—	—	—	—	—	—
601	314	276	226	24	10	—	—
246,000	257,000	244,000	259,000	258,000	181,000	150,000	122,000

The effects of the change in accounting method for SAM'S CLUB membership revenue recognition would not have a material impact on this summary prior to 1998. Therefore, pro forma information as if the accounting change had been in effect for all years presented has not been provided. See Management's Discussion and Analysis for discussion of the impact of the accounting change in fiscal 2000 and 1999.

The acquisition of the ASDA Group PLC and the Company's related debt issuance had a significant impact on the fiscal 2000 amounts in this summary. See Notes 3 and 6 to the Consolidated Financial Statements.

Corporate Information

Registrar and Transfer Agent:
EquiServe Trust Company, N.A.
525 Washington Blvd.
Jersey City, New Jersey 07310
1-800-438-6278 (GET-MART)
TDD for hearing impaired inside the U.S.: 1-201-222-4955
Internet: http://www.equiserve.com
Dividend Reinvestment and Direct Stock Purchase Available

Listings - Stock Symbol: WMT
New York Stock Exchange

Pacific Stock Exchange

Annual Meeting:
Our Annual Meeting of Shareholders will be held on Friday, June 1, 2001, at 9:00 a.m. in Bud Walton Arena on the University of Arkansas campus, Fayetteville, Arkansas.

Communication with Shareholders:
Wal-Mart Stores, Inc. periodically communicates with its Shareholders and other members of the investment community about our operations. For further information regarding those communications, please refer to our Form 8-K filing with the SEC dated October 20, 2000.

Independent Auditors:
Ernst & Young LLP
3900 One Williams Center
Tulsa, Oklahoma 74172

Corporate Address:
Wal-Mart Stores, Inc.
Bentonville, Arkansas 72716

Telephone: 501-273-4000
Retail Internet Site: http://www.wal-mart.com
Corporate Internet Site: http://www.walmartstores.com

The following reports are available upon request by writing the Company or by calling 501-273-8446.
- Annual Report on Form 10-K*
- Quarterly Financial Information on Form 10-Q*
- Current Press Releases*
- Current Sales and Earnings Releases*
- Copy of Proxy Statement*
- Diversity Programs Report
- Vendor Standards Report

* These reports are also available via fax or corporate website.

Market Price of Common Stock

	Fiscal years ended January 31,			
	2001		2000	
Quarter Ended	Hi	Low	Hi	Low
April 30	$ 63.56	$ 44.50	$ 52.44	$ 40.47
July 31	$ 62.00	$ 51.00	$ 49.19	$ 41.13
October 31	$ 57.63	$ 43.25	$ 57.06	$ 40.19
January 31	$ 58.44	$ 43.69	$ 69.44	$ 54.75

Dividends Paid Per Share

Fiscal years ended January 31, Quarterly			
2000		2000	
April 10	$ 0.0600	April 19	$ 0.0500
July 10	$ 0.0600	July 12	$ 0.0500
October 10	$ 0.0600	October 12	$ 0.0500
January 8	$ 0.0600	January 10	$ 0.0500

Trustees

5.75%, 5 7/8%, 5.955%,
6.15%, 6 3/8%, 6 1/2%,
6.55%, 6 3/4%, 6.875%,
7 1/4%, 7 1/2%, 7.55%,
8.0%, 8 1/2%, 8 5/8%
Notes, Marks SM , 13 month
Floating Rate Notes:
Bank One Trust Company, N.A.

(Formerly known as The First
National Bank of Chicago)
Attn: Global Corp. Trust Services
1 Bank One Plaza Suite IL 1-0126
Chicago, Illinois 60670-0126

Pass Through Certificates
1992-A-2-8.07%
First Security Trust
Company of Nevada

79 South Main Street
3rd Floor
Salt Lake City, Utah 84151

Sale/Leaseback Transaction
Series A - 8.25%
Series B - 8.75%
Series C - 8.875%
Bank One Trust Company, N.A.
(Formerly known as The First
National Bank of Chicago)
Attn: Global Corp. Trust Services
1 Bank One Plaza Suite IL 1-0126
Chicago, Illinois 60670-0126

Pass Through Certificates
1994-A-1-8.57%
1994-A-2-8.85%
1994-B-1-8.45%
1994-B-2-8.62%
Bank One Trust Company, N.A.
(Formerly known as The First
National Bank of Chicago)
Attn: Global Corp. Trust Services
1 Bank One Plaza Suite IL 1-0126
Chicago, Illinois 60670-0126

Sale/Leaseback Transaction
WMS I Series B - 8.01%
WMS I Series C - 8.72%
WMS II Series A - 7.39%
WMS II Series B - 8.27%
Bank One Trust Company, N.A.
(Formerly known as The First
National Bank of Chicago)
Attn: Global Corp. Trust Services
1 Bank One Plaza Suite IL 1-0126
Chicago, Illinois 60670-0126

Pass Through Certificates
(Wal-Mart Retail Trust IV, V):
1994-B-3-8.80%
Bank One Trust Company, N.A.
(Formerly known as The First
National Bank of Chicago)
Attn: Global Corp. Trust Services
1 Bank One Plaza Suite IL 1-0126
Chicago, Illinois 60670-0126

Sale/Leaseback Transaction
(Wal-Mart Retail Trust I, II, III):
State Street Bank and Trust
Company of Connecticut, N.A.
C/O State Street Corporation
Global Investor Services Group

Corporate Trust
P.O. Box 778
Boston, Massachusetts 02102-0778

Pass Through Certificates
1992-A-1-7.49%
First Security Bank, N.A.
Company of Nevada
79 South Main Street
3rd Floor
Salt Lake City, Utah 84111

6 3/4% Eurobonds:
Bank One, N.A.
1 Triton Square
London, England NW13FN

Management's Discussion and Analysis

Net Sales

Sales (in millions) by operating segment for the three fiscal years ended January 31, were as follows:

Fiscal Year	Wal-Mart Stores	SAM'S CLUB	International	Other	Total Company	Total Company Increase from Prior Fiscal Year
2001	**$121,889**	**$26,798**	**$32,100**	**$10,542**	**$191,329**	**16%**
2000	108,721	24,801	22,728	8,763	165,013	20 %
1999	95,395	22,881	12,247	7,111	137,634	17 %

The Company's sales growth of 16% in fiscal 2001, when compared to fiscal 2000, resulted from the Company's domestic and international expansion programs, and a domestic comparative store sales increase of 5%. The sales increase of 20% in fiscal 2000, when compared to fiscal 1999, resulted from the Company's expansion program, including a significant international acquisition, and a domestic comparative store sales increase of 8%. Wal-Mart Stores and SAM'S CLUB segments include domestic units only. Wal-Mart stores and SAM'S CLUBS located outside the United States are included in the International segment.

Costs and Expenses

For fiscal 2001, cost of sales as a percentage of sales decreased compared to fiscal 2000, resulting in increases in gross margin of 0.05% for fiscal 2001. This improvement in gross margin occurred primarily due to a $176 million LIFO inventory benefit. This was offset by continued price rollbacks and increased international and food sales which generally have lower gross margins than domestic general merchandise. Cost of sales, as a percentage of sales decreased for fiscal 2000 compared to fiscal 1999, resulting in increases in gross margin of 0.4% for fiscal 2000. The fiscal 2000 improvement in gross margin can be attributed to a favorable sales mix of higher margin categories, improvements in shrinkage and markdowns, a favorable LIFO inventory adjustment and the slower growth of SAM'S CLUB, which is our lowest gross margin retail operation. Management expects gross margins to narrow as food sales continue to increase as a percentage of sales both domestically and internationally.

Operating, selling, general and administrative expenses increased 0.1% as a percentage of sales in fiscal 2001 when compared with fiscal 2000. This increase was primarily due to increased maintenance and repair costs and depreciation charges incurred during the year. Operating, selling, general and administrative expenses increased 0.1% as a percentage of sales in fiscal 2000 when compared with fiscal 1999. This increase was primarily due to increased payroll cost incurred during the year. Additionally, in the second quarter of fiscal 2000, a $624 million jury verdict was rendered against the Company in a lawsuit. The Company settled the lawsuit for an amount less than the jury verdict. The Company had previously established reserves related to this lawsuit, which were not material to its results of operations or financial position. The settlement exceeded the Company's estimated reserves for this lawsuit and resulted in a charge in the second quarter of fiscal 2000 of $0.03 per share net of taxes.

Interest Costs

Debt interest costs increased .11% as a percentage of sales from .46% in fiscal 2000 to .57% in fiscal 2001. This increase is the result of increased fiscal 2000 borrowings incurred as the result of the ASDA acquisition and has been somewhat offset by reductions resulting from the Company's inventory control efforts. For fiscal 2000, debt interest costs increased .08% as a percentage of sales from .38% in fiscal 1999 to .46%. This increase resulted from increased fiscal 2000 borrowings as the result of the ASDA acquisition. See Note 3 of the Notes to Consolidated Financial Statements for additional information.

Wal-Mart Stores

Sales for the Company's Wal-Mart Stores segment increased by 12.1% in fiscal 2001 when compared to fiscal 2000 and 14.0% in fiscal 2000 when compared to fiscal 1999. The fiscal 2001 and fiscal 2000 growth are the result of comparative store sales increases and the Company's expansion program. Segment expansion during fiscal 2001 included the opening of 41 Wal-Mart stores, 12 Neighborhood Markets and 167

Supercenters (including the conversion of 104 existing Wal-Mart stores into Supercenters). Segment expansion during fiscal 2000 included the opening of 29 Wal-Mart stores, three Neighborhood Markets and 157 Supercenters (including the conversion of 96 existing Wal-Mart stores into Supercenters).

Fiscal 2001 operating income for the segment increased by 11.5%, from $8.7 billion in fiscal 2000 to $9.7 billion in fiscal 2001. Segment operating income as a percent of segment sales remained unchanged at 8.0% from fiscal 2000 to fiscal 2001. Operating income for fiscal 2001 was driven by margin improvements resulting from decreased markdowns and improved shrinkage. Offsetting these margin improvements were increased distribution costs, resulting from higher fuel, utility and payroll charges and higher overall payroll costs as a percentage of sales created by a holiday season with lower than anticipated sales. Operating income for the segment for fiscal 2000 increased by 20.2%, from $7.2 billion in fiscal 1999 to $8.7 billion in fiscal 2000. Fiscal 2000 operating income as a percentage of segment sales was 8.0%, up from 7.6% in fiscal 1999. The improvement in operating income in 2000 was driven by margin improvements resulting from improvements in markdowns and shrinkage. However, these margin improvements were somewhat offset by increased payroll costs in fiscal 2000. Operating income information for fiscal years 1999 and 2000 has been reclassified to conform to the current year presentation. For this reclassification, certain corporate expenses have been moved from the Other segment to the operating segments.

SAM'S CLUB

Sales for the Company's SAM'S CLUB segment increased by 8.1% in fiscal 2001 when compared to fiscal 2000, and by 8.4% in fiscal 2000 when compared to fiscal 1999. The fiscal 2001 and fiscal 2000 sales growth are the result of comparative club sales increases and the Company's expansion program. Due to rapid growth in the International segment, SAM'S CLUB sales continued to decrease as a percentage of total Company sales, decreasing from 15.0% in fiscal 2000 to 14.0% in fiscal 2001. Segment expansion during fiscal 2001 and 2000 consisted of the opening of 13 and 12 new clubs, respectively.

Operating income for the segment in fiscal 2001 increased by 10.8%, from $850 million in fiscal 2000 to $942 million in fiscal 2001. Due primarily to margin improvements, operating income as a percentage of segment sales increased from 3.4% in fiscal 2000 to 3.5% in fiscal 2001. In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" (SAB 101). SAB 101 deals with various revenue recognition issues, several of which are common within the retail industry. As a result of the issuance of this SAB, the Company changed its method of recognizing revenues for SAM'S CLUB membership fees effective as of the beginning of fiscal 2000. Additionally, operating income information for fiscal years 1999 and 2000 has been reclassified to conform to the current year presentation. For this reclassification certain corporate expenses have been moved from the Other segment to the operating segments. After consideration of the reclassification and the effects of the change in accounting method for membership revenue recognition, operating income for the segment in fiscal 2000 increased by 22.7%, from $693 million in fiscal 1999 to $850 million in fiscal 2000. Operating income as a percentage of sales increased from 3.0% in fiscal 1999 to 3.4% in fiscal 2000. This improvement is primarily due to margin improvements. The pretax impact of the change in accounting method would have been $57 million in fiscal 1999 and was $16 million in fiscal 2000. The impact of the accounting method change is greater on fiscal 1999 due to an increase in the cost of SAM'S CLUB membership that occurred during that year. If the effect of this accounting change were not considered, operating income as a percent of segment sales would have increased by 22 basis points when comparing fiscal 1999 to fiscal 2000.

International

International sales accounted for approximately 17% of total Company sales in fiscal 2001 compared with 14% in fiscal 2000. The largest portion of the increase in international sales is the result of the acquisition of the ASDA Group PLC (ASDA), which consisted of 229 stores when its acquisition was completed during the third quarter of fiscal 2000. International sales accounted for approximately 14% of total Company sales in fiscal 2000 compared with 9% in fiscal 1999. The largest portion of this increase was also the result of the ASDA acquisition. Additionally, fiscal 2000 was the first full year containing the operating results of the 74 units of the German Interspar hypermarket chain, which were acquired in the fourth quarter of fiscal 1999.

For fiscal 2001 segment operating income increased by 36.1% from $817 million in fiscal 2000 to $1.1 billion in fiscal 2001. Segment operating income as a percent of segment sales decreased by .13% when comparing fiscal 2000 and fiscal 2001. This decrease was caused by the continued negative impact of store remodeling costs, costs related to the start-up of a new distribution system, excess inventory and transition related expenses in the Company's Germany units. Partially offsetting these negative impacts were operating profit increases in Mexico, Canada and the United Kingdom. After consideration of the effects of the change of accounting method for SAM'S CLUB membership revenues, the International segment's operating income increased from $549 million in fiscal 1999 to $817 million in fiscal 2000. The largest portion of the fiscal 2000 increase in international operating income is the result of the ASDA acquisition. As a percent of segment sales, segment operating income decreased by .89% when comparing fiscal 1999 to fiscal 2000. This decrease is the result of expense pressures coming from the Company's units in Germany. The Company's operations in Canada, Mexico and Puerto Rico had operating income increases in fiscal 2000.

The Company's foreign operations are comprised of wholly-owned operations in Argentina, Canada, Germany, Korea, Puerto Rico and the United Kingdom; joint ventures in China; and majority-owned subsidiaries in Brazil and Mexico. As a result, the Company's financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which the Company does business. The Company minimizes exposure to the risk of devaluation of foreign currencies by operating in local currencies and through buying forward contracts, where feasible, for certain known transactions.

In fiscal 2001, the foreign currency translation adjustment increased from the fiscal 2000 level by $229 million to $684 million, primarily due to the dollar strengthening against the British pound and the German mark. In fiscal 2000, the foreign currency translation adjustment decreased from the fiscal 1999 level by $54 million to $455 million primarily due to the United States dollar weakening against the British pound and the Canadian dollar. This was partially offset by the United States dollar strengthening against the Brazilian real.

For 2001, expansion in the International segment consisted of the opening of 77 units. Expansion in the International segment in fiscal 2000 consisted of the opening or acquisition of 288 units. The Company also purchased an additional 6% ownership interest in its Mexican subsidiary, Wal-Mart de Mexico S.A. de C.V. (formerly Cifra S.A. de C.V.) in fiscal 2001.

See Note 6 of Notes to Consolidated Financial Statements for additional information on acquisitions.

Liquidity and Capital Resources Cash Flows Information
Cash flows from operating activities were $9,604 million in fiscal 2001, up from $8,194 million in fiscal 2000. In fiscal 2001, the Company invested $8,042 million in capital assets, paid dividends of $1,070 million, and had a cash outlay of $627 million primarily for the acquisition of an additional 6% ownership in Wal-Mart de Mexico S.A. de C.V. See Note 6 of Notes to Consolidated Financial Statements for additional information on acquisitions.

Market Risk
Market risks relating to the Company's operations include changes in interest rates and changes in foreign exchange rates. The Company enters into interest rate swaps to minimize the risk and costs associated with financing activities. The swap agreements are contracts to exchange fixed or variable rates for variable or fixed interest rate payments periodically over the life of the instruments. The following tables provide information about the Company's derivative financial instruments and other financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents principal cash flows and related weighted-average interest rates by expected maturity dates. For interest rate swaps, the table presents notional amounts and interest rates by contractual maturity dates. The applicable floating rate index is included for variable rate instruments. All amounts are stated in United States dollar equivalents.

Interest Rate Sensitivity As of January 31, 2001
Principal (Notional) Amount by Expected Maturity
Average Interest (Swap) Rate

(Amounts in millions)	2002	2003	2004	2005	2006	Thereafter	Total	Fair value 1/31/01
Liabilities								
US dollar denominated Long-term debt including current portion								
Fixed rate debt	$4,223	$1,126	$ 809	$1,926	$ 750	$ 6,229	$15,063	$ 15,596
Average interest rate - USD rate	6.8%	6.8%	6.9%	6.9%	6.9%	6.9%	6.9%	
Great Britain Pound denominated Long-term debt including current portion								
Fixed rate debt	11	236	—	—	—	1,425	1,672	1,670
Average interest rate - USD rate	8.4%	8.4%				7.2%	7.2%	
Interest Rate Derivative Financial Instruments Related to Debt								
Interest rate swap - Pay variable/receive fixed		250	—	—	—	—	250	14
Average rate paid - Rate A								
Fixed rate received - USD rate		6.9%	—	—	—	—	6.9%	
Interest rate swap - Pay variable/receive fixed		250	—	—	—	—	250	14
Average rate paid - Rate A								
Fixed rate received - USD rate		6.9%	—	—	—	—	6.9%	
Interest rate swap - Pay variable/receive fixed	59	63	68	72	78	41	381	17
Average rate paid - Rate B								
Fixed rate received - USD rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	

Rate A - one month U.S. LIBOR minus .15%
Rate B - 30-day U.S. dollar commercial paper non financial

In addition to the interest rate derivative financial instruments listed in the table above, the Company holds an interest rate swap with a notional amount of $500 million that is being marked to market through earnings. The fair value of this instrument was not significant at January 31, 2001.

Interest Rate Sensitivity As of January 31, 2000
Principal (Notional) Amount by Expected Maturity
Average Interest (Swap) Rate

(Amounts in millions)	2001	2002	2003	2004	2005	Thereafter	Total	Fair value

								1/31/00
Liabilities								
Long-term debt including current portion								
Fixed rate debt	$1,964	$2,070	$ 659	$ 742	$1,854	$ 8,347	$15,636	$ 14,992
Average interest rate - USD rate	6.9%	6.8%	6.8%	6.8%	6.8%	6.9%	6.9%	
Interest Rate Derivative Financial Instruments Related to Debt								
Interest rate swap -								
Pay variable/receive fixed	500	—	—	—	—	—	500	(1)
Average rate paid - Rate A plus .245%								
Fixed rate received - USD rate	5.9%	—	—	—	—	—	5.9%	
Interest rate swap -								
Pay variable/receive fixed	500	—	—	—	—	—	500	—
Average rate paid - Rate A plus .134%								
Fixed rate received - USD rate	5.7%	—	—	—	—	—	5.7%	
Interest rate swap -								
Pay variable/receive fixed	41	45	49	54	58	266	513	(7)
Average rate paid - Rate A								
Fixed rate received - USD rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Interest rate swap -								
Pay variable/receive fixed	—	—	—	—	—	230	230	(14)
Average rate paid - Rate B								
Fixed rate received - USD rate	—	—	—	—	—	7.0%	7.0%	
Interest rate swap -								
Pay fixed/receive variable	—	—	—	—	—	151	151	(11)
Fixed rate paid - USD rate	—	—	—	—	—	8.1%	8.1%	
Floating rate received - Rate C								

Rate A - 30-day U.S. dollar commercial paper non financial
Rate B - 6-month U.S. dollar LIBOR
Rate C - 3-month U.S. dollar LIBOR

The Company routinely enters into forward currency exchange contracts in the regular course of business to manage its exposure against foreign currency fluctuations on cross-border purchases of inventory. These contracts are generally for durations of six months or less. In addition, the Company holds currency swaps to hedge its net investments in Canada, Germany and the United Kingdom.

The following tables provide information about the Company's derivative financial instruments, including foreign currency forward exchange agreements and cross currency interest rate swap agreements by functional currency, and presents the information in United States dollar equivalents. For foreign currency forward exchange agreements, the table presents the notional amounts and weighted average exchange rates by contractual maturity dates. For cross currency interest rate swaps the table presents notional amounts, exchange rates and interest rates by contractual maturity date.

Foreign Currency Exchange Rate Sensitivity As of January 31, 2001
Principal (Notional) Amount by Expected Maturity

(Amounts in millions)	2002	2003	2004	2005	2006	Thereafter	Total	Fair value 1/31/2001
Forward Contracts to Sell Canadian Dollars for Foreign Currencies								
United States Dollars								
Notional amount	$ 63	—	—	—	—	—	$ 63	$ —
Average contract rate	1.5	—	—	—	—	—	1.5	
Forward Contracts to Sell British Pounds for Foreign Currencies								
Hong Kong Dollars								
Notional amount	52	—	—	—	—	—	52	1
Average contract rate	11.4	—	—	—	—	—	11.4	
German Deutschemarks								
Notional amount	86	—	—	—	—	—	33	4
Average contract rate	31	—	—	—	—	—	3.1	
United States Dollars								

Notional amount	50	—	—	—	—	—	50	1
Average contract rate	1.5	—	—	—	—	—	1.5	
Other Currencies								
Notional amount	42	—	—	—	—	—	42	—
Average contract rate	Various	—	—	—	—	—	Various	
Currency Swap Agreements								
Payment of German Deutschemarks								
Notional amount	—	1,101	—	—	—	—	1,101	186
Average contract rate	—	1.8	—	—	—	—	1.8	
Fixed rate received - USD rate	—	5.8%	—	—	—	—	5.8%	
Fixed rate paid - DEM rate	—	4.5%	—	—	—	—	4.5%	
Payment of German Deutschemarks								
Notional amount	—	—	809	—	—	—	809	180
Average contract rate	—	—	1.7	—	—	—	1.7	
Fixed rate received - USD rate	—	—	5.2%	—	—	—	5.2%	
Fixed rate paid - DEM rate	—	—	3.4%	—	—	—	3.4%	
Payment of Great Britain Pounds								
Notional amount	—	—	—	—	—	4,750	4,750	659
Average contract rate	—	—	—	—	—	0.6	0.6	
Fixed rate received - USD rate	—	—	—	—	—	7.0%	7.0%	
Fixed rate paid - Great Britain Pound rate	—	—	—	—	—	6.1%	6.1%	
Payment of Canadian Dollars								
Notional amount	—	—	—	1,250	—	—	1,250	57
Average contract rate	—	—	—	1.5	—	—	1.5	
Fixed rate received - USD rate	—	—	—	6.6%	—	—	6.6%	
Fixed rate paid - CAD rate	—	—	—	5.7%	—	—	5.7%	

Foreign Currency Exchange Rate Sensitivity As of January 31, 2000
Principal (Notional) Amount by Expected Maturity
Average Interest (Swap) Rate

(Amounts in millions)	2001	2002	2003	2004	2005	Thereafter	Total	Fair value 1/31/2001
Forward Contracts to Sell Canadian Dollars for Foreign Currencies								
United States Dollars								
Notional amount	$ 91	—	—	—	—	—	$ 91	$ (1)
Average contract rate	1.5	—	—	—	—	—	1.5	
Forward Contracts to Sell British Pounds for Foreign Currencies								
Hong Kong Dollars								
Notional amount	70	—	—	—	—	—	70	1
Average contract rate	12.8	—	—	—	—	—	12.8	
United States Dollars								
Notional amount	40	—	—	—	—	—	40	1
Average contract rate	1.6	—	—	—	—	—	1.6	
Other Currencies								
Notional amount	45	—	—	—	—	—	45	(2)
Average contract rate	Various	—	—	—	—	—	Various	
Currency Swap Agreements								
Payment of German Deutschemarks								
Notional amount	—	1,101	—	—	—	—	1,101	90
Average contract rate	—	1.8	—	—	—	—	1.8	
Fixed rate received - USD rate	—	5.8%	—	—	—	—	5.8%	
Fixed rate paid - DEM rate	—	4.5%	—	—	—	—	4.5%	
Payment of German Deutschemarks								
Notional amount	—	—	809	—	—	—	809	112

Average contract rate	—	—	1.7	—	—	—	1.7	
Fixed rate received - USD rate	—	—	5.2%	—	—	—	5.2%	
Fixed rate paid - DEM rate	—	—	3.4%	—	—	—	3.4%	
Payment of Great Britain Pounds								
Notional amount	—	—	—	—	—	3,500	3,500	(17)
Average contract rate	—	—	—	—	—	0.6	0.6	
Fixed rate received - USD rate	—	—	—	—	—	6.9%	6.9%	
Fixed rate paid - Great Britain Pound rate	—	—	—	—	—	6.2%	6.2%	

The fair values of the currency swap agreements are recorded in the consolidated balance sheets within the line "other assets and deferred charges." The increase in the asset recorded in fiscal 2001 over that recorded in fiscal 2000 is the result of an increased amount of notional outstanding for fiscal 2001, as well as changes in currency exchange rates and market interest rates.

On February 1, 2001, the Company adopted Financial Accounting Standards Board (FASB) Statements No. 133, 137 and 138 (collectively "SFAS 133") pertaining to the accounting for derivatives and hedging activities. SFAS 133 requires all derivatives to be recorded on the balance sheet at fair value and establishes accounting treatment for three types of hedges: hedges of changes in the fair value of assets, liabilities, or firm commitments; hedges of the variable cash flows of forecasted transactions; and hedges of foreign currency exposures of net investments in foreign operations. As of January 31, 2001, the majority of the Company's derivatives are hedges of net investments in foreign operations, and as such, the fair value of these derivatives has been recorded on the balance sheet as either assets or liabilities and in other comprehensive income under the current accounting guidance. As the majority of the Company's derivative portfolio is already recorded on the balance sheet, adoption of SFAS 133 will not have a material impact on the Company's Consolidated Financial Statements taken as a whole. However, assuming that the Company's use of derivative instruments does not change, and unless SFAS 133 is amended further, the Company believes that the application of SFAS 133 could result in more pronounced quarterly and yearly fluctuation in earnings in future periods. Additionally, unless SFAS 133 is further amended, certain swap cash flows currently being recorded in the income statement will be recorded in other comprehensive income after implementation. For the fiscal year ended January 31, 2001, the Company has recorded $112 million of earnings benefit from the receipt of these cash flows.

Company Stock Purchase and Common Stock Dividends

In fiscal 2001 and 2000, the Company repurchased over 4 million and 2 million shares of its common stock for $193 million and $101 million, respectively. The Company paid dividends totaling $.24 per share in fiscal 2001. In March 2001, the Company increased its dividend 17% to $.28 per share for fiscal 2002. The Company has increased its dividend every year since its first declared dividend in March 1974.

Borrowing Information

At January 31, 2001, the Company had committed lines of credit with 78 firms and banks, aggregating $5,032 million, which were used to support commercial paper. These lines of credit and their anticipated cyclical increases combined with commercial paper borrowings should be sufficient to finance the seasonal buildups in merchandise inventories and other cash requirements. If the operating cash flow generated by the Company is not sufficient to pay the increased dividend and to fund all capital expenditures, the Company anticipates funding any shortfall in these expenditures with a combination of commercial paper and long-term debt. The Company plans to refinance existing long-term debt as it matures and may desire to obtain additional long-term financing for other uses of cash or for strategic reasons. The Company anticipates no difficulty in obtaining long-term financing in view of an excellent credit rating and favorable experiences in the debt market in the recent past. During fiscal 2001, the Company issued $3.7 billion of debt. The proceeds from the issuance of this debt were used to reduce short-term borrowings. After the $3.7 billion of debt issued in fiscal 2001, the Company is permitted to sell up to $1.4 billion of public debt under shelf registration statements previously filed with the United States Securities and Exchange Commission.

At January 31, 2001, the Company's ratio of debt to total capitalization, including commercial paper borrowings, was 41.6%. Management's objective is to maintain a debt to total capitalization ratio of approximately 40%.

Expansion

Domestically, the Company plans to open approximately 40 new Wal-Mart stores and approximately 170 to 180 new Supercenters in fiscal 2002. Relocations or expansions of existing discount stores will account for 100 to 110 of the new Supercenters, with the balance being new locations. The Company plans to further expand its Neighborhood Market concept by adding 15 to 20 units during fiscal 2002. The SAM'S CLUB segment plans to open 40 to 50 Clubs during fiscal 2002, approximately half of which will be relocations or expansions of existing clubs. The SAM'S segment will also continue its remodeling program, with approximately 80 projects expected during fiscal 2002. In order to serve these and future developments, the Company plans to construct seven new distribution centers in the next fiscal year. Internationally, the Company plans to open 100 to 110 units. Projects are scheduled to open in each of the existing countries, and will include new stores and clubs as well as relocations of a few existing units. The units also include several restaurants, department stores and supermarkets in Mexico. In addition, the Company's German operation will continue to remodel the acquired hypermarkets. Total Company planned growth represents approximately 40 million square feet of net additional retail space. Total planned capital expenditures for fiscal 2002 approximate $9 billion. The Company plans to finance our expansion primarily with operating cash flows and commercial paper borrowings.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. Certain statements contained in Management's Discussion and Analysis, in other parts of this report and in other Company filings are forward-looking statements. These statements discuss, among other things, expected growth, future revenues, future cash flows and future performance. The forward-looking statements are subject to risks and uncertainties including but not limited to the cost of goods, 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, and other risks indicated in the Company's filings with the United States 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,	**2001**	2000	1999
Revenues:			
Net sales	**$ 191,329**	$ 165,013	$ 137,634
Other income-net	**1,966**	1,796	1,574
	193,295	166,809	139,208
Costs and Expenses:			
Cost of sales	**150,255**	129,664	108,725
Operating, selling and general and administrative expenses	**31,550**	27,040	22,363
Interest Costs:			
Debt	**1,095**	756	529
Capital leases	**279**	266	268
	183,179	157,726	131,885
Income Before Income Taxes, Minority Interest and Cumulative Effect of Accounting Change	**10,116**	9,083	7,323
Provision for Income Taxes			
Current	**3,350**	3,476	3,380
Deferred	**342**	(138)	(640)
	3,692	3,338	2,740
Income Before Minority Interest and Cumulative Effect of Accounting Change	**6,424**	5,745	4,583
Minority Interest	**(129)**	(170)	(153)
Income Before Cumulative Effect of Accounting Change	**6,295**	5,575	4,430
Cumulative Effect of Accounting Change, net of tax benefit of $119	**–**	(198)	–
Net Income	**$ 6,295**	$ 5,377	$ 4,430
Net Income Per Common Share:			
Basic Net Income Per Common Share:			
Income before cumulative effect of accounting change	**$ 1.41**	$ 1.25	$ 0.99
Cumulative effect of accounting change, net of tax	**–**	(0.04)	–
Net Income Per Common Share	**$ 1.41**	$ 1.21	$ 0.99
Average Number of Common Shares	**4,465**	4,451	4,464

Diluted Net Income Per Common Share:			
Income before cumulative effect of accounting change	**$ 1.40**	$ 1.25	$ 0.99
Cumulative effect of accounting change, net of tax	**–**	(0.04)	–
Net Income Per Common Share	**$ 1.40**	$ 1.20	$ 0.99
Average Number of Common Shares	**4,484**	4,474	4,485

Pro forma amounts assuming accounting change had been in effect in fiscal 2001, 2000 and 1999:			
Net Income	**$ 6,295**	$ 5,575	$ 4,393
Net income per common share, basic	**$ 1.41**	$ 1.25	$ 0.98
Net income per common share, diluted	**$ 1.40**	$ 1.25	$ 0.98

See accompanying notes

Consolidated Balance Sheets

(Amounts in millions)

January 31,	**2001**	2000
Assets		
Current Assets:		
Cash and cash equivalents	**$ 2,054**	$ 1,856
Receivables	**1,768**	1,341
Inventories		
At replacement cost	**21,644**	20,171
Less LIFO reserve	**202**	378
Inventories at LIFO cost	**21,442**	19,793
Prepaid expenses and other	**1,291**	1,366
Total Current Assets	**26,555**	24,356
Property, Plant and Equipment, at Cost:		
Land	**9,433**	8,785
Building and improvements	**24,537**	21,169
Fixtures and equipment	**12,964**	10,362
Transportation equipment	**879**	747
	47,813	41,063
Less accumulated depreciation	**10,196**	8,224
Net property, plant and equipment	**37,617**	32,839
Property Under Capital Lease:		
Property under capital lease	**4,620**	4,285
Less accumulated amortization	**1,303**	1,155
Net property under capital leases	**3,317**	3,130
Other Assets and Deferred Charges:		
Net goodwill and other acquired intangible assets	**9,059**	9,392
Other assets and deferred charges	**1,582**	632

	2001	2000
Total Assets	**$ 78,130**	$ 70,349

	2001	2000
Liabilities and Shareholders' Equity		
Current Liabilities:		
Commercial paper	**$ 2,286**	$ 3,323
Accounts payable	**15,092**	13,105
Accrued liabilities	**6,355**	6,161
Accrued income taxes	**841**	1,129
Long-term debt due within one year	**4,234**	1,964
Obligations under capital leases due within one year	**141**	121
Total Current Liabilities	**28,949**	25,803
Long-Term Debt	**12,501**	13,672
Long-Term Obligations Under Capital Leases	**3,154**	3,002
Deferred Income Taxes and Other	**1,043**	759
Minority Interest	**1,140**	1,279
Shareholders' Equity		
Preferred stock ($0.10 par value; 100 shares authorized, none issued)		
Common stock ($0.10 par value; 11,000 shares authorized, 4,470 and 4,457 issued and outstanding in 2001 and 2000, respectively)	**447**	446
Capital in excess of par value	**1,411**	714
Retained earnings	**30,169**	25,129
Other accumulated comprehensive income	**(684)**	(455)
Total Shareholders' Equity	**31,343**	25,834
Total Liabilities and Shareholders' Equity	**$ 78,130**	$ 70,349

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	Other accumulated comprehensive income	Total
Balance – January 31, 1998	2,241	$ 224	$ 585	$ 18,167	($473)	$ 18,503
Comprehensive Income						
Net income				4,430		4,430
Other accumulated comprehensive income						
Foreign currency translation adjustment					(36)	(36)
Total Comprehensive Income						**$ 4,394**
Cash dividends ($.16 per share)				(693)		(693)
Purchase of Company stock	(21)	(2)	(37)	(1,163)		(1,202)
Two-for-one stock split	2,224	223	(223)			–
Stock options exercised and other	4		110			110
Balance – January 31, 1999	4,448	445	435	20,741	(509)	21,112
Comprehensive Income						
Net income				5,377		5,377
Other accumulated comprehensive income						
Foreign currency translation adjustment					54	54
Total Comprehensive Income						**$ 5,431**
Cash dividends ($.20 per share)				(890)		(890)

Purchase of Company stock	(2)		(2)	(99)		(101)
Stock options exercised and other	11	1	281			282
Balance – January 31, 2000	4,457	446	714	25,129	(455)	25,834
Comprehensive Income						
Net income				6,295		6,295
Other accumulated comprehensive income						
Foreign currency translation adjustment					(229)	(229)
Total Comprehensive Income						**$ 6,066**
Cash dividends ($.24 per share)				(1,070)		(1,070)
Purchase of Company stock	(4)		(8)	(185)		(193)
Issuance of Company stock	11	1	580			581
Stock options exercised and other	6		125			125
Balance – January 31, 2001	4,470	$ 447	$ 1,411	$ 30,169	($ 684)	$ 31,343

See accompanying notes.

Consolidated Statements of Cash Flows

(Amounts in millions)

Fiscal years ended January 31,	**2001**	2000	1999
Cash flows from operating activities			
Net Income	**$ 6,295**	$ 5,377	$ 4,430
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**2,868**	2,375	1,872
Cumulative effect of accounting change, net of tax	**–**	198	–
Increase in accounts receivable	**(422)**	(255)	(148)
Increase in inventories	**(1,795)**	(2,088)	(379)
Increase in accounts payable	**2,061**	1,849	1,108
Increase in accrued liabilities	**11**	1,015	1,259
Deferred income taxes	**342**	(138)	(640)
Other	**244**	(139)	78
Net cash provided by operating activities	**9,604**	8,194	7,580
Cash flows from investing activities			
Payments for property, plant and equipment	**(8,042)**	(6,183)	(3,734)
Investment in international operations (net of cash acquired, $195 million in Fiscal 2000)	**(627)**	(10,419)	(855)
Other investing activities	**(45)**	(244)	171
Net cash used in investing activities	**(8,714)**	(16,846)	(4,418)
Cash flows from financing activities			
Increase/(decrease) in commercial paper	**(2,022)**	4,316	–
Proceeds from issuance of long-term debt	**3,778**	6,000	536
Purchase of Company stock	**(193)**	(101)	(1,202)
Dividends paid	**(1,070)**	(890)	(693)
Payment of long-term debt	**(1,519)**	(863)	(1,075)
Payment of capital lease obligations	**(173)**	(133)	(101)
Proceeds from issuance of common stock	**581**	–	–

Other financing activities	**176**	224	(221)
Net cash provided by (used in) financing activities	**(442)**	8,553	(2,756)
Effect of exchange rate changes on cash	**(250)**	76	26
Net increase/(decrease) in cash and cash equivalents	**198**	(23)	432
Cash and cash equivalents at beginning of year	**1,856**	1,879	1,447
Cash and cash equivalents at end of year	**$ 2,054**	$ 1,856	$ 1,879
Supplemental disclosure of cash flow information			
Income tax paid	**$ 3,509**	$ 2,780	$ 3,458
Interest paid	**1,319**	849	805
Capital lease obligations incurred	**576**	378	347
Property, plant and equipment acquired with debt	**–**	65	–
ASDA acquisition cost satisfied with debt	**–**	264	–
ASDA acquisition cost satisfied with Company stock	**–**	175	–

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.

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

Inventories
The Company uses the retail last-in, first-out (LIFO) method for the Wal-Mart Stores segment, cost LIFO for the SAM'S CLUB segment, and other cost methods, including the retail first-in, first-out (FIFO) and average cost methods, for the International segment. Inventories are not recorded in excess of market value.

Pre-opening costs
The costs of start-up activities, including organization costs, are expensed as incurred.

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 $93 million, $57 million, and $41 million in 2001, 2000 and 1999, respectively.

Financial Instruments
The Company uses derivative financial instruments for purposes other than trading to reduce its exposure to fluctuations in foreign currencies and to minimize the risk and cost associated with financial and global operating activities. Contracts that effectively meet risk reduction and correlation criteria are recorded using hedge accounting. Unrealized gains and losses resulting from market movements are not recognized. Hedges of firm commitments are deferred and recognized when the hedged transaction occurs.

Advertising costs
Advertising costs are expensed as incurred and were $574 million, $523 million and $405 million in 2001, 2000 and 1999, respectively.

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

Depreciation and amortization
Depreciation and amortization for financial statement purposes are provided on the straight-line method over the estimated useful lives of the various assets. Depreciation expense, including amortization of property under capital lease, for the years 2001, 2000 and 1999 was $2,387 million, $1,998 million and $1,648 million, respectively. For income tax purposes, accelerated methods are used with recognition of deferred income taxes for the resulting temporary differences. Estimated useful lives for financial statements purposes are as follows:

Building and improvements	5 – 50 years
Fixtures and equipment	5 – 12 years
Transportation equipment	2 – 5 years
Internally developed software	3 years

Costs of computer software
During fiscal 2000, the Company adopted the Accounting Standards Executive Committee Statement of Position (SOP) 98- 1, *"Accounting For the Costs of Computer Software Developed For or Obtained For Internal Use."* This SOP requires the capitalization of certain costs incurred in connection with developing or obtaining software for internal use. Previously, costs related to developing internal-use software were expensed as incurred. Under the new method these costs are capitalized and amortized over a three year life. The impact of the adoption of SOP 98-1 was to capitalize $27 million and $32 million of costs in fiscal 2001 and 2000, respectively, which would have previously been expensed. The impact of the change would not have a material effect on fiscal 1999.

Accounting for derivative instruments and hedging activities
On February 1, 2001, the Company adopted Financial Accounting Standards Board (FASB) Statements No. 133, 137 and 138 (collectively "SFAS 133") pertaining to the accounting for derivatives and hedging activities. SFAS 133 requires all derivatives to be recorded on the balance sheet at fair value and establishes accounting treatment for three types of hedges: hedges of changes in the fair value of assets, liabilities, or firm commitments; hedges of the variable cash flows of forecasted transactions; and hedges of foreign currency exposures of net investments in foreign operations. As of January 31, 2001, the majority of the Company's derivatives are hedges of net investments in foreign operations, and as such, the fair value of these derivatives has been recorded on the balance sheet as either assets or liabilities and in other comprehensive income under the current accounting guidance. As the majority of the Company's derivative portfolio is already recorded on the balance sheet, the adoption of SFAS 133 will not have a material impact on the Company's Consolidated Financial Statements taken as a whole.

Goodwill and other acquired intangible assets
Goodwill and other acquired intangible assets are amortized on a straight-line basis over the periods that expected economic benefits will be provided. This amortization period ranges from 20 to 40 years. Management estimates such periods of economic benefits using factors such as entry barriers in certain countries, operating rights and estimated lives of other operating assets acquired. The realizability of goodwill and other intangibles is evaluated periodically when events or circumstances indicate a possible inability to recover the carrying amount. Such evaluation is based on cash flow and profitability projections that incorporate the impact of existing Company businesses. The analyses necessarily involve significant management judgment to evaluate the capacity of an acquired business to perform within projections. Historically, the Company has generated sufficient returns from acquired businesses to recover the cost of the goodwill and other intangible assets.

Long-lived assets
The Company periodically reviews long-lived assets, if indicators of impairments exist and if the value of the assets is impaired, an impairment loss would be recognized.

Stock split
On March 4, 1999, the Company announced a two-for-one stock split in the form of a 100% stock dividend. The date of record was March 19, 1999, and it was distributed April 19, 1999. Consequently, the stock option data and per share data for fiscal 1999 and prior has been restated to reflect the stock split.

Net income per share
Basic net income per share is based on the weighted average outstanding common shares. Diluted net income per share is based on the weighted average outstanding shares adjusted for the dilutive effect of stock options (19 million, 23 million and 21 million shares in 2001, 2000 and 1999, respectively) (see note 7). The Company had approximately 2 million, .5 million and 6 million option shares outstanding at January 31, 2001, 2000 and 1999, respectively, that were not included in the dilutive earnings per share calculation because they would have been antidilutive.

Foreign currency translation
The assets and liabilities of all foreign subsidiaries are translated at current exchange rates and any related translation adjustments are recorded as a component of other accumulated comprehensive income.

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.

New accounting pronouncement
In March 2000, the FASB issued Interpretation No. 44 ("FIN 44"), *"Accounting for Certain Transactions involving Stock Compensation - An Interpretation of APB Opinion No. 25."* FIN 44 clarifies the application of Opinion 25 for: (a) the definition of employee for purposes of applying Opinion 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of various modifications to the terms of a previously fixed stock option or award, and (d) the accounting for an exchange of stock compensation awards in a business combination. FIN 44 became effective July 1, 2000, but certain conclusions cover specific events that occur after either December 15, 1998, or January 12, 2000. FIN 44 did not have a material effect on the financial position or results of operations of the Company.

Accounting principle change
In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, *"Revenue Recognition in Financial Statements"* (SAB 101). This SAB deals with various revenue recognition issues, several of which are common within the retail industry. As a result of the issuance of SAB 101, the Company changed its method of accounting for SAM'S CLUB membership fee revenue both domestically and internationally in fiscal 2000. Previously the Company had recognized membership fee revenues when received. Under the new accounting method the Company recognizes membership fee revenues over the term of the membership, which is 12 months. The Company recorded a non-cash charge of $198 million (after reduction for income taxes of $119 million), or $.04 per share, to reflect the cumulative effect of the accounting change as of the beginning of the fiscal year. The effect of this change on the year ended January 31, 2000, before the cumulative effect of the accounting change was to decrease net income $12 million, or almost $.01 per share. If the new accounting method had been in effect in fiscal 1999, net income would have been $4,393 million, or $.98 per basic or dilutive share.

The following table provides unearned revenues, membership fees received from members and the amount of revenues recognized in earnings for each of the fiscal years ended 1999, 2000 and 2001 as if the accounting change had been in effect for each of those years (in millions):

Deferred revenue January 31, 1998	$	258
Membership fees received		600
Membership revenue recognized		(541)
Deferred revenue January 31, 1999		317
Membership fees received		646
Membership revenue recognized		(626)
Deferred revenue January 31, 2000		337
Membership fees received		706
Membership revenue recognized		(674)
Deferred revenue January 31, 2001	$	369

The Company's deferred revenue is included in accrued liabilities in the January 31, 2001 consolidated balance sheet. The Company's analysis of historical membership fee refunds indicates that such refunds have been de minimis. Accordingly, no reserve has been established for membership fee refunds at January 31, 2001.

An additional requirement of SAB 101 is that layaway transactions be recognized upon delivery of the merchandise to the Customer rather than at the time that the merchandise is placed on layaway. The Company offers a layaway program that allows Customers to purchase certain items and make payments on these purchases over a specific period. Until the first quarter of fiscal 2001, the Company recognized revenues from these layaway transactions at the time that the merchandise was placed on layaway. During the first quarter of fiscal 2001, the Company changed its accounting method for layaway transactions so that the revenue from these transactions is not recognized until the Customer satisfies all payment obligations and takes possession of the merchandise. Layaway transactions are a small portion of the Company's revenue, therefore, due to the de minimis impact of this accounting change, prior fiscal year results have not been restated.

Revenue recognition
The Company recognizes sales revenue at the time the sale is made to the Customer, except for layaway transactions, which are recognized when the Customer satisfies all payment obligations and takes possession of the merchandise. Effective as of the first quarter of fiscal 2000, the Company began recognizing SAM'S CLUB membership fee revenue over the term of the membership, which is 12 months.

Reclassifications
Certain reclassifications have been made to prior periods to conform to current presentations.

2 Defined Contribution Plans

The Company maintains profit sharing plans under which most full-time and many part-time associates become participants following one year of employment and 401(k) plans to which associates may elect to contribute a percentage of their earnings. During fiscal 2001 participants could contribute up to 15% of their pretax earnings, but not more than statutory limits.

The Company made annual contributions to these plans on behalf of all eligible associates, including those who have not elected to contribute to the 401(k) plan.

Annual Company contributions are made at the sole discretion of the Company, and were $486 million, $429 million and $388 million in 2001, 2000 and 1999, respectively.

3 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,	**2001**	2000	1999
Maximum amount outstanding at month-end	**$ 6,732**	$ 6,588	$ 1,976
Average daily short-term borrowings	**4,528**	2,233	256
Weighted average interest rate	**6.4%**	5.4%	5.1%

At January 31, 2001, short-term borrowings consisting of $2,286 million of commercial paper were outstanding. At January 31, 2000, short-term borrowings consisting of $3,323 million of commercial paper were outstanding. At January 31, 2001, the Company had committed lines of $5,032 million with 78 firms and banks, which were used to support commercial paper.

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

		2001	2000
6.875%	Notes due August 2009	**$ 3,500**	$ 3,500
6.550%	Notes due August 2004	**1,250**	1,250
6.150%	Notes due August 2001	**–**	1,250
8.625%	Notes due April 2001	**–**	750
5.750%	Notes due December 2030	**714**	–
5.875%	Notes due October 2005	**597**	597
7.500%	Notes due May 2004	**500**	500
7.550%	Notes due February 2030	**500**	498
7.550%	Notes due February 2030	**500**	495
6.875%	Notes due August 2002	**500**	–
6.500%	Notes due June 2003	**454**	454
7.250%	Notes due June 2013	**445**	445
7.800% – 8.250%	Obligations from sale/leaseback transactions due 2014	**373**	398
6.750%	Notes due May 2002	**300**	300
7.000% – 8.000%	Obligations from sale/leaseback transactions due 2013	**257**	275
8.500%	Notes due September 2024	**250**	250
6.750%	Notes due October 2023	**250**	250
8.000%	Notes due September 2006	**250**	250
6.375%	Notes due March 2003	**228**	228
6.750%	Eurobond due May 2002	**200**	200
7.290%	Notes due July 2006	**324**	435
4.410% – 10.880%	Notes acquired in ASDA acquisition due 2002-2015	**948**	1,026
	Other	**161**	321
		$ 12,501	$13,672

The Company has two separate issuances of $500 million debt with imbedded put options. For the first issuance, beginning June 2001, and each year thereafter, the holders of $500 million of the debt may require the Company to repurchase the debt at face value, in addition to accrued and unpaid interest. The holders of the other $500 million issuance may put the debt back to the Company at any time. Both of these issuances have been classified as a current liability in the January 31, 2001 consolidated balance sheet.

Long-term debt is unsecured except for $155 million, which is collateralized by property with an aggregate carrying value of approximately $327 million. Annual maturities of long-term debt during the next five years are (in millions):

Fiscal year ended January 31,	Annual maturity
2002	$ 4,234
2003	1,362
2004	809
2005	1,926
2006	750
Thereafter	7,654

The Company has agreed to observe certain covenants under the terms of its note 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 on the previous page. The resulting obligations are amortized over the lease terms.

Future minimum lease payments for each of the five succeeding years as of January 31, 2001, are (in millions):

Fiscal year ended January 31,	Minimum payments
2002	$ 94
2003	98
2004	93
2005	130
2006	94
Thereafter	499

At January 31, 2001 and 2000, the Company had letters of credit outstanding totaling $1,129 million and $902 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 is permitted to issue debt securities aggregating $1.4 billion.

4 Financial Instruments

Interest rate instruments

The Company enters into interest rate swaps to minimize the risks and costs associated with its financial activities. The swap agreements are contracts to exchange fixed or variable rate interest for variable or fixed interest rate payments periodically over the life of the instruments. The notional amounts are used to measure interest to be paid or received and do not represent the exposure due to credit loss. Settlements of interest rate swaps are accounted for by recording the net interest received or paid as an adjustment to interest expense on a current basis.

USD notional (amounts in millions)	Fiscal maturity date	Rate received	Rate paid	Fair value 1/31/2001 (amounts in millions)	Fair value 1/31/2000 (amounts in millions)

Interest Rate Instruments					
$ 500	2001	5.9% (USD rate)	Rate A plus .245%	N/A	($1)
500	2001	5.7% (USD rate)	Rate A plus .134%	N/A	–
381 ($513 in FYE 2000)	2007	7.0% (USD rate)	Rate A	$ 17	(7)
250	2003	6.9% (USD rate)	Rate D minus .15%	14	N/A
250	2003	6.9% (USD rate)	Rate D minus .15%	14	N/A
230	2027	7.0% (USD rate)	Rate B	N/A	(14)
151	2027	Rate C	8.1% (USD rate)	N/A	(11)

Rate A – 30-day U.S. dollar commercial paper non-financial
Rate B – 6-month U.S. dollar LIBOR
Rate C – 3-month U.S. dollar LIBOR
Rate D – 1-month U.S. dollar LIBOR

Net Investment instruments

The Company has entered into cross currency interest rate swap agreements to hedge its net investments in Canada, Germany and the United Kingdom. The swap agreements are contracts to exchange fixed rate payments in United States dollars for fixed rate payments in foreign currencies. Settlements of currency swaps are accounted for by recording the net payments as an adjustment to currency translation adjustment. The fair value of these instruments are reflected on the balance sheet in other long-term assets, and as of January 31, 2001 and 2000, are as follows:

USD notional (amounts in millions)	FX notional (amounts in millions)	Fiscal maturity date	Rate received	Rate paid	Fair value 1/31/2001 (amounts in millions)	Fair value 1/31/2000 (amounts in millions)
Cross Currency Instruments						
$ 3,500	2,010GBP	2010	6.9%	6.2%	$ 465	($17)
1,101	1,960DEM	2003	5.8% (USD rate)	4.5% (DEM rate)	186	90
1,250	1,841CAD	2005	6.6 %	5.7 %	57	N/A
1,000	630GBP	2031	7.6 %	5.9 %	165	N/A
809	1,360DEM	2004	5.2% (USD rate)	3.4% (DEM rate)	180	112
250	164GBP	2024	6.8 %	5.2 %	29	N/A

The Company enters into forward currency exchange contracts in the regular course of business to manage its exposure against foreign currency fluctuations on cross-border purchases of inventory. These contracts are generally for short durations of six months or less and are insignificant to the Company’s operations or financial position. There were contracts with notional amounts of approximately $292 million and $246 million outstanding at January 31, 2001 and 2000, respectively. These contracts had a fair value of approximately $6 million and ($1) million at January 31, 2001 and 2000, respectively.

The Company’s risk management policy requires the Company to obtain collateral, generally cash deposits, from the counterparty when the fair value of the underlying swaps exceed certain limits.

In addition to the interest rate derivative financial instruments listed in the table on the previous page, the Company holds an interest rate swap with a notional amount of $500 million that is being marked to market through earnings. The fair value of this instrument was not significant at January 31, 2001.

Fair value of financial instruments

Cash and cash equivalents: The carrying amount approximates fair value due to the short maturity of these instruments.

Long-term debt: Fair value approximates $17.3 billion at January 31, 2001 and is based on the Company’s current incremental borrowing rate for similar types of borrowing arrangements.

Interest rate instruments and net investment instruments: The fair values are estimated amounts the Company would receive or pay to terminate the agreements as of the reporting dates.

Foreign currency contracts: The fair value of foreign currency contracts are estimated by obtaining quotes from external sources.

5 Income Taxes

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

Fiscal years ended January 31,	**2001**	2000	1999
Current			
Federal	**$ 2,641**	$ 2,920	$ 3,043
State and local	**297**	299	254
International	**412**	257	83
Total current tax provision	**3,350**	3,476	3,380
Deferred			
Federal	**457**	(71)	(655)
State and local	**34**	(3)	(28)
International	**(149)**	(183)	43
Total deferred tax provision (benefit)	**342**	(257)	(640)
Total provision for income taxes	**$ 3,692**	$ 3,219(a)	$ 2,740

(a) Total provision for income tax includes a provision on income before the cumulative effect of accounting change of $3,338 and a tax benefit of $119 resulting from the cumulative effect of the accounting change.

Earnings before income taxes are as follows (in millions):

Fiscal years ended January 31,	**2001**	2000	1999
Domestic	**$ 9,203**	$ 8,414	$ 6,866
International	**913**	669	457
Total earnings before income taxes	**$ 10,116**	$ 9,083	$ 7,323

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

	2001	2000	1999
Deferred tax liabilities			
Property, plant, and equipment	**$ 751**	$ 748	$ 695
Inventory	**407**	393	286
International, principally asset basis difference	**398**	348	272
Acquired asset basis difference	**65**	314	–
Other	**87**	66	36
Total deferred tax liabilities	**1,708**	1,869	1,289
Deferred tax assets			
Amounts accrued for financial reporting purposes			

not yet deductible for tax purposes	**865**	1,098	985
Capital leases	**74**	193	188
International, asset basis and loss carryforwards	**352**	402	143
Deferred revenue	**142**	181	66
Other	**153**	215	184
Total deferred tax assets	**1,586**	2,089	1,566
Net deferred tax liabilities (assets)	**$ 122**	$ (220)	$ (277)

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

Fiscal years ended January 31,	**2001**	2000	1999
Statutory tax rate	**35.00%**	35.00%	35.00%
State income taxes, net of federal income tax benefit	**2.13%**	2.18%	2.01%
International	**-0.84%**	-0.74%	-0.50%
Other	**0.21%**	0.31%	0.90%
	36.50%	36.75%	37.41%

Federal and State income taxes are not accrued on the cumulative undistributed earning of foreign subsidiaries because the earnings have been reinvested in the businesses of those companies. At January 31, 2001, undistributed earnings of the foreign subsidiaries totaled approximately $722 million. The determination of the amount of the unrecognized deferred tax liability related to the undistributed earnings is not practicable.

6 Acquisitions

On April 19, 2000, the Company purchased 271.3 million shares of stock in Wal-Mart de Mexico S.A. de C.V. (formerly Cifra S.A. de C.V.) at a total cash cost of $587 million. This transaction increased the Company's ownership percentage by approximately 6% and resulted in goodwill of $422 million, which is being amortized over a 40-year life.

During the third quarter of fiscal 2000, the Company completed it acquisition of the ASDA Group PLC (ASDA), the third largest retailer in the United Kingdom with 229 stores. The transaction has been accounted for as a purchase. The purchase price of approximately $11 billion has been allocated to the net assets acquired and liabilities assumed based on their estimated fair value. The resulting goodwill and other acquired intangible assets of approximately $7 billion are being amortized over 40 years. The results of operations are included in the consolidated Company results since the date of acquisition.

On January 1, 1999, the Company took possession of 74 units from the Interspar hypermarket chain in Germany. The units were acquired from Spar Handels AG, a German company that owns multiple retail formats and wholesale operations throughout Germany. The transaction has been recorded as a purchase and the results of operations are included beginning in fiscal 2000. The net assets and liabilities acquired are recorded at fair value. Resulting goodwill is being amortized over 40 years.

In July 1998, the Company extended its presence in Asia with an investment in Korea. The Company acquired a majority interest in four units previously operated by Korea Makro as well as six undeveloped sites. The transaction has been accounted for as a purchase. The net assets and liabilities acquired are recorded at fair value. The goodwill is being amortized over 40 years. The results of operations since the effective date of the acquisition have been included in the Company's results. In December 1999, the Company acquired most of the minority interest of its operation in Korea from its joint venture partner with the remaining minority interest being acquired during the first quarter of fiscal 2001.

The fair value of the assets and liabilities recorded as a result of these transactions is as follows (in millions):

	2001	2000	1999
Cash and cash equivalents	**$ –**	$ 195	$ 137
Receivables	**–**	16	–
Inventories	**–**	655	200
Prepaid expenses and other	**–**	403	–

Net property, plant and equipment	**–**	5,290	219
Net property under capital leases	**–**	612	–
Goodwill	**452**	7,020	576
Accounts payable	**–**	(1,159)	(112)
Accrued liabilities	**–**	(564)	(60)
Accrued income taxes	**–**	(283)	–
Long-term debt and obligations under capital leases	**–**	(1,272)	–
Deferred income taxes	**–**	(58)	32
Minority interest	**165**	–	(22)
Other	**–**	(7)	22
	$ 617	$ 10,848	$ 992

The following presents the unaudited pro forma results as if the ASDA acquisition had occurred at the beginning of the fiscal years ended January 31, 1999 and 2000. Adjustments to net income are primarily related to the amortization of goodwill and other acquired intangible assets and additional interest expense on the debt incurred to finance the acquisition. The ASDA results were converted from Great Britain pounds to United States dollars at the average exchange rate for the periods presented and range from 1.60 to 1.66.

The aggregate impact of other acquisitions in these periods are not presented due to the insignificant differences from historical results (amounts in millions except per share data):

Fiscal years ended January 31,	2000	1999
Sales	$ 172,295	$ 149,844
Net income	$ 5,551	$ 4,435
Net income per share – basic	$ 1.25	$ 0.99
Net income per share – diluted	$ 1.24	$ 0.99

7 Stock Option Plans

At January 31, 2001, 124 million shares of common stock were reserved for issuance under stock option plans. The options granted under the stock option plans generally expire ten years from the date of grant. Options granted prior to November 17, 1995, may be exercised in nine annual installments. Generally, options granted on or after November 17, 1995, may be exercised in seven annual installments. Options granted during fiscal 2001 may be exercised in five 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,"* (FAS No. 123) 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.

Pro forma information, regarding net income and income per share, is required by FAS No. 123 and has been determined as if the Company had accounted for its associate stock option plans under the fair value method of that statement. The fair value of these options was estimated at the date of the grant using the Black-Scholes option pricing model with the following assumption ranges: risk-free interest rates between 4.4% and 7.2%, dividend yields between 0.4% and 1.3%, volatility factors between .23 and .41, and an expected life of the option of 7.4 years for the options issued prior to November 17, 1995, 5.8 years for options issued thereafter and 2.0 to 4.0 years for options converted from ASDA stock options.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation methods require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's associate stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimates, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its associate stock options. Using the Black-Scholes option evaluation model, the weighted average value of options granted during the years ending January 31, 2001, 2000, and 1999, were $22, $13, and $14, per option, respectively.

The effect of applying the fair value method of FAS No. 123 to the stock option grants subsequent to February 1, 1995, results in the following net income and net income per share (amounts in millions except per share data):

Fiscal years ended January 31,	**2001**	2000	1999

Pro forma net income	**$**	**6,235**	$	5,324	$	4,397
Pro forma earnings per share – basic	**$**	**1.40**	$	1.20	$	0.98
Pro forma earnings per share – dilutive	**$**	**1.39**	$	1.19	$	0.98

Pro forma disclosures are not likely to be representative of the effects on reported net income for future years.

The following table summarizes information about stock options outstanding as of January 31, 2001:

Range of exercise prices	Number of outstanding options	Weighted averaged remaining life in years	Weighted average exercise price of outstanding options	Number of options exerciseable	Weighted average exercise price of exerciseable options
$ 5.33 to 8.84	50,000	<1.0	$ 6.45	50,000	6.45
10.00 to 15.41	22,103,000	4.7	11.98	9,385,000	12.18
17.53 to 19.97	8,251,000	7.0	19.28	3,532,000	19.46
24.72 to 34.53	501,000	7.6	29.65	266,000	30.57
39.88 to 43.00	5,575,000	8.0	40.11	1,339,000	40.07
45.38 to 54.56	12,700,000	8.9	47.22	1,371,000	46.91
55.25 to 63.44	666,000	9.5	55.59	1,000	59.76
$ 5.33 to 63.44	49,846,000	6.6	$ 26.56	15,944,000	19.42

Further information concerning the options is as follows:

	Shares	Option price per share	Weighted Average per share	Total
January 31, 1998	60,656,000	$ 3.59 – 19.97	$ 12.75	$ 773,213,000
(13,462,000 shares exerciseable)				
Options granted	9,256,000	12.63 – 43.00	33.02	305,646,000
Options canceled	(4,254,000	4.39 – 39.88	13.74	(58,436,000)
Options exercised	(9,500,000	3.59 – 19.09	10.92	(103,748,000)
January 31, 1999	56,158,000	$ 4.39 – 43.00	$ 16.32	$ 916,675,000
(12,357,000 shares exerciseable)				
Options granted	1,540,000	41.25 – 63.44	44.62	68,703,000
ASDA options converted to Wal-Mart options	4,250,000	46.17	46.17	196,244,000
Options canceled	(2,452,000	5.33 – 43.00	17.27	(42,337,000)
Options exercised	(8,182,000	4.39 – 39.88	11.44	(93,583,000)
January 31, 2000	51,314,000	$ 5.33 – 63.44	$ 20.39	$ 1,045,702,000
(12,967,000 shares exerciseable)				
Options granted	9,841,000	45.38 – 58.94	48.30	475,332,000
Options canceled	(3,444,000	6.75 – 54.56	26.47	(92,274,000)
Options exercised	(7,865,000	6.75 – 46.00	13.50	(106,145,000)

January 31, 2001	49,846,000	$ 5.33 – 63.44	$ 26.56	$ 1,322,615,000
(15,944,000 shares exerciseable)				
Shares available for option:				
January 31, 2000	71,918,000			
January 31, 2001	65,521,000			

Income tax benefit recorded as a result of the tax deductions triggered by employee exercise of stock options amounted to $118 million, $125 million and $49 million in fiscal 2001, 2000 and 1999, respectively.

8 Commitments and Contingencies

The Company and its subsidiaries are involved from time to time in claims, proceedings and litigation arising from the operation of its business. The Company does not believe that any such claim, proceeding or litigation, either alone or in the aggregate, will have a material adverse effect on the Company's financial position or results of its operations.

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 $893 million, $762 million, and $707 million in 2001, 2000, and 1999, respectively. Aggregate minimum annual rentals at January 31, 2001, under non-cancelable leases are as follows (in millions):

Fiscal year	Operating leases	Capital leases
2002	$ 564	$ 425
2003	540	421
2004	522	421
2005	514	419
2006	498	414
Thereafter	5,193	3,619
Total minimum rentals	$ 7,831	5,719
Less estimated executory costs		70
Net minimum lease payments		5,649
Less imputed interest at rates ranging from 6.1% to 14.0%		2,354
Present value of minimum lease payments		$3,295

Certain of the leases provide for contingent additional rentals based on percentage of sales. Such additional rentals amounted to $56 million, $51 million and $49 million in 2001, 2000 and 1999, respectively. Substantially all of the store leases have renewal options for additional terms from 5 to 30 years at comparable rentals.

The Company has entered into lease commitments for land and buildings for 17 future locations. These lease commitments with real estate developers provide for minimum rentals for 20 to 25 years, excluding renewal options, which if consummated based on current cost estimates, will approximate $22.3 million annually over the lease terms.

9 Segments

The Company and its subsidiaries are principally engaged in the operation of mass merchandising stores located in all 50 states, Argentina, Canada, Germany, Korea, Puerto Rico, and the United Kingdom, through joint ventures in China, and through majority-owned subsidiaries in Brazil and Mexico. The Company identifies segments based on management responsibility within the United States and geographically for all international units. The Wal-Mart Stores segment includes the Company's discount stores, Supercenters and Neighborhood Markets in the United States. The SAM'S CLUB segment includes the warehouse membership clubs in the United States. The Company's operations in Argentina, Brazil, China, Germany, Korea, Mexico and the United Kingdom are consolidated using a December 31 fiscal year end, generally due to statutory reporting requirements. There were no significant intervening events which materially affected the financial statements. The

Company's operations in Canada and Puerto Rico are consolidated using a January 31 fiscal year end. The Company measures segment profit as operating profit, which is defined as income before interest expense, income taxes, minority interest and cumulative effect of accounting change. Information on segments and a reconciliation to income, before income taxes, minority interest and cumulative effect of accounting change, are as follows (in millions):

Fiscal year ended January 31, 2001	Wal-Mart Stores	SAM'S CLUB	International	Other	Consolidated
Revenues from external customers	$ 121,889	$ 26,798	$ 32,100	$ 10,542	$ 191,329
Intercompany real estate charge (income)	1,766	383	–	(2,149)	–
Depreciation and amortization	927	147	562	1,232	2,868
Operating income (loss)	9,734	942	1,112	(298)	11,490
Interest expense					(1,374)
Income before income taxes and minority interest					10,116
Total assets	$ 20,286	$ 3,843	$ 25,742	$ 28,259	$ 78,130

Fiscal year ended January 31, 2000	Wal-Mart Stores	SAM'S CLUB	International	Other	Consolidated
Revenues from external customers	$ 108,721	$ 24,801	$ 22,728	$ 8,763	$ 165,013
Intercompany real estate charge (income)	1,542	366	–	(1,908)	–
Depreciation and amortization	812	124	402	1,037	2,375
Operating income (loss)	8,701	850	817	(263)	10,105
Interest expense					(1,022)
Income before income taxes, minority interest and cumulative effect of accounting change					9,083
Total assets	$ 18,213	$ 3,586	$ 25,330	$ 23,220	$ 70,349

Fiscal year ended January 31, 1999	Wal-Mart Stores	SAM'S CLUB	International	Other	Consolidated
Revenues from external customers	$ 95,395	$ 22,881	$ 12,247	$ 7,111	$ 137,634
Intercompany real estate charge (income)	1,502	355	–	(1,857)	–
Depreciation and amortization	716	111	252	793	1,872
Operating income (loss)	7,238	693	549	(419)	8,061
Interest expense					(797)
Reverse adjustment for accounting change*	–	57	2	–	59
Income before income taxes and minority					7,323
Total assets	$ 16,950	$ 2,834	$ 9,537	$ 20,675	$ 49,996

**For comparative purposes fiscal 1999 operating income has been adjusted to reflect the impact of the membership fee revenue accounting change described in Note 1. This is reversed for purposes of reconciling operating profit to income before taxes and minority interest.*

Operating income information for fiscal years 1999 and 2000 has been reclassified to conform to current year presentation. For this reclassification, certain corporate expenses have been moved from the other category to the operating segments.

Domestic long-lived assets excluding goodwill were $29,741 million, $25,227 million and $21,929 million in 2001, 2000 and 1999, respectively. Additions to domestic long-lived assets were $6,374 million, $3,814 million and $3,317 million in 2001, 2000 and 1999, respectively. International long-lived assets excluding goodwill were $11,193 million, $10,742 million and $4,044 million in 2001, 2000 and 1999, respectively. Additions to international long-lived assets were $711 million, $7,070 million and $732 million in 2001, 2000 and 1999, respectively. The International segment includes all international real estate. All of the real estate in the United States is included in the "Other" category and is leased to Wal-Mart Stores and SAM'S CLUB. The revenues in the "Other" category result from sales to third parties by McLane Company, Inc., a wholesale distributor.

McLane offers a wide variety of grocery and non-grocery products, which it sells to a variety of retailers including the Company's Wal-Mart Stores and SAM'S CLUB segments. McLane is not a significant segment and therefore, results are not presented separately.

10 Quarterly Financial Data (Unaudited)

Amounts in millions (except per share information)	Quarters ended April 30,	July 31,	October 31,	January 31,
2001				
Net sales	$ 42,985	$ 46,112	$ 45,676	$ 56,556
Cost of sales	33,665	36,044	35,694	44,852
Net income	1,326	1,596	1,369	2,004
Net income per common share, basic and diluted	$ 0.30	$ 0.36	$ 0.31	$ 0.45
2000				
Net sales	$ 34,717	$ 38,470	$ 40,432	$ 51,394
Cost of sales	27,241	30,123	31,606	40,694
Income before cumulative effect of accounting change	1,110	1,249	1,299	1,917
Cumulative effect of accounting change, net of tax	(198)	–	–	–
Net income	912	1,249	1,299	1,917
Net income per common share:				
Income before cumulative effect of accounting change	$ 0.25	$ 0.28	$ 0.29	$ 0.43
Cumulative effect of accounting change	(0.04)	–	–	–
Net income per common share, basic and diluted	$ 0.20	$ 0.28	$ 0.29	$ 0.43
Pro forma amounts assuming accounting change had been in effect for all of fiscal 2000:				
Net Income	$ 1,114	$ 1,251	$ 1,294	$ 1,916
Net income per common share, basic and diluted	$ 0.25	$ 0.28	$ 0.29	$ 0.43

Report of Independent Auditors

The Board of Directors and Shareholders,
Wal-Mart Stores, Inc.

We have audited the accompanying consolidated balance sheets of Wal-Mart Stores, Inc. as of January 31, 2001 and 2000, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wal-Mart Stores, Inc. at January 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 31, 2001, in conformity with accounting principles generally accepted in the United States.

<Signature>

Tulsa, Oklahoma
March 26, 2001

Responsibility for Financial Statements

The financial statements and information of Wal-Mart Stores, Inc. presented in this Report have been prepared by management, which has responsibility for their integrity and objectivity. These financial statements have been prepared in conformity with accounting principles generally accepted in the United States, applying certain estimates and judgments based upon currently available information and management's view of current conditions and circumstances.

Management has developed and maintains a system of accounting and controls, including an extensive internal audit program, designed to provide reasonable assurance that the Company's assets are protected from improper use and that accounting records provide a reliable basis for the preparation of financial statements. This system is continually reviewed, improved and modified in response to changing business conditions and operations, and to recommendations made by the i ndependent auditors and the internal auditors. Management believes that the accounting and control systems provide reasonable assurance that assets are safeguarded and financial information is reliable.

The Company has adopted a Statement of Ethics to guide our management in the continued observance of high ethical standards of honesty, integrity and fairness in the conduct of the business and in accordance with the law. Compliance with the guidelines and standards is periodically reviewed and is acknowledged, in writing, by all management associates.

The Board of Directors, through the activities of its Audit Committee consisting solely of outside Directors, participates in the process of reporting financial information. The duties of the Committee include keeping informed of the financial condition of the Company and reviewing its financial policies and procedures, the independence of the Company's independent auditors, its internal accounting controls and the objectivity of its financial reporting. Both the Company's independent auditors and the internal auditors have free access to the Audit Committee and meet with the Committee periodically, with and without management present.

<Signature>

Thomas M. Schoewe
Executive Vice President and Chief Financial Officer

EXHIBIT 21

SUBSIDIARIES OF WAL-MART STORES, INC.

SUBSIDIARY	**ORGANIZED OR INCORPORATED**	**PERCENT OF EQUITY SECURITIES OWNED**	**NAME UNDER WHICH DOING BUSINESS OTHER THAN SUBSIDIARY'S**
Wal-Mart Stores East, Inc.	Delaware, U. S.	100%	Wal-Mart
Sam's West, Inc.	Delaware, U. S.	100%	Sam's Club
Sam's East, Inc.	Delaware, U. S.	100%	Sam's Club
Wal-Mart Property Company	Delaware, U. S.	100%	NA
Sam's Property Company	Delaware, U. S.	100%	NA
Wal-Mart Real Estate Business Trust	Delaware, U. S.	100%	NA
Sam's Real Estate Business Trust	Delaware, U. S.	100%	NA
Wares Delaware Corporation	Delaware, U. S.	100%	NA
Wal-Mart.com, Inc.	Delaware, U. S.	88%	Walmart.com
McLane Company, Inc., and its subsidiaries	Texas, U. S.	100%	Wal-Mart
Wal-Mart de Mexico, S.A. de C.V.	Mexico	61%	
ASDA Group Limited	England	100%	ASDA

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K/A) of Wal-Mart Stores, Inc. of our report dated March 26, 2001 included in the 2001 Annual Report to Shareholders of Wal-Mart Stores, Inc.

We also consent to the incorporation by reference of our report dated March 26, 2001, with respect to the consolidated financial statements of Wal-Mart Stores, Inc. incorporated by reference in this Annual Report (Form 10-K/A) for the year ended January 31, 2001, in the following registration statements and related prospectuses:

Stock Option Plan of 1984 of Wal-Mart Stores, Inc., as amended	Form S-8	File No. 2-94358 and 1-6991

Stock Option Plan of 1994 of Wal-Mart Stores, Inc., as amended	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
401(k) Retirement Savings Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 333-29847
401(k) Retirement Savings Plan of Wal-Mart Puerto Rico, Inc.	Form S-8	File No. 33-44659
Registration Statement Covering 14,710,000 Shares of Common Stock of Wal-Mart Stores, Inc.	Form S-3	File No. 333-56993
Associate Stock Purchase Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 333-62965
Stock Incentive Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 333-60329
Debt Securities of Wal-Mart Stores, Inc.	Form S-3	File No. 333-82909
The ASDA Colleague Share Ownership Plan 1 The ASDA Group Long Term Incentive Plan 1 The ASDA Group PLC Sharesave Scheme 1 The ASDA 1984 Executive Share Option Scheme 1 The ASDA 1994 Executive Share Option Scheme 1	Form S-8	File No. 333-84027
The ASDA Colleague Share Ownership Plan 1999	Form S-8	File No. 333-88501

/s/ Ernst & Young LLP
Tulsa, Oklahoma
April 16, 2001

End of Filing

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