WAL MART STORES INC

FORM 10-K
(Annual Report)

Filed 04/23/96 for the Period Ending 01/31/96

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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(Annual Report)

Filed 4/23/1996 For Period Ending 1/31/1996

Address	702 SOUTHWEST 8TH ST
	BENTONVILLE, Arkansas 72716
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FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

Exchange Act of 1934 for the fiscal year ended January 31, 1996, or
[ ] Transition report pursuant to section 13 or 15(d) of the Securities *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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to

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

The aggregate market value of the voting stock held by non-affiliates of the registrant, based on the closing price of these shares on the New York Stock Exchange on March 29, 1996, was $31,355,857,289. For the purposes of this disclosure only, the registrant has assumed that its directors, executive officers, and beneficial owners of 5% or more of the registrant's common stock are the affiliates of the Registrant.

The registrant has 2,293,548,492 shares of Common Stock outstanding as of March 31, 1996.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Shareholders for the fiscal year ended January 31, 1996, are incorporated by reference into Part II of this Form 10-K.

Portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held June 7, 1996, are incorporated by reference into

Part III of this Form 10-K.

FORWARD-LOOKING STATEMENTS OR INFORMATION

Certain statements contained in this Form 10-K are not based on historical facts, but are forward-looking statements that are based upon a number of assumptions concerning future conditions that may ultimately prove to be inaccurate. Actual events and results may materially differ from anticipated results described in such statements. The Company's ability to achieve such results is subject to certain risks and uncertainties, including, but not limited to, the general economy, adverse changes in consumer spending, continued availability of capital and financing, competitive factors and other factors affecting the Company's business beyond the Company's control.

WAL-MART STORES, INC.
FORM 10-K ANNUAL REPORT
FOR THE YEAR ENDED JANUARY 31, 1996

PART I

ITEM 1. BUSINESS

(a) General Development of Business

Wal-Mart Stores, Inc. (together with its subsidiaries hereinafter referred to as the "Company") has become America's largest retailer and during the fiscal year ended January 31, 1996, had net sales of $93,627,000,000. The Company serves customers primarily through the operation of Wal-Mart stores (discount department stores), Sam's Clubs (warehouse membership clubs), and Wal-Mart Supercenters (a combination full-line supermarket and discount department store). Domestically, the Company operated 1,995 Wal-Mart stores, 433 Sam's Clubs, and 239 Wal-Mart Supercenters as of January 31, 1996. A table summarizing information concerning domestic Wal-Mart stores, Sam's Clubs, Wal-Mart Supercenters, and other stores operated since January 31, 1991 is set forth in Schedule A to Item I found on page 9 of this annual report.

In fiscal 1992, the Company entered into a joint venture, in which it has a 50% interest with CIFRA, Mexico's largest retailer, to develop and expand retailing services in Mexico. At January 31, 1996, the joint venture operated 28 warehouse clubs, 25 discount stores, 13 Wal-Mart Supercenters, four combination stores, three supermarkets, five specialty department stores, and 48 restaurants.

In fiscal 1993, the Company entered the Puerto Rico market, and at January 31, 1996, operated seven Wal-Mart stores and four Sam's Clubs.

In fiscal 1995, the Company completed the acquisition of 122 Woolco department stores located in Canada from Woolworth Canada, Inc., a subsidiary of Woolworth Corporation. The acquisition included all inventory, leasehold interests and other assets at each location. At January 31, 1996, the Company operated 131 Canadian Wal-Mart stores.

In fiscal 1995, the Company entered into a joint venture in which it has a 60% interest with Lojas Americanas, a leading retailer in Brazil, to develop and operate Supercenters and warehouse clubs in Brazil. At January 31, 1996, the joint venture operated two Supercenters and three warehouse clubs.

In fiscal 1996, the Company entered Argentina, and at January 31, 1996, the Company operated one Supercenter and two warehouse clubs.

In fiscal 1996, the Company and Lippo Group of Indonesia signed an agreement to open Indonesia's first Wal-Mart Supercenter in early 1996. The Company will provide retail expertise and management services for the operation of the store, and ownership will be held by the Lippo Group.

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

(b) Financial Information About Industry Segments

Sales of merchandise through stores which include Wal-Mart stores, Sam's Clubs, and Wal-Mart Supercenters is the only significant industry segment of which the Company is a part. Reference is made to the financial information incorporated by reference in this report for the financial results of the Company's operations.

(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 (referred to herein as "Wal-Mart store") was opened. In fiscal 1984, the Company opened its first three Sam's Clubs, and in fiscal 1988, its first Wal-Mart Supercenter. Through the years, the Company has made certain strategic acquisitions that have supported the growth of the Wal-Mart stores, clubs and Supercenters, such as the acquisition of ten full service and four specialty distribution centers through the purchase of McLane Company, Inc., which sells and distributes merchandise to the convenience store industry and a variety of other retailers, the acquisition of selected assets of Pace Membership Warehouse, Inc., and the acquisition of selected assets related to 122 Woolco stores in Canada from Woolworth Canada, Inc., a subsidiary of Woolworth Corporation.

General. The Company operates Wal-Mart stores in all 50 states. The average size of a Wal-Mart store is approximately 91,100 square feet, and store sizes generally range between 30,000 and 150,000 square feet of building area. The Company operates Wal-Mart Supercenter stores in 22 states, and the average size of a Supercenter store is 182,000 square feet.

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

The Company operates Wal-Mart stores, Sam's Clubs and Wal-Mart Supercenters in Argentina, Canada and Puerto Rico, and through joint ventures in Brazil and Mexico.

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

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

Nationally advertised merchandise accounts for a majority of sales of the stores. The Company markets lines of merchandise under the store brands "Sam's American Choice", "Great Value", "Ol' Roy", and "Equate". The Company also markets lines of merchandise under licensed brands; some of which include "Sports Afield", "House Beautiful", "Popular Mechanics", "Better Homes & Gardens", "Kathie Lee", and "Bobbie Brooks".

During the fiscal year ended January 31, 1996, domestic sales of general merchandise at Wal-Mart stores and Supercenters (which are subject to seasonal variance), including licensed departments, by product category were as follows:

CATEGORY	PERCENTAGE OF SALES
Softgoods/domestics..............	25%
Hardgoods........................	25
Stationery and candy.............	11
Records and electronics..........	10
Pharmaceuticals..................	9
Sporting goods and toys..........	9
Health and beauty aids...........	7
Shoes............................	2
Jewelry..........................	2
	100%

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

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

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

Operations. Except for extended hours during certain holiday seasons, the majority of the Wal-Mart stores are open from 9:00 a.m. to 9:00 p.m. six (6) days a week, and from 12:30 p.m. to 5:30 p.m. on Sundays, with the remainder of the stores being closed on Sunday. Some Wal-Mart stores and most of the Supercenter stores are currently open 24 hours each day. Wal-Mart stores maintain uniform prices, except where lower prices are necessary to meet local competition. Sales are primarily on a self- service, cash-and-carry basis with the objective of maximizing sales volume and inventory turnover while minimizing expenses. Bank credit card programs, operated without recourse to the Company, are available in all stores. Wal-Mart stores and Supercenters maintain a "satisfaction guaranteed" program to promote customer goodwill and acceptance.

Sam's Clubs are membership only, cash-and-carry operations. However, a financial service credit card program (Discover Card) is available in all clubs and the "Sam's Direct" commercial finance program and "Business Revolving Credit" are available to qualifying business members. Also, a "Personal Credit" program is available to qualifying club members. Club members include businesses and those individuals who are members of certain qualifying organizations, such as government and state employees and credit union members. Both business and individual members have an annual membership fee of $25 for the primary membership card.

Operating hours vary among Sam's Clubs, but generally they are open Monday through Friday from 10:00 a.m. to 8:30 p.m. Most Sam's are open weekend hours of 9:30 a.m. to 7:00 p.m. on Saturday and 12:00 noon to 6:00 p.m. on Sunday.

Distribution. During the 1996 fiscal year, approximately 85% of the Wal-Mart stores' and Supercenters' purchases were shipped from Wal-Mart's 31 distribution centers, five located in Arkansas; five in Texas; two in California, Indiana, New York, and South Carolina; and one each in Alabama, Colorado, Florida, Georgia, Iowa, Kansas, Kentucky, Mississippi, Ohio, Pennsylvania, Utah, Virginia, and Wisconsin. The balance was shipped directly to the stores from suppliers. Each of the distribution centers is designed to serve the distribution needs of approximately 80 to 140 stores depending on the size of the center. The size of these distribution centers range from approximately 700,000 to 1,600,000 square feet. Sam's Clubs receive the majority of their merchandise via direct shipment from suppliers rather than from the Company's distribution centers.

The McLane distribution centers buy, sell, and distribute merchandise primarily to the convenience store industry, and they also service Wal-Mart stores, Supercenters and Sam's Clubs. The McLane Company has 23 distribution centers with five located in Texas, two located in Arizona, California, Utah, and Virginia, and one each in Colorado, Florida, Georgia, Illinois, Kentucky, Mississippi, Missouri, New York, Washington, and Mexico.

Merchandising. Substantially all purchasing and merchandising for all stores is controlled from the home offices of the Company through centralized buying and planning practices. During the fiscal year 1996, no single supplier to the stores accounted for more than 4.3% of the Company's purchases.

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

Expansion Plans. Domestically, the Company plans to open 60 to 70 new Wal-Mart stores and 100 to 110 Supercenters. Approximately 90 of the Supercenters will come from relocations or expansions of existing Wal- Mart stores. The Company also plans to open 10 new Sam's Clubs and three distribution centers. International expansion includes 25 to 30 new Wal- Mart stores, Supercenters and Sam's Clubs in Argentina, Brazil, Canada, China, Indonesia, Mexico and Puerto Rico. The Company expenses its start- up costs for each new unit during the first full month of operation. Delays may be experienced in projected opening dates because of construction problems, weather and other reasons. There can be no assurance that planned expansion will proceed as scheduled.

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

Competition. The Company's Wal-Mart stores compete with other discount, department, drug, variety, and specialty stores, many of which are national chains. Sam's Clubs compete with wholesale clubs, as well as with discount retailers, wholesale grocers, and general merchandise wholesalers and distributors. The Wal-Mart Supercenters compete with other supercenter type stores, discount stores, supermarkets, and specialty stores, many of which are national or regional chains. The Company also competes for new store sites. As of January 31, 1996, based on net sales, the Company ranked first among all retail department store chains and among all discount department store chains.

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

Employees (Associates). As of January 31, 1996, the Company had approximately 675,000 associates, an increase of approximately 53,000 associates for the year. Part-time associates are primarily sales personnel. Associates who are in supervisory and management positions are compensated on a salaried basis; store managers and club general managers receive additional compensation based on their unit's profits. All other store associates are compensated on an hourly basis with the opportunity of receiving additional incentive bonuses based upon the Company's productivity and profitability.

The Company maintains profit sharing plans under which most full- and many part-time associates become participants following one year of employment with the Company. Annual contributions, based on the profitability of the Company, are made at the sole discretion of the Company. For the fiscal years ended January 31, 1991 through 1996, contributions of approximately $98,000,000, $130,000,000, $166,000,000, $166,000,000, $175,000,000 and $204,000,000, respectively, have been made.

The Company also offers an associate stock ownership plan that provides for the voluntary purchase of the Company's common stock, with a 15% match by the Company on up to $1,800 of annual stock purchases. The Company also has stock option plans that provide certain management associates an opportunity to share in the long-term success of the Company. At January 31, 1996, there were approximately 5,000 management associates who had been granted stock options by the Company.

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE A TO ITEM 1 - UNITED STATES STORE COUNT AND NET SQUARE FOOTAGE GROWTH
YEAR ENDED JANUARY 31, 1991 THROUGH 1996

STORE COUNT

Fiscal Year ended Jan 31,	Wal-Mart Stores Opened	Closed	Conversions*	Total	Sam's Clubs Opened	Closed	Total	Wal-Mart Supercenters Opened	Total	Total** Opened	Closed	Ending Balance
Balance Forward				1,399			123		6			1,528
1991	176	5	2	1,568	25	0	148	3	9	202	5	1,725
1992	148	1	1	1,714	61	1	208	1	10	209	2	1,932
1993	159	1	24	1,848	48	0	256	24	34	207	1	2,138
1994	141	2	37	1,950	162	1	417	38	72	304	3	2,439
1995	109	5	69	1,985	21	12	426	75	147	136	17	2,558
1996	92	2	80	1,995	9	2	433	92	239	113	4	2,667

NET SQUARE FOOTAGE

Fiscal Year Ended Jan 31,	Wal-Mart Stores Net Additions	Total	Sam's Clubs Net Additions	Total	Wal-Mart Supercenters Net Additions	Total	Total Net Additions	Sq. Ft.	Sales Per Sq.Ft.***
Balance Forward		92,648,056		13,064,172		1,049,932		106,762,160	$272.75
1991	17,737,917	110,385,973	2,874,666	15,938,838	683,769	1,733,701	21,296,352	128,058,512	292.40
1992	17,729,395	128,115,368	7,320,510	23,259,348	180,545	1,914,246	25,230,450	153,288,962	306.33
1993	19,251,060	147,366,428	7,444,530	30,703,878	4,037,493	5,951,739	30,733,083	184,022,045	325.86
1994	16,185,442	163,551,870	19,670,804	50,374,682	6,762,080	12,713,819	42,618,326	226,640,371	324.42
1995	10,109,978	173,661,848	1,335,742	51,710,424	14,087,725	26,801,544	25,533,445	252,173,816	336.10
1996	8,189,400	181,851,248	825,020	52,535,444	16,791,559	43,593,103	25,805,979	277,979,795	338.53

[FN]
<F1>
* Wal-Mart stores locations relocated or expanded as Wal-Mart Supercenters. <F2> ** The Company also operated 78 Bud's Discount City units at January 31, 1996. <F3> *** Includes only stores and clubs that were open at least twelve months as of January 31 of the previous year.

WAL-MART STORES, INC. AND SUBSIDIARIES
SCHEDULE B TO ITEM 1 - INTERNATIONAL STORE COUNT AND NET SQUARE FOOTAGE GROWTH
YEAR ENDED JANUARY 31, 1992 THROUGH 1996

STORE COUNT

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

NET SQUARE FOOTAGE

Fiscal Year Ended	MEXICO Net Additions	Total*	CANADA Net Additions	Total	PUERTO RICO Net Additions	Total	ARGENTINA Net Additions	Total	BRAZIL Net Additions	Total
1992	162,535	162,535	0	0	0	0	0	0	0	0
1993	143,000	305,535	0	0	229,647	229,647	0	0	0	0
1994	946,717	1,252,252	0	0	339,260	568,907	0	0	0	0
1995	3,537,080	4,789,332	14,651,969	14,651,969	266,279	835,186	0	0	0	0
1996	1,091,123	5,880,455	872,446	15,524,415	478,848	1,314,034	438,787	438,787	772,221	772,221

[FN]
* The Company also operated 25 discount stores, four combination stores, three supermarkets, five specialty department stores, and 48 restaurants as of January 31, 1996. These units are not included in square footage totals.

ITEM 2. PROPERTIES

The number and location of Wal-Mart stores, Supercenters, and Sam's Clubs is incorporated by reference of the table under the caption "Operating Units" of Page 8 of the Annual Report to Shareholders for the year ended January 31, 1996.

The Company owns 1,123 properties on which domestic Wal-Mart stores and Supercenters are located and 268 of the properties on which domestic Sam's are located. In some cases, the Company owns the land associated with leased buildings. New buildings, both leased and owned, are constructed by independent contractors.

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

The Company operated 31 Wal-Mart distribution facilities and 23 McLane distribution facilities at January 31, 1996. These distribution facilities are primarily owned by the Company, and several are subject to mortgage securing loans. Some of the distribution facilities are leased under industrial development bond financing arrangements and provide the option of purchasing these facilities at the end of the lease term for nominal amounts.

The Company leases properties on which Canadian Wal-Mart stores and Puerto Rico Wal-Mart stores and Sam's Clubs are located. The Company owns properties on which the operating units in Argentina, Brazil and Mexico are located.

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

ITEM 3. LEGAL PROCEEDINGS

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

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

No matters were submitted to a vote of the Company's security holders during the last quarter of the year ended January 31, 1996.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

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

Name	Business Experience	Current Position Held Since	Age
David D. Glass	President and Chief Executive Officer.	1988	60
S. Robson Walton	Chairman. From 1985 until his election as Chairman in 1992, he served as Vice Chairman.	1992	51
Donald G. Soderquist	Vice Chairman and Chief Operating Officer.	1988	62
Paul R. Carter	Executive Vice President - Wal-Mart Stores, Inc. and President - Wal-Mart Realty Company. Prior to 1995, he served as Executive Vice President and Chief Financial Officer.	1995	55
Thomas M. Coughlin	Executive Vice President - Store Operations. Prior to 1995, he served as Senior Vice President - Specialty Divisions.	1995	47
David Dible	Executive Vice President Specialty Divisions. Prior to 1995, he served as Senior Vice President - Merchandising.	1995	49
Joseph S. Hardin, Jr.	Executive Vice President - Wal-Mart Stores, Inc. and President and Chief Executive Officer of Sam's Club Division. Prior to October 1995, he served as Executive Vice President - Wal-Mart Stores, Inc. and Chief Operating Officer of Wal-Mart Stores Division. Prior to 1993, he served as Executive Vice President - Logistics and Personnel Adminis- tration. Prior to 1992, he held the position of Senior Vice President - Distribution and Transportation.	1995	50
Bob L. Martin	Executive Vice President - Wal-Mart Stores, Inc. and President and Chief Executive Officer of Wal-Mart International Division.	1993	47

	Prior to 1993, he served as Executive Vice President - Corporate Information Systems. Prior to 1992, he served as Senior Vice President - Information Systems.		
John B. Menzer	Executive Vice President and Chief Financial Officer since September 1995. Prior to September 1995, he served as President and Chief Operating Officer of Ben Franklin Retail Stores, Inc.	1995	45
H. Lee Scott, Jr.	Executive Vice President - Merchandising. Prior to October 1995, he served as Executive Vice President - Logistics. Prior to that, he served as Senior Vice President - Logistics. Prior to 1992, he served as Vice President - Distribution.	1995	47
Thomas P. Seay	Executive Vice President - Real Estate and Construction. Prior to 1992, he served as Senior Vice President - Real Estate and Construction.	1992	54
Nicholas J. White	Executive Vice President - Wal-Mart Supercenter Division. Prior to 1989, he served as Executive Vice President - Sam's Clubs.	1989	51
Robert K. Rhoads	Senior Vice President, Secretary and General Counsel. Prior to 1992, he served as Vice President, Secretary and General Counsel.	1992	41
William G. Rosier	President and Chief Executive Officer of McLane Company, Inc. Prior to 1995, he served as Senior Vice President - Marketing and Customer Services for McLane. Prior to 1991, he served as Senior Vice President - Purchasing and Distribution for McLane.	1995	47
James A. Walker, Jr.	Senior Vice President and Controller. Prior to 1995, he served as Vice President and Controller.	1995	49

PART II

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

The information required by this item is incorporated by reference of the information "Number of Shareholders of Record" under the caption "11 Year Financial Summary" on Pages 18 and 19, and all the information under the captions "Market Price of Common Stock" and "Dividends Paid Per Share" on page 33 of the Annual Report to Shareholders for the year ended January 31, 1996.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this item is incorporated by reference of all information under the caption "11 Year Financial Summary" on Pages 18 and 19 of the Annual Report to Shareholders for the year ended January 31, 1996.

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

The information required by this item is furnished by incorporation by reference of all information under the caption "Management's Discussion and Analysis" on Pages 20 through 22 of the Annual Report to Shareholders for the year ended January 31, 1996.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is furnished by incorporation by reference of all information under the captions "Consolidated Statements of Income", "Consolidated Balance Sheets", "Consolidated Statements of Shareholders' Equity", "Consolidated Statements of Cash Flows", and "Notes to Consolidated Financial Statements" on Pages 23 through 31 of the Annual Report to Shareholders for the year ended January 31, 1996.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this item with respect to the Company's directors and compliance by the Company's directors, executive officers and certain beneficial owners of the Company's Common Stock with Section 16(a) of the Securities Exchange Act of 1934 is furnished by incorporation by reference of all information under the captions entitled "Election of Directors" on Pages 1 through 3 and "Compliance with Section 16(a) of the Securities Exchange Act of 1934" on Page 8 of the Company's Proxy Statement for its Annual Meeting of Shareholders to be held on June 7, 1996. The information required by this item with respect to the Company's executive officers appears at Item 4A of Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is furnished by incorporation by reference of all information under the caption entitled "Executive Compensation", subcaptions "Summary Compensation Table", "Option Grants in Fiscal Year Ended January 31, 1996", and "Option Exercises and Fiscal Year End Option Values" on Pages 3 through 5, and "Compensation of Directors" on Page 7 of the Company's Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is furnished by incorporation by reference of all information under the caption "Equity Securities and Principal Holders" on Pages 8 and 9 of the Company's Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is furnished by incorporation by reference of all information under the caption "Interest of Management in Certain Transactions" on Page 8 of the Company's 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 19, are incorporated by reference herein or filed as part of this Form 10-K.

3. Exhibits

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

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

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

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

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

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

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

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

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

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

+10(b) Wal-Mart Stores, Inc. Stock Option Plan of 1984 is

incorporated herein by reference to Registration Statement on Form S-8 (File Number 2-94358).

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

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

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

+10(f) Wal-Mart Stores, Inc. Stock Option Plan of 1994 is incorporated herein by reference to Exhibit 4(c) to the registration statement on Form S-8 (File Number 33-5325).

+10(g) A written description of a consulting agreement by and

between Wal-Mart Stores, Inc. and Jack C. Shewmaker, is incorporated herein by reference to the description contained in the second paragraph under the caption "Compensation of Directors" on Page 7 in the Company's definitive Proxy Statement to be filed in connection with the Annual Meeting of the Shareholders to be held on June 7, 1996.

+10(h) Wal-Mart Stores, Inc. Directors Deferred Compensation Plan is incorporated herein by reference to Exhibit 4(d) to Registration Statement on Form S-8 (File Number 33-55178).

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

*13 All information incorporated by reference in Items 2, 5, 6, 7 and 8 of this Annual Report on Form 10-K from the Annual Report to Shareholders for the year ended January 31, 1996.

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

***23 Consent of Independent Auditors**

***27 Financial Data Schedule**

*Filed herewith as an Exhibit.

+Management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K

The Company did not file a report on Form 8-K during the last quarter of the fiscal year ended January 31, 1996.

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 to be signed on its behalf by the undersigned, thereunto duly authorized.

DATE: April 22, 1996

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

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

DATE: April 22, 1996

____
S. Robson Walton
Chairman of the Board

DATE: April 22, 1996

/s/David D. Glass
David D. Glass
President, Chief Executive Officer and Director

DATE: April 22, 1996 /s/Donald G. Soderquist
Donald G. Soderquist
Vice Chairman, Chief
Operating Officer
and Director

DATE: April 22, 1996 /s/Paul R. Carter
Paul R. Carter
Executive Vice President,
President - Wal-Mart Realty
Company and Director

DATE: April 22, 1996 /s/John B. Menzer
John B. Menzer
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

DATE: April 22, 1996 /s/James A. Walker, Jr.
James A. Walker, Jr.
Senior Vice President and
Controller
(Principal Accounting Officer)

DATE: April 22, 1996 /s/John A. Cooper, Jr.
John A. Cooper, Jr.
Director

DATE: April 22, 1996 ______________________________
Robert H. Dedman
Director

DATE: April 22, 1996 /s/Frederick S. Humphries
Frederick S. Humphries
Director

DATE: April 22, 1996 /s/F. Kenneth Iverson
F. Kenneth Iverson
Director

DATE: April 22, 1996 ______________________________
E. Stanley Kroenke
Director

DATE: April 22, 1996 /s/Elizabeth A. Sanders
Elizabeth A. Sanders
Director

DATE: April 22, 1996 /s/Jack C. Shewmaker
Jack C. Shewmaker
Director

DATE: April 22, 1996 ______________________________
Paula Stern
Director

DATE: April 22, 1996 ______________________________
John T. Walton
Director

WAL-MART STORES, INC.
OFFICER DEFERRED COMPENSATION PLAN

Effective Date: February 1, 1996

TABLE OF CONTENTS

WAL-MART STORES, INC.
OFFICER DEFERRED COMPENSATION PLAN

ARTICLE I
GENERAL

1.1 Purpose

The purpose of the Wal-Mart Stores, Inc. Officer Deferred Compensation Plan ("Plan") is to: (a) attract and retain the valuable services of certain officers; (b) recognize, reward, and encourage contributions by such officers to the success of Wal- Mart Stores, Inc. ("Wal-Mart"); and (c) enable such officers to defer certain compensation and bonuses and to be credited with earnings and Incentive Payments with respect to such amounts.

1.2 Effective Date -- Applicability to Prior Deferred Compensation Agreements.

This Plan is effective February 1, 1996 with respect to compensation and bonuses deferred (and credited earnings thereon) under the Plan on or after February 1, 1996.

In addition, prior to February 1, 1995, certain Eligible Officers entered into deferred compensation agreements ("Prior Agreements") with Wal-Mart containing terms similar to those contained in this Plan. Except as expressly provided in Sections 5.5 and 5.6 below, effective February 1, 1996 the Prior Agreements are amended and restated in the form of this Plan and thereafter the terms of this Plan will govern all benefits previously governed by the Prior Agreements.

1.3 Nature of Plan.

The Plan is intended to be (and will be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). It is intended that the Plan be "unfunded" for federal tax purposes and for purposes of Title I of ERISA. Any and all payments to a Participant under the Plan will be made solely from Wal-Mart's general assets. A Participant's interests under the Plan do not represent or create a claim against specific assets of Wal-Mart or any Related Affiliate. Nothing herein shall be deemed to create a trust of any kind or create any fiduciary relationship between Wal-Mart, any Related Affiliate or the Committee, and a Participant, the Participant's beneficiary or any other person. To the extent any person acquires a right to receive payments from Wal-Mart under this Plan, such right is no greater than the right of any other unsecured general creditor of Wal-Mart.

ARTICLE II
DEFINITIONS

2.1 Definitions.

Whenever used in this Plan, the following words and phrases have the meaning set forth below unless the context plainly requires a different meaning:

(a) Account means the bookkeeping account established by Wal-Mart to reflect a Participant's Deferred Compensation, Deferred Bonuses, Incentive Payments, and credited earnings thereon.

(b) Code means the Internal Revenue Code of 1986, as amended from time to time.

(c) Committee means the Executive Committee of the Wal- Mart Stores, Inc. Board of Directors.

(d) Deferred Bonuses means the amount deferred from bonuses payable to a Participant under the Wal-Mart Stores, Inc. Management Incentive Plan for Officers.

(e) Deferred Compensation means: (1) the compensation deferred by a Participant under Section 3.1 below; and (2) amounts deferred by a Participant under a Prior Agree ment(s).

(f) Disability means a Total and Permanent Disability as from time to time defined in the Wal-Mart Stores, Inc. Profit Sharing Plan. A Participant must establish to the satisfaction of the Committee that a Disability exists. A Participant shall be treated as having a Disability only if such illness or injury results in the Participant's Termination of Employment.

(g) Early Retirement means a Participant's Termination of Employment on or after the date the Participant has been continuously employed with Wal-Mart or a Related Affiliate twenty (20) or more years.

(h) Eligible Officer means an individual who is a corporate officer of Wal-Mart and who holds the title of Vice President or above, Treasurer, Controller, or an officer title of similar rank as determined by the Committee. In addition, Eligible Officer shall include a divisional officer of Wal-Mart and who holds the title of Vice President or above or an officer title of similar rank as determined by the Committee. Notwithstanding the preceding sentences, the term "Eligible Officer" shall not include an individual who entered into a Prior Agreement with Wal-Mart unless such individual consents to participation in the Plan on the terms and conditions herein set forth.

(i) Fiscal Year means the twelve (12)-month period commencing on February 1 and ending on January 31.

(j) A Participant is deemed to have engaged in Gross Misconduct if the Committee determines that the Participant has engaged in conduct inimical to the best interests of Wal- Mart or any Related Affiliate. Examples of conduct inimical to the best interests of Wal-Mart or its

Related Affiliates include, without limitation, disclosure of confidential information in violation of Wal-Mart's Statement of Ethics, theft, the commission of a felony or a crime of moral turpitude, gross misconduct or similar serious offenses.

(k) Incentive Payments means the amounts credited to a Participant's Account: (1) in accordance with Section 4.2 below; and (2) a Participant's Prior Agreement(s).

(l) Participant means any Eligible Officer who defers compensation or bonuses under the Plan. An individual remains a Participant in the Plan until the Participant's Plan benefits have been fully distributed.

(m) Related Affiliates means a business or entity that is, directly or indirectly, eighty percent (80%) or more owned by Wal-Mart.

(n) Retirement means a Participant's Termination of Employment on or after the Participant's attainment of age fifty-five (55).

(o) Termination of Employment means a Participant ceasing to be actively employed by Wal-Mart and its Related Affiliates. Termination of Employment does not include the transfer of a Participant from the employ of Wal-Mart to a Related Affiliate or vice versa, or a transfer between Wal- Mart's Related Affiliates.

(p) Unforeseeable Emergency means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or a Participant's dependent (as defined in Code Section 152(a)), the loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. An Unforeseeable Emergency does not exist to the extent such hardship is or may be relieved:

(1) through reimbursement or compensation by insurance or otherwise;

(2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would itself not cause severe financial hardship; or

(3) by cessation of deferrals under this Plan.

The need to send a Participant's child to college or the desire to purchase a home does not constitute an Unforeseeable Emergency. The existence of an Unforeseeable Emergency will be determined by the Committee, in its sole discretion, based upon the Participant's facts and circumstance and in accordance with restrictions imposed by the Code or guidance thereunder.

(q) Valuation Date means the January 31 of each Fiscal Year.

ARTICLE III
DEFERRED COMPENSATION AND BONUSES --
ESTABLISHMENT OF ACCOUNTS

3.1 Deferred Compensation.

Prior to each Fiscal Year, each Eligible Officer may elect to defer all or a portion of the Eligible Officer's base compensation to be paid by Wal-Mart for such Fiscal Year. Amounts deferred (the "Deferred Compensation") will be deferred pro ratably for each payroll period of the Fiscal Year. All deferral elections made under this Section 3.1 must be: (a) made on forms approved by the Committee; and (b) filed with Wal-Mart no later than the January 31 preceding the Fiscal Year for which the deferral election is to be effective. Once made for a Fiscal Year, a deferral election may not be revoked, changed or modified. Notwithstanding the preceding sentence, in the event an Eligible Officer ceases to be employed as an Eligible Officer, such former Eligible Officer's deferral election shall automatically cease with respect to compensation earned on or after the individual ceases to be an Eligible Officer. A deferral election for one (1) Fiscal Year will not automatically be given effect for a subsequent Fiscal Year, so that if deferrals are desired for a subsequent Fiscal Year, a separate election must be made by the Eligible Officer for such Fiscal Year.

3.2 Deferred Bonuses.

Prior to each Fiscal Year, each Eligible Officer may elect to defer all or a portion of the Eligible Officer's bonus (if any) for such Fiscal Year under the Wal-Mart Stores, Inc. Management Incentive Plan for Officers. All bonus deferral elections made under this Section 3.2 must be: (a) made on forms approved by the Committee; and (b) filed with Wal-Mart no later than the January 31 preceding the Fiscal Year in which falls the period of service for which such bonus (if any) is payable, regardless of the Fiscal Year in which such bonus is paid. Once made for a Fiscal Year, a bonus deferral election may not be revoked, changed or modified. Notwithstanding the preceding sentence, in the event an Eligible Officer ceases to be employed as an Eligible Officer, such former Eligible Officer's bonus deferral election shall automatically cease with respect to that portion of a bonus earned on or after the date the individual ceases to be an Eligible Officer. For this purpose, the portion of a bonus earned on or after ceasing to be an Eligible Officer shall be determined by multiplying the bonus by a fraction, the numerator of which is the number of calendar days in such Fiscal Year in which the individual ceased to be an Eligible Officer, and the denominator of which is the total calendar days in such Fiscal Year. A bonus deferral election for one (1) Fiscal Year will not automatically be given effect for a subsequent Fiscal Year, so that if deferrals are desired for a subsequent Fiscal Year, a separate election must be made by the Eligible Officer for such

Fiscal Year.

3.3 Establishment of Accounts.

The Deferred Compensation, Deferred Bonuses, and Incentive Payments will be credited to a bookkeeping account ("Account") established by Wal-Mart on behalf of each Participant. The Deferred Compensation will be credited to the Participant's Account as of the last day of the Fiscal Year during which the Deferred Compensation would otherwise be payable to the Participant. The Deferred Bonus will be credited to the Participant's Account as of the February 1 following the Fiscal Year in which falls the period of service for which such bonus is payable. The Incentive Payments will be credited to the Participant's Account as of the last day of the Fiscal Year specified in Section 4.2 or the Participant's Prior Agreement(s). A Participant's Account, including earnings credited thereto, will be maintained by Wal-Mart until all of the Plan Participant's benefits have been paid in full.

3.4 Nature of Accounts.

Each Participant's Account will be used solely as a measuring device to determine the amount to be paid a Participant under this Plan. The Accounts do not constitute, nor will they be treated as, property or a trust fund of any kind. All amounts at any time attributable to a Participant's Account will be, and remain, the sole property of Wal-Mart. A Participant's rights hereunder are limited to the right to receive Plan benefits as provided herein. The Plan represents an unsecured promise by Wal- Mart to pay the benefits provided by the Plan.

3.5 Annual Valuation of Accounts.

Each Participant's Account will be valued annually as of each Valuation Date. The value of an Account as of any applicable Valuation Date is the sum of the Account value as of the immediately preceding Valuation Date, the Deferred Compensation and Incentive Payments allocated as of the applicable Valuation Date, the Deferred Bonuses allocated as of the February 1 following the preceding Valuation Date, and the equivalent of interest credited to the Account under Section 4.1 as of the applicable Valuation Date, less any distributions for Unforeseeable Emergencies since the preceding Valuation Date but on or before the applicable Valuation Date.

ARTICLE IV
ADDITIONS TO ACCOUNTS -- CREDITED EARNINGS AND INCENTIVE PAYMENTS

4.1 Credited Annual Earnings.

For each Fiscal Year a Participant's Account will be credited with the equivalent of interest at the per annum rate established for such Fiscal Year by the Compensation Committee of the Wal-Mart Board of Directors. The per annum rate may be increased or decreased for any Fiscal Year to reflect changes in prevailing interest rates, as determined at the sole discretion of the Compensation Committee. Except for a Fiscal Year in which a Participant receives a distribution due to an Unforeseeable Emergency, the amount to be credited to a Participant's Account as of any Valuation Date is the sum of: (a) the applicable per annum rate multiplied by the Participant's Account value as of the immediately preceding Valuation Date; and (b) fifty percent (50%) of the applicable per annum rate multiplied by the sum of (1) the Participant's Deferred Compensation for the Fiscal Year ending on the Valuation Date and (2) the Participant's Deferred Bonuses allocated on the February 1 of the Fiscal Year ending on the Valuation Date.

For a Fiscal Year in which a Participant receives a distri- bution due to an Unforeseeable Emergency, the amount to be credited to the Participant's Account as of the applicable Valuation Date is the sum of: (a) an equivalent amount of pro rata interest on the Participant's Account value as of the preceding Valuation Date based upon the number of full calendar months in the Fiscal Year which the Account was not reduced due to the distribution; (b) an equivalent amount of pro rata interest on the Account value immediately after the distribution based upon the number of calendar months in the Fiscal Year in which the Participant's Account was reduced; and (c) fifty percent (50%) of the applicable per annum rate multiplied by the sum of (1) the Participant's Deferred Compensation for the Fiscal Year ending on the Valuation Date and (2) the Participant's Deferred Bonuses allocated on the February 1 of the Fiscal Year ending on the Valuation Date.

4.2 Incentive Payments.

The Incentive Payments described below will be credited to a Participant's Account. Incentive Payments awarded and credited to a Participant's Account under a Prior Agreement (such Incentive Payments were previously referred to as "incentive bonuses" under the Prior Agreements), and credited interest thereon, will remain credited to a Participant's Account hereunder as of January 31, 1996. Thereafter, a Participant's entitlement to an Incentive Payment will be governed by this Section 4.2, including any Incentive Payment which may be awarded with respect to recognized Deferred Compensation (and credited earnings thereon) deferred under a Prior Agreement. Incentive Payments hereunder shall not duplicate any Incentive Payment awarded and credited under a Prior Agreement as of January 31, 1996.

(a) The Incentive Payments provided in this Section apply to a Participant's recognized Deferred Compensation for a Fiscal Year and credited Plan earnings thereon. Incen- tive Payments are separately awarded based upon a Participant's recognized Deferred Compensation for a given Fiscal Year and credited Plan earnings thereon.

(b) The amount of an Incentive Payment is based on the Participant's recognized Deferred Compensation for a Fiscal Year, plus credited Plan earnings on such sums through and including the Incentive Payment award date. The amount by which a Participant's Deferred Compensation for a Fiscal Year exceeds twenty percent (20%) of the Participant's base compensation will not be recognized in computing an Incentive Payment. Base compensation for this purpose means the Participant's annual base rate of compensation for such Fiscal Year. Credited Plan earnings on such nonrecognized Deferred Compensation are likewise not taken into account in determining the amount of an Incentive Payment. In addition, a Participant's Deferred Bonuses or credited Plan earnings thereon are not taken into account in computing the Participant's Incentive Payments.

(c) If a Participant remains continuously employed with Wal-Mart or its Related Affiliates for a period of ten (10) consecutive full Fiscal Years, beginning with the February 1 of the first Fiscal Year in which the Participant had a Deferred Compensation election in effect under this Plan or a Prior Agreement, and ending with the January 31 of the tenth (10th) Fiscal Year of such period, an Incentive Payment will be credited to the Participant's Account as of the January 31 of such tenth (10th) Fiscal Year. The Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation for ten (10), but not less than five (5), Fiscal Years (i.e., the first six (6) Fiscal Years of such ten (10)-year period), plus credited Plan earnings thereon through the award date. For each full Fiscal Year thereafter in which the Participant remains continuously employed with Wal-Mart or its Related Affiliates, an Incentive Payment will be credited to the Participant's Account as of the January 31 of such Fiscal Year. Such Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation for the first Fiscal Year of the five (5)- consecutive Fiscal Year period ending on the January 31 award date, plus credited Plan earnings thereon through the award date.

(d) If a Participant remains continuously employed with Wal-Mart or its Related Affiliates for a period of fifteen (15) consecutive full Fiscal Years, beginning with the February 1 of the first Fiscal Year in which the Participant had a Deferred Compensation election in effect under this Plan or a Prior Agreement, and ending with the January 31 of the fifteenth (15th) Fiscal Year of such period, an Incentive Payment will be credited to the Participant's Account as of the January 31 of such fifteenth (15th) Fiscal Year. The Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation for fifteen (15), but not less than ten (10), Fiscal Years (i.e., the first six (6) Fiscal Years of such fifteen (15)-year period), plus credited Plan earnings thereon through the award date. For each full Fiscal Year thereafter in which the Participant remains continuously employed with Wal-Mart or its Related Affiliates, an Incentive Payment will be credited to the Participant's Account as of the January 31 of such Fiscal Year. Such Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation for the first Fiscal Year of a ten (10)-consecutive Fiscal Year period ending on the January 31 award date, plus credited Plan earnings thereon through the award date. The Incentive Payments provided in this Section 4.2(d) shall not take into account Incentive Payments credited under Section 4.2(c) or credited Plan earnings thereon.

(e) The Incentive Payments provided in this Section 4.2(e) only apply if a Participant has been a Participant under the Plan (or a Prior Agreement) for five (5) or more full Fiscal Years and if the Participant incurs a Retirement, Early Retirement, death or Disability before satisfaction of the ten (10)- or fifteen (15)-year periods described in Sections 4.2 (c) and (d) above. In that event, only the Incentive Payment next to be credited (i.e., twenty percent (20%) or ten percent (10%)) will be credited to the Participant's Account as provided in this Section 4.2 (e). In the event the Participant had not yet been awarded or credited with a twenty percent (20%) Incentive Payment under Section 4.2(c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of (1) the number of full Fiscal Years worked since and including the first Fiscal Year in which the Participant had a Deferred Compensation election in effect under this Plan or a Prior Agreement, to (2) ten (10), multiplied by twenty percent (20%). Such Incentive Payment will be based upon recognized amounts for the Fiscal Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(c). If the Participant has been awarded a twenty percent (20%) Incentive Payment provided in Section 4.2 (c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of (1) the number of full Fiscal Years worked since the award date of the initial twenty percent (20%) Incentive Payment, to (2) five (5), multiplied by ten percent (10%). Such Incentive Payment will be based upon recognized amounts for the Fiscal Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(d). The Incentive Payment provided under this Section 4.2(e) will be determined and credited to the Participant's Account as of the date the Participant's Plan benefits are distributed in a lump sum payment. If, however, a Participant's benefits are to be distributed in installments, the amounts provided under this Section 4.2(e) will be determined and credited to the Participant's Account as of the Valuation Date on which installments are based.

ARTICLE V
PAYMENT OF PLAN BENEFITS

5.1 Distribution Restrictions.

Except in the event of a Participant's Unforeseeable Emergency, Plan benefits will not be payable to a Participant prior to the earliest occurrence of the Participant's Retirement, Early Retirement, Termination of Employment, Disability or death.

5.2 Termination Benefits.

(a) General.

In the event of a Participant's Termination of Employment for reasons other than the Participant's Retirement, Early Retirement, Disability or death, the Participant's Plan benefits will be distributed in a lump sum within sixty (60) days after the end of the calendar month in which the Termination of Employment occurs.

(b) Termination on Last Business Day of Fiscal Year.

If the Participant's Termination of Employment occurs on the last business day (excluding for this purpose, Saturday and Sunday) of a Fiscal Year, the lump sum amount will be the sum of: (a) the value of the Participant's Account, as determined under Section 3.5, as of the Valuation Date coincident with or immediately following the Participant's Termination of Employment; (b) the Participant's Deferred Bonus allocated as of the February 1 following such Valuation Date; and (c) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Fiscal Year in which distribution occurs) on the sum of the amounts determined in
(a) and (b) through the date of distribution based upon the number of calendar days since such Valuation Date.

(c) Termination on Other Than Last Business Day of Fiscal Year.

If the Participant's Termination of Employment occurs on a date other than the last business day (excluding for this purpose, Saturday and Sunday) of a Fiscal Year, the lump sum amount will equal the sum of: (a) the value of the Participant's Account as of the Valuation Date immediately preceding Termination of Employment; (b) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Fiscal Year under Section 4.1) on the Participant's Account value as of such immediately preceding Valuation Date based upon the number of calendar days since such Valuation Date through the date of distribution; (c) the sum of the Participant's Deferred Compensation for the Fiscal Year in which Termination of Employment occurs and the Participant's Deferred Bonus allocated as of the February 1 of the Fiscal year in which Termination of Employment occurs; and (d) a pro rata amount of interest equivalent (determined at one-half (1/2) the per annum rate in effect for a Fiscal Year under Section 4.1) on the amount determined in (c) based upon the number of calendar days since the Valuation Date immediately preceding Termination of Employment through date of distribution.

(d) Death.

In the event of a Participant's death before payment of the amounts provided by this Section 5.2, such amounts will be paid in a lump sum to the Participant's beneficiary designated under Section 5.5 at the time provided herein.

5.3 Retirement, Early Retirement, and Disability Benefits.

(a) General.

In the event of a Participant's Termination of Employment due to the Participant's Retirement, Early Retirement or Disability, the Participant's Plan benefits will be distributed in a lump sum or in substantially equal annual installments over a period not to exceed fifteen (15) years, in accordance with the Participant's distribution election given effect under the provisions of Section 5.6 below.

(b) Lump Sum Distributions.

If distribution is to be made in the form of a lump sum, the Participant's Plan benefits will be distributed within sixty (60) days after the end of the calendar month in which the Retirement, Early Retirement or Disability occurs. If the Participant's Retirement, Early Retirement or Disability occurs on the last business day (excluding for this purpose Saturday and Sunday) of a Fiscal Year, the lump sum amount will be the sum of: (1) the value of the Participant's Account, as determined under Section 3.5, as of the Valuation Date coincident with or immediately following the Participant's Retirement, Early Retirement or Disability; (2) the Participant's Deferred Bonus allocated as of the February 1 following such Valuation Date; (3) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Fiscal Year in which distribution occurs) on the sum of the amounts determined in
(1) and (2) through the date of distribution based upon the number of calendar days since such Valuation Date; and (4) the Participant's Incentive Payment (if any) as provided in Section 4.2(e).

If the Participant's Retirement, Early Retirement or Disability occurs on a date other than the last business day (excluding for this purpose Saturday and Sunday) of a Fiscal Year, the lump sum amount will equal the sum of: (1) the value of the Participant's Account as of the Valuation Date immediately preceding Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Fiscal Year under Section 4.1) on the Participant's Account value as of such immediately preceding Valuation Date based upon the number of calendar days since such Valuation Date through the date of distribution; (3) the Participant's Deferred Compensation for the Fiscal Year in which Retirement, Early Retirement or Disability occurs and the Participant's Deferred Bonus allocated as of the February 1 of the Fiscal Year in which Retirement, Early Retirement or Disability occurs; (4) the Participant's Incentive Payment (if any) as provided in Section 4.2(e); and (5) a pro rata amount of interest equivalent (determined at one-half (1/2) the per annum rate in effect for a Fiscal Year under Section 4.1) on the amount deter- mined in (3) based upon the number of calendar days since the Valuation Date immediately preceding Retirement, Early Retirement or Disability through the date of distribution.

(c) Installment Distributions.

If distribution is to be made in the form of annual install- ments, the Participant's installments will be based upon the value of the Participant's Account, as determined under Section 3.5, as of the Valuation Date coincident with or immediately following the Participant's Retirement, Early Retirement or Disability, plus any Deferred Bonus allocated as of the following February 1. The Plan benefits determined above will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Plan benefits over the period covered by the installment period (such period commencing on the February 1 following the Valuation Date the Participant's Account is valued under this Section), with interest calculated at the per annum rate in effect for the Fiscal Year in which the Participant's Retirement, Early Retirement or Disability occurs. The first installment will be paid on the second January 31 coincident with or following the Participant's Retirement, Early Retirement or Disability, and continue on each successive January 31 until the Participant's benefits are distributed in full.

(d) Death.

In the event of a Participant's death before full payment of Plan benefits under this Section 5.3, payment shall be made (or continue to be made) to the Participant's beneficiary designated under Section 5.5 in the same form as elected by the Participant for distribution of Retirement, Early Retirement or Disability benefits.

5.4 Death Benefits.

(a) General.

In the event of a Participant's Termination of Employment due to the Participant's death, the Participant's Plan benefits will be distributed in a lump sum or in substantially equal annual installments over a period not to exceed fifteen (15) years, in accordance with the Participant's distribution election given effect under the provisions of Section 5.6 below. Amounts will be distributed to the beneficiary designated under 5.5 below.

(b) Lump Sum Distributions.

If distribution is to be made in the form of a lump sum, the Participant's Plan benefits will be distributed within sixty (60) days after the end of the calendar month in which the Participant's death occurs. If the Participant's death occurs on the last business day (excluding for this purpose Saturday and Sunday) of a Fiscal Year, the lump sum amount will be the sum of: (1) the value of the Participant's Account, as determined under Section 3.5, as of the Valuation Date coincident with or immediately following the Participant's death; (2) the Participant's Deferred Bonus allocated as of the February 1 following such Valuation Date; (3) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Fiscal Year in which distribution occurs) on the sum of the amounts determined in (1) and (2) through the date of distribution based upon the number of calendar days since such Valuation Date; and (4) the Participant's Incentive Payment (if any) as provided in Section 4.2(e).

If the Participant's death occurs on a date other the last business day (excluding for this purpose Saturday and Sunday) of a Fiscal Year, the lump sum amount will equal the sum of: (1) the value of the Participant's Account as of the Valuation Date immedi- ately preceding the Participant's death; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Fiscal Year on the Participant's Account value as of the immediately preceding Valuation Date based upon the number of full calendar days since such Valuation Date through date of distribution; (3) the Participant's Deferred Compensation for the Fiscal Year in which the Participant's death occurs and the Participant's Deferred Bonus allocated as of the February 1 of the Fiscal Year in which the Participant's death occurs; (4) the Participant's Incentive Payment (if any) as provided in Section 4.2(e); and (5) a pro rata amount of interest equivalent (determined at one-half (1/2) the per annum rate in effect for a Fiscal Year on the amount determined in (3) based upon the number of calendar days since the Valuation Date immediately preceding the Participant's death through the date of distribution.

(c) Installment Distributions.

If distribution is to be made in the form of annual install ments, the installments will be based upon the value of the Participant's Account, as determined under Section 3.5, as of the Valuation Date coincident with or immediately following the Participant's death, plus any Deferred Bonus allocated as of the following February 1. The Plan benefits determined above will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Plan benefits over the period covered by the installment period (such period commencing on the February 1 following the Valuation Date the Participant's Account is valued under this Section), with interest calculated at the per annum rate in effect for the Fiscal Year in which the Participant's death occurs. The first installment will be paid on the second January 31 coincident with or following the Participant's death, and continue on each successive January 31 until the Participant's benefits are distributed in full.

5.5 Designation of Beneficiary.

A Participant may, by written instrument delivered to Wal-Mart on forms prescribed by the Committee, designate primary and contingent beneficiaries to receive any benefit payments which may be payable under this Plan following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. A Participant may change such designations from time to time and the last written designation filed with Wal-Mart prior to the Participant's death will control. In the event no beneficiary is designated, or if the designated beneficiary predeceases the Participant, payment shall be payable to the Participant's estate. For this purpose, a Participant's most recent written beneficiary designation properly filed under a Prior Agreement shall continue to be given effect until otherwise modified in accordance with the provisions of this Section.

5.6 Form of Distribution.

If a Participant's Termination of Employment is due to the Participant's Retirement, Early Retirement, Disability or death, at the Participant's election distribution may be made in a lump sum or in substantially equal annual installments over a period not to exceed fifteen (15) years. A Participant may file a distribution election with Wal-Mart on forms prescribed by the Committee. A distribution election, once given effect under this Section 5.6, will apply to the Participant's total Plan benefits. A Participant may, however, file a separate election for death benefits payable under
Section 5.4. To be given effect under this Section 5.6, any distribution election for benefits payable under Section 5.3 must have been filed with Wal-Mart at least twenty-four (24) full calendar months before the occurrence of an event entitling the Participant to a distribution thereunder. If a Participant's distribution election has not been on file with Wal-Mart for the full twenty-four (24)- month period, it will not be recognized or given effect by the Plan. In that event, distribution will be made in accordance with the Participant's most recent distribution election which was filed with Wal-Mart at least twenty-four (24) months prior to the Participant's Retirement, Early Retirement, or Disability. The twenty-four (24) month period provided above shall not apply to amounts payable under
Section 5.4. For purposes of this Section 5.6, a Participant's last distribution election filed with Wal-Mart under a Prior Agreement will be given effect for the Participant's total Plan benefits until superseded or amended by the Participant in accordance with the provisions of this Section, except that death benefits under Section 5.4 will be paid in a lump sum unless an affirmative election to the contrary is filed by the Participant. If the Participant has not been a Participant in the Plan for at least twenty-four (24) months prior to the Participant's Retirement, Early Retirement, or Disabili- ty, the Participant's initial distribution election filed with Wal- Mart will be given effect.

5.7 Reductions Arising from a Participant's Gross Misconduct.

A Participant's Plan benefits are contingent upon the Partici- pant not engaging in Gross Misconduct while employed with Wal-Mart or any Related Affiliate, or during such additional period as provided in Wal-Mart's Statement of Ethics. Notwithstanding anything herein to the contrary, in the event the Committee determines that the Participant has engaged in Gross Misconduct during the prescribed period: (a) the Participant shall forfeit all Incentive Payments, and credited Plan earnings thereon; and (b) earnings credited to the Participant's Account derived from Deferred Compensation and Deferred Bonuses shall be recalculated for each Fiscal Year to reflect the amount which would otherwise have been credited if the applicable per annum rate were fifty percent (50%) of the per annum rate in effect for such Fiscal Year. Under no circumstances will a Participant forfeit any portion of the Participant's Deferred Compensation or Deferred Bonuses. Any payments received hereunder by a Participant (or the Participant's beneficiary) are contingent upon the Partici- pant not engaging (or not having engaged) in Gross Misconduct while employed with Wal-Mart or any Related Affiliate, or during such additional period as provided in Wal-Mart's Statement of Business Ethics. If the Committee determines, after payment of amounts hereunder, that the Participant has engaged in Gross Misconduct during the prescribed period, the Participant (or the Participant's beneficiary) shall repay to Wal-Mart any amount in excess of that to which the Participant is entitled under this Section 5.7.

5.8 Distributions for Unforeseeable Emergencies.

In the event of an Unforeseeable Emergency, the Committee, in its sole and absolute discretion and upon written application of such Participant, may direct immediate distribution of all or a portion of the Participant's Plan benefits. The Committee will permit distribution because of an Unforeseeable Emergency only to the extent reasonably needed to satisfy the emergency need.

Notwithstanding anything herein to the contrary, the provisions of this paragraph apply in the event a Participant receives a distribution under this Section 5.8, the Participant's Termination of Employment for any reason occurs on a date other than the last business day of a Fiscal Year (excluding for this purpose Saturday or Sunday), and the Participant's benefits hereunder for any reason are paid in the same Fiscal Year in which the Participant received a distribution for Unforeseeable Emergencies under this Section 5.8. In that event, the Participant's lump sum amount calculated under Sections 5.2, 5.3, or 5.4 will be reduced by the amount distributed under this Section 5.8 and the applicable interest equivalent will be calculated in a manner consistent with Section 4.1.

ARTICLE VI
ADMINISTRATION

6.1 General.

The Committee is responsible for the administration of the Plan and is granted the following rights and duties:

(a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may rise regarding the rights of Participants (or their beneficiaries) under this Plan;

(b) The Committee shall have the sole and complete authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;

(c) The Committee may appoint a person or persons to assist the Committee in the day-to-day administration of the Plan;

(d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Wal-Mart, the Participant, the Participant's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and

(e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

ARTICLE VII
CLAIMS PROCEDURE

7.1 General.

Any claim for benefits under the Plan must be filed by the Participant or beneficiary ("claimant") in writing with the Committee or its delegate. If a claim for a Plan benefit is wholly or partially denied, notice of the decision will be furnished to the claimant by the Committee or its delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Committee or its delegate. Any claimant who is denied a claim for benefits will be furnished written notice setting forth:

(a) the specific reason or reasons for the denial;

(b) specific reference to the pertinent Plan provision upon which the denial is based;

(c) a description of any additional material or informa- tion necessary for the claimant to perfect the claim; and

(d) an explanation of the Plan's claim review procedure.

7.2 Appeals Procedure.

To appeal a denial of a claim, a claimant or the claimant's duly authorized representative:

(a) may request a review by written application to the Committee not later than sixty (60) days after receipt by the claimant of the written notification of denial of a claim;

(b) may review pertinent documents; and

(c) may submit issues and comments in writing.

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty
(120) days after receipt of a request for review. The decision on review will be in writing and shall include the specific reasons for the denial and the specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

8.1 Amendment, Suspension or Termination of Plan.

Wal-Mart, by action of the Executive Committee its Board of Directors, reserves the right to amend, suspend or to terminate the Plan in any manner that it deems advisable. Notwithstanding the preceding sentence, the Plan may not be amended, suspended or terminated to cause a Participant to forfeit the Participant's then- existing Account.

8.2 Non-Alienability.

The rights of a Participant to the payment of benefits as provided in the Plan may not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation. No Participant may borrow against the Participant's interest in the Plan. No interest or amounts payable under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary, including but not limited to, any liability which is for alimony or other payments for the support of a spouse or former spouse, or for any other relative of any Participant.

8.3 No Employment Rights.

Nothing contained herein shall be construed as conferring upon the Participant the right to continue in the employ of Wal-Mart or any of its related affiliates as an officer or in any other capacity.

8.4 No Right to Bonus.

Nothing contained herein shall be construed as conferring upon the Participant the right to receive a bonus from the Wal-Mart Stores, Inc. Management Incentive Plan for Officers. A Participant's entitlement to such a bonus is governed solely by the provisions of that plan.

8.5 Withholding and Employment Taxes.

To the extent required by law, Wal-Mart will withhold from a Participant's current compensation or from Plan distributions, as the case may be, such taxes as are required to be withheld for federal, state or local government purposes.

8.6 Income and Excise Taxes.

The Participant (or the Participant's beneficiaries or estate) is solely responsible for the payment of all federal, state and local income and excise taxes resulting from the Participant's participation in this Plan.

8.7 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Wal-Mart, its successors and assigns, and the Participant, the Participant's beneficiaries, heirs, and legal representatives.

8.8 Governing Law.

This Plan shall be subject to and construed in accordance with the laws of the State of Arkansas to the extent not preempted by federal law.

1996 End of Year Store Counts

	Wal-Mart Stores	Supercenters	SAM'S Clubs
Alabama	65	11	8
Alaska	3		3
Arizona	31		6
Arkansas	58	19	4
California	88		26
Colorado	34	2	9
Connecticut	6		3
Delaware	2		1
Florida	116	16	34
Georgia	79	6	15
Hawaii	4		1
Idaho	7		1
Illinois	101	3	24
Indiana	66	6	14
Iowa	45		6
Kansas	43	3	5
Kentucky	60	8	5
Louisiana	62	13	9
Maine	19		3
Maryland	19		10
Massachusetts	23		5
Michigan	39		21
Minnesota	33		9
Mississippi	47	10	4
Missouri	81	27	11
Montana	6		1
Nebraska	13	4	3
Nevada	9		2
New Hampshire	15		4
New Jersey	14		6
New Mexico	19		3
New York	46	4	17
North Carolina	82	1	13
North Dakota	8		2
Ohio	70		22
Oklahoma	61	17	6
Oregon	17		
Pennsylvania	47	5	14
Rhode Island	4		1
South Carolina	49	3	8
South Dakota	8		1
Tennessee	69	19	9
Texas	185	56	51
Utah	13		5
Vermont	1		
Virginia	43	4	10
Washington	13		2
West Virginia	12	2	3
Wisconsin	51		11
Wyoming	9		2
TOTAL U.S.A.	1,995	239	433
Argentina		1	2
Brazil		2	3
Mexico	85*	13	28
Puerto Rico	7		4
CANADA			
Alberta	14		
British Columbia	12		
Manitoba	9		
New Brunswick	4		
Newfoundland	7		
Nova Scotia	6		
NW Territories	1		
Ontario	48		
Quebec	22		
Saskatchewan	8		
TOTAL CANADA	131		
GRAND TOTAL	2,218	255	470

[FN]
* Includes 3 Superamas, 25 Bodegas, 4 Aurreras, 48 Vips and 5 Suburbias

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

	1996	1995	1994	1993	1992	1991
Operating Results						
Net sales	$93,627	$82,494	$67,344	$55,484	$43,887	$32,602
Net sales increase	13%	22%	21%	26%	35%	26%
Comparative store sales increase	4%	7%	6%	11%	10%	10%
Other income - net	1,122	918	641	501	403	262
Cost of sales	74,564	65,586	53,444	44,175	34,786	25,500
Operating, selling, and general and administrative expenses	14,951	12,858	10,333	8,321	6,684	5,152
Interest costs:						
Debt	692	520	331	143	113	43
Capital leases	196	186	186	180	153	126
Provision for income taxes	1,606	1,581	1,358	1,171	945	752
Net income	2,740	2,681	2,333	1,995	1,609	1,291
Per share of common stock:						
Net income	1.19	1.17	1.02	.87	.70	.57
Dividends	.20	.17	.13	.11	.09	.07
Financial Position						
Current assets	$17,331	$15,338	$12,114	$10,198	$ 8,575	$ 6,415
Inventories at replacement cost	16,300	14,415	11,483	9,780	7,857	6,207
Less LIFO reserve	311	351	469	512	473	399
Inventories at LIFO cost	15,989	14,064	11,014	9,268	7,384	5,808
Net property, plant, and equipment and capital leases	18,894	15,874	13,176	9,793	6,434	4,712
Total assets	37,541	32,819	26,441	20,565	15,443	11,389
Current liabilities	11,454	9,973	7,406	6,754	5,004	3,990
Long-term debt	8,508	7,871	6,156	3,073	1,722	740
Long-term obligations under capital leases	2,092	1,838	1,804	1,772	1,556	1,159
Shareholders' equity	14,756	12,726	10,753	8,759	6,990	5,366
Financial Ratios						
Current ratio	1.5	1.5	1.6	1.5	1.7	1.6
Inventories/ working capital	2.7	2.6	2.3	2.7	2.1	2.4
Return on assets*	8.3%	10.1%	11.3%	12.9%	14.1%	15.7%
Return on shareholders' equity*	21.5%	24.9%	26.6%	28.5%	30.0%	32.6%
Other Year-End Data						
Number of domestic Wal-Mart Stores	1,995	1,985	1,950	1,848	1,714	1,568
Number of domestic Supercenters	239	147	72	34	10	9
Number of domestic SAM'S Clubs	433	426	417	256	208	148
International units	276	226	24	10		
Average Wal-Mart store size	91,100	87,600	83,900	79,800	74,700	70,700
Number of associates	675,000	622,000	528,000	434,000	371,000	328,000
Number of shareholders of record	244,483	259,286	257,946	180,584	150,242	122,414

[FN]
* On beginning of year balances.

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

	1990	1989	1988	1987	1986
Operating Results					
Net sales	$25,811	$20,649	$15,959	$11,909	$ 8,451
Net sales increase	25%	29%	34%	41%	32%
Comparative store sales increase	11%	12%	11%	13%	9%
Other income - net	175	137	105	85	55

Cost of sales	20,070	16,057	12,282	9,053	6,361
Operating, selling, and general and administrative expenses	4,070	3,268	2,599	2,008	1,485
Interest costs:					
Debt	20	36	25	10	2
Capital leases	118	99	89	76	55
Provision for income taxes	632	488	441	396	276
Net income	1,076	838	628	451	327
Per share of common stock:					
Net income	.48	.37	.28	.20	.15
Dividends	.06	.04	.03	.02	.02
Financial Position					
Current assets	$ 4,713	$ 3,631	$ 2,905	$ 2,353	$ 1,784
Inventories at replacement cost	4,751	3,642	2,855	2,185	1,528
Less LIFO reserve	323	291	203	154	140
Inventories at LIFO cost	4,428	3,351	2,652	2,031	1,388
Net property, plant, and equipment and capital leases	3,430	2,662	2,145	1,676	1,303
Total assets	8,198	6,360	5,132	4,049	3,104
Current liabilities	2,845	2,066	1,744	1,340	993
Long-term debt	185	184	186	179	181
Long-term obligations under capital leases	1,087	1,009	867	764	595
Shareholders' equity	3,966	3,008	2,257	1,690	1,278
Financial Ratios					
Current ratio	1.7	1.8	1.7	1.8	1.8
Inventories/ working capital	2.4	2.1	2.3	2.0	1.8
Return on assets*	16.9%	16.3%	15.5%	14.5%	14.8%
Return on shareholders' equity*	35.8%	37.1%	37.1%	35.2%	33.3%
Other Year-End Data					
Number of domestic Wal-Mart Stores	1,399	1,259	1,114	980	859
Number of domestic Supercenters	6	3	2		
Number of domestic SAM'S Clubs	123	105	84	49	23
International units					
Average Wal-Mart store size	66,400	63,500	61,500	59,000	57,000
Number of associates	271,000	223,000	183,000	141,000	104,000
Number of shareholders of record	79,929	80,270	79,777	32,896	21,828

[FN]
* On beginning of year balances.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Results of Operations

Revenues
Sales for the three fiscal years ended January 31, and the respective total and comparable store percentage increases over the prior year were:

Fiscal Year	Sales (in millions)	Total Company Increases	Comparable Store Increases
1996	$93,627	13%	4%
1995	82,494	22%	7%
1994	67,344	21%	6%

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

22.9% in fiscal 1995 to 20.4% in fiscal 1996.
The sales increase of 22% in fiscal 1995 compared with fiscal 1994 was attributable to the Company's domestic expansion of 109 Wal-Mart stores, 75 Supercenters (including the conversion of 69 Wal-Mart stores), and 21 SAM'S Clubs; comparative store sales increases of 7%; and the entry into the Canadian market through the purchase of 122 stores from Woolworth Canada, Inc., a subsidiary of Woolworth Corporation. SAM'S Clubs sales as a percentage of total sales increased by 1.1%, part of which was attributable to the PACE units acquired in the fourth quarter of fiscal 1994. Canadian store sales accounted for 1.5% of total sales in fiscal 1995.

New Operating Locations	1996	1995	1994
Domestic units			
New Wal-Mart stores	92	109	141
New Supercenters	12	6	1
Wal-Mart stores relocated or expanded to Supercenters	80	69	37
New SAM'S Clubs	9	21	63
Acquired PACE Clubs			99
Total new domestic units	193	205	341
International units			
Acquired Canada Woolco stores		122	
Other new international units	50	80	14
Total new international units	50	202	14
Total new units	243	407	355

Costs and Expenses
Cost of sales as a percentage of sales increased .1% in both fiscal 1996 and fiscal 1995 when compared to the preceding year. The change in fiscal 1996 is comprised of an increase of approximately .3% due to a larger percentage of consolidated sales from departments within Wal-Mart stores which have lower markon percents, and to the Company's continuing commitment to always providing low prices. This increase is offset because the SAM'S Clubs comprised a lower percentage of consolidated sales in 1996 at a lower contribution to gross margin than the stores. The increase in fiscal 1995 is primarily due to a larger percentage of consolidated sales attributable to SAM'S Clubs resulting in part from the addition of the PACEClubs. The cost of sales in SAM'S Clubs is significantly higher as a percentage of sales than in Wal-Mart stores due to a lower markon on purchases.
Operating, selling, and general and administrative expenses as a percentage of sales increased .4% and .2%, respectively, in each of the last two fiscal years when compared to the previous year. Approximately .2% of the increase in fiscal 1996 was due to increases in payroll and related benefit costs. The remainder of the increase resulted primarily from a lower percentage of sales attributable to SAM'S Clubs and a higher percentage of sales attributable to international operations. SAM'S Clubs operating, selling, and general and administrative expenses as a percentage of sales are lower than the Wal-Mart stores and Supercenters while international expenses are slightly higher. The increase in fiscal 1995 was primarily attributable to the acquisition of the Canadian stores and higher payroll and related benefit costs.
Statement of Financial Accounting Standard (SFAS) No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" was issued in March 1995. The statement requires entities to review long-lived assets and certain intangible assets in certain circumstances, and if the value of the assets is impaired, an impairment loss shall be recognized. This statement will be effective for the Company's fiscal year ending January 31, 1997. The Company's existing accounting policie s are such that this pronouncement will not have a material effect on the Company's financial position or results of operations.
"Accounting for Stock-Based Compensation," SFAS No. 123, was issued in October 1995 and will be effective for the Company's fiscal year ending January 31, 1997. The statement relates to the measurement of compensation of stock options issued to employees. The statement gives entities a choice of recognizing related compensation expense by adopting a new fair value method determination or to continue to measure compensation using the former standard. If the former standard for measurement is elected, SFAS No. 123 requires supplemental disclosure to show the effects of using the new measurement criteria. The Company intends to continue using the measurement prescribed by the former standard, and accordingly, this pronouncement will not have an effect on the Company's financial position or results of operations.

Interest Cost
Interest cost increased in fiscal 1996 and 1995 due to increased indebtedness and increased average short-term borrowing rates in each of the years. The increased indebtedness is due to the Company's expansion program. See Note 2 of Notes to Consolidated Financial Statements for additional information on interest and debt.

Income Taxes
The effective income tax rate was 37.0% and 37.1% in fiscal 1996 and 1995 respectively. See Note 4 of Notes to Consolidated Financial Statements for additional information on income taxes.

Liquidity and Capital Resources

Cash Flow Information
Cash flow provided from operations was $2.4 billion in fiscal 1996. These funds combined with long-term borrowings of $1 billion and net short-term borrowings of $.7 billion were used to finance capital expenditures of $3.6 billion, to pay dividends, provide working capital, and to fund the operation of subsidiaries.
Borrowing Information
The Company had committed lines of credit of $1,900 million and informal lines totaling an additional $2,450 million with 35 banks which were used to support short-term borrowing and commercial paper. These lines of credit and their anticipated cyclical increases will be sufficient to finance the seasonal buildups in merchandise inventories and interim financing requirements for stores developed with sale/leaseback or other long-term financing objectives.
Favorable debt market conditions combined with the Company's ability to generate significant cash flows from operations have allowed the

Company to aggressively expand during the past three years. In fiscal 1996, the Company borrowed $1 billion at interest rates ranging from 6 1/8% to 7% for terms of three to seven years. Although the Company has borrowed to support the expansion, debt and equity have increased proportionately during the past three years. The Company's debt (including obligations under capital leases) to equity ratio was .74:1 at the end of fiscal 1996 compared to .77:1 and .75:1 at the end of fiscal 1995 and 1994, respectively. In view of the Company's significant working capital, its consistent ability to generate working capital from operations and the availability of external financing, the Company foresees no difficulty in providing funds necessary to fulfill its working capital needs and to finance its estimated $3.5 billion capital expansion plan in fiscal 1997.

Foreign Currency Translation
The Company has operations in Puerto Rico, Canada, and Argentina, and through joint ventures in Mexico and Brazil. All foreign operations are measured in their local currencies with the exception of Brazil, operating in a highly inflationary economy, which reports operations using U.S. dollars. All foreign operations as a group are insignificant to the Company's consolidated results of operations and financial position. The foreign currency translation adjustment of $412 and $256 million in fiscal 1996 and 1995, respectively, is primarily due to operations in Mexico. In fiscal 1995 the value of the peso dropped significantly in relation to the dollar and continued to decline in fiscal 1996. The Company continues to evaluate strategies to minimize the financial risk of currency devaluation. Although exposure to this risk exists, any further devaluation of the peso or other currencies should not significantly impact the Company's consolidated operations or financial position.

Expansion
Domestically, the Company plans to open 60 to 70 new Wal-Mart stores, and 100 to 110 Supercenters. Approximately 90 of the Supercenters will come from relocations or expansions of existing Wal-Mart stores. The Company also plans to open 10 new SAM'S Clubs and three distribution centers. International expansion includes 25 to 30 new Wal-Mart stores, Supercenters, and SAM'S Clubs in Argentina, Brazil, Canada, China, Indonesia, Mexico and Puerto Rico.
Total capital expenditures for 1997 are not expected to exceed $3.5 billion. The Company plans to primarily finance expansion with operating cash flows. The Company may also provide for cash needs through short- term borrowings backed up by the credit lines discussed above and also may sell $751 million of public debt utilizing shelf registration statements previously filed with the Securities and Exchange Commission to provide for other cash needs.

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

Fiscal years ended January 31,	1996	1995	1994
Revenues:			
Net sales	$93,627	$82,494	$67,344
Other income - net	1,122	918	641
	94,749	83,412	67,985
Costs and Expenses:			
Cost of sales	74,564	65,586	53,444
Operating, selling, and general and administrative expenses	14,951	12,858	10,333
Interest Costs:			
Debt	692	520	331
Capital leases	196	186	186
	90,403	79,150	64,294
Income Before Income Taxes	4,346	4,262	3,691
Provision for Income Taxes:			
Current	1,530	1,572	1,325
Deferred	76	9	33
	1,606	1,581	1,358
Net Income	$ 2,740	$ 2,681	$ 2,333
Net Income Per Share	$ 1.19	$ 1.17	$ 1.02

[FN]
See accompanying notes.

Net Income
(Millions of Dollars) (Graph)

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
451	628	838	1,076	1,291	1,609	1,995	2,333	2,681	2,740

Consolidated Balance Sheets
(Amounts in millions)

January 31,	1996	1995
Assets		
Current Assets:		
Cash and cash equivalents	$ 83	$ 45
Receivables	853	900
Inventories:		
At replacement cost	16,300	14,415
Less LIFO reserve	311	351

Inventories at LIFO cost	15,989	14,064
Prepaid expenses and other	406	329
Total Current Assets	17,331	15,338
Property, Plant, and Equipment, at Cost:		
Land	3,559	3,036
Buildings and improvements	11,290	8,973
Fixtures and equipment	5,665	4,768
Transportation equipment	336	313
	20,850	17,090
Less accumulated depreciation	3,752	2,782
Net property, plant, and equipment	17,098	14,308
Property under capital leases	2,476	2,147
Less accumulated amortization	680	581
Net property under capital leases	1,796	1,566
Other Assets and Deferred Charges	1,316	1,607
Total Assets	$37,541	$32,819

Liabilities and Shareholders' Equity		
Current Liabilities:		
Commercial paper	$ 2,458	$ 1,795
Accounts payable	6,442	5,907
Accrued liabilities	2,091	1,819
Accrued federal and state income taxes	123	365
Long-term debt due within one year	271	23
Obligations under capital leases due within one year	69	64
Total Current Liabilities	11,454	9,973
Long-Term Debt	8,508	7,871
Long-Term Obligations Under Capital Leases	2,092	1,838
Deferred Income Taxes and Other	731	411
Shareholders' Equity:		
Preferred stock ($.10 par value; 100 shares authorized, none issued)		
Common stock ($.10 par value; 5,500 shares authorized, 2,293 and 2,297 issued and outstanding in 1996 and 1995, respectively)	229	230
Capital in excess of par value	545	539
Retained earnings	14,394	12,213
Foreign currency translation adjustment	(412)	(256)
Total Shareholders' Equity	14,756	12,726
Total Liabilities and Shareholders' Equity	$37,541	$32,819

[FN]
See accompanying notes.

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

	Number of shares	Common stock	Capital in excess of par value	Retained earnings	Foreign currency translation adjustment	Total
Balance - January 31, 1993	2,300	$230	$527	$ 8,003	$ -	$ 8,760
Net income				2,333		2,333
Cash dividends ($.13 per share)				(299)		(299)
Other	(1)		9	(50)		(41)
Balance - January 31, 1994	2,299	230	536	9,987	-	10,753
Net income				2,681		2,681
Cash dividends ($.17 per share)				(391)		(391)
Foreign currency translation adjustment					(256)	(256)
Other	(2)		3	(64)		(61)
Balance - January 31, 1995	2,297	230	539	12,213	(256)	12,726
Net income				2,740		2,740
Cash dividends ($.20 per share)				(458)		(458)
Foreign currency translation adjustment					(156)	(156)
Other	(4)	(1)	6	(101)		(96)
Balance - January 31, 1996	2,293	$229	$545	$14,394	$(412)	$14,756

[FN]
See accompanying notes.

Consolidated Statements of Cash Flows
(Amounts in millions)

Fiscal years ended January 31,	1996	1995	1994
Cash flows from operating activities:			
Net income	$ 2,740	$ 2,681	$ 2,333
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,304	1,070	849
Increase in accounts receivable	(61)	(84)	(165)
Increase in inventories	(1,850)	(3,053)	(1,324)
Increase in accounts payable	448	1,914	230
Increase in accrued liabilities	29	496	327
Other	(227)	(118)	(55)
Net cash provided by operating activities	2,383	2,906	2,195
Cash flows from investing activities:			
Payments for property, plant, and equipment	(3,566)	(3,734)	(3,644)
Acquisition of assets from PACE Membership Warehouses, Inc.	-	-	(830)
Acquisition of assets from Woolworth Canada, Inc.	-	(352)	-
Sale/leaseback arrangements	-	502	272
Investment in international operations	(57)	(434)	(198)
Other investing activities	291	226	(86)
Net cash used in investing activities	(3,332)	(3,792)	(4,486)
Cash flows from financing activities:			
Increase (decrease) in commercial paper	660	220	(14)
Proceeds from issuance of long-term debt	1,004	1,250	3,108
Dividends paid	(458)	(391)	(299)
Payment of long-term debt	(126)	(37)	(19)
Payment of capital lease obligations	(81)	(70)	(437)
Other financing activities	(12)	(61)	(40)
Net cash provided by financing activities	987	911	2,299
Net increase in cash and cash equivalents	38	25	8
Cash and cash equivalents at beginning of year	45	20	12
Cash and cash equivalents at end of year	$ 83	$ 45	$ 20
Supplemental disclosure of cash flow information:			
Income tax paid	$ 1,785	$ 1,390	$ 1,366
Interest paid	866	658	450
Capital lease obligations incurred	365	193	162

[FN]
See accompanying notes.

Notes to Consolidated Financial Statements

1 Summary of Significant Accounting Policies

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

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

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

Interest during construction
In order that interest costs properly reflect only that portion relating to current operations, interest on borrowed funds during the construction of property, plant, and equipment is capitalized. Interest costs capitalized were $50 million, $70 million, and $65 million in 1996, 1995, and 1994,

respectively.

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

Long-lived assets
In March 1995, the Financial Accounting Standards Board (FASB) issued Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Statement 121 also addresses the accounting for long-lived assets that are expected to be disposed of. The Company will adopt Statement 121 in the first quarter of 1997 and, based on current circumstances, does not believe the effect of adoption will be material.

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

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

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

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

2 Commercial Paper and Long-term Debt

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

Fiscal years ended January 31,	1996	1995	1994
Maximum amount outstanding at month-end	$3,686	$2,729	$2,395
Average daily short-term borrowings	2,106	1,693	1,247
Weighted average interest rate	5.9%	4.4%	3.0%

On January 31, 1996, the Company had committed lines of credit of $1,900 million and informal lines of credit totaling an additional $2,450 million with 35 banks, which were used to support short-term borrowings and commercial paper.

Short-term borrowings under these lines of credit bear interest at or below the prime rate.

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

		1996	1995
8 5\8%	Notes due April 2001	$ 750	$ 750
5 7\8%	Notes due October 2005	750	750
9 1\10%	Notes due July 2000	500	500
5 1\2%	Notes due September 1997	500	500
6 1\8%	Notes due October 1999	500	500
5 1\2%	Notes due March 1998	500	500
6 1\2%	Notes due June 2003	500	500
7 1\4%	Notes due June 2013	500	500
7 1\2%	Notes due May 2004	500	500
7 8\10%-8 1\4%	Obligations from sale/leaseback transactions due 2014	478	484
7% - 8%	Obligations from sale/leaseback transactions due 2013	318	322
6 3\4%	Notes due May 2002	300	-
6 3\8%	Notes due March 2003	250	250
6 3\4%	Notes due October 2023	250	250
8%	Notes due September 2006	250	250
8 1\2%	Notes due September 2024	250	250
6 7\8%	Eurobond due June 1999	250	250
5 1\8%	Eurobond due October 1998	250	250
7%	Eurobond due April 1998	250	-

6 1\8%	Eurobond due November 2000	250	-
6 3\4%	Eurobond due May 2002	200	-
8%	Notes due May 1996	-	250
10 7\8%	Debentures due August 2000	-	100
	Other	212	215
		$8,508	$7,871

Long-term debt is unsecured except for $213 million which is collateralized by property with an aggregate carrying value of approximately $351 million. Annual maturities of long-term debt during the next five years are (in millions):

Fiscal years ending January 31,	Annual maturity
1997	$ 271
1998	525
1999	1,025
2000	807
2001	2,065
Thereafter	4,086

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

The Company has entered into sale/leaseback transactions involving buildings while retaining title to the underlying land. These transactions were accounted for as financings and are included in long- term debt and the annual maturities schedules above. The resulting obligations are amortized over the lease terms. Future minimum lease payments for each of the five succeeding years as of January 31, 1996 are (in millions):

Fiscal years ending January 31,	Minimum Rentals
1997	$ 72
1998	76
1999	76
2000	104
2001	100
Thereafter	1,009

The fair value of the Company's long-term debt approximates $8,960 million based on the Company's current incremental borrowing rate for similar types of borrowing arrangements. The carrying amount of the short- term borrowings approximates fair value.

As of January 31, 1996 and 1995, the Company had letters of credit outstanding totaling $551 and $580 million, respectively. These letters of credit were issued primarily for the purchase of inventory.

The Company has guaranteed the indebtedness of a joint venture for the development of real estate in Puerto Rico. On January 31, 1996, the amount guaranteed was approximately $85 million. The Company does not anticipate any joint venture defaults.

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

3 Defined Contribution Plan

The Company maintains a profit sharing plan under which most full and many part-time Associates become participants following one year of employment. Annual contributions, based on the profitability of the Company, are made at the sole discretion of the Company. Contributions were $204 million, $175 million, and $166 million in 1996, 1995, and 1994, respectively.

4 Income Taxes

The income tax provision consists of the following

(in millions):	1996	1995	1994
Current:			
Federal	$1,342	$1,394	$1,193
State and local	188	178	132
Total current tax provision	1,530	1,572	1,325
Deferred:			
Federal	61	7	30
State and local	15	2	3
Total deferred tax provision	76	9	33
Total provision for income taxes	$1,606	$1,581	$1,358

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

	1996	1995	1994
Deferred tax liabilities:			
Property, plant, and equipment	$617	$518	$408
Inventory	135	88	38
Other	19	8	9
Total deferred tax liabilities	771	614	455
Deferred tax assets:			
Amounts accrued for financial reporting purposes not yet deductible for tax purposes	204	230	114
Capital leases	147	114	95
Other	150	33	18
Total deferred tax assets	501	377	227
Net deferred tax liabilities	$270	$237	$228

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

	1996	1995	1994
Statutory tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	3.1	2.7	2.4
Other	(1.1)	(0.6)	(0.6)
Effective tax rate	37.0%	37.1%	36.8%

5 Acquisitions

In two unrelated cash transactions during fiscal 1994, the Company acquired selected assets of PACE Membership Warehouses, Inc., including the right to operate 107 of PACE's former locations, for $830 million, recording $336 million of goodwill which is being amortized over 25 years.

In fiscal 1995, the Company acquired selected assets related to 122 Woolco stores in Canada from Woolworth Canada, Inc., a subsidiary of Woolworth Corporation, for approximately $352 million, recording $221 million of leasehold and location value which is being amortized over 20 years. These transactions have been accounted for as purchases. The results of operations for the acquired units since the dates of their acquisitions have been included in the Company's results. Pro forma results of operations are not presented due to insignificant differences from the historical results.

6 Stock Option Plans

At January 31, 1996, 75 million shares of common stock were reserved for issuance under stock option plans. The options granted under the stock option plans expire 10 years from the date of grant. Options granted prior to November 1995 may be exercised in nine annual installments. Options granted after November 1995 may be exercised in seven annual installments. Further information concerning the options is as follows:

	Shares	Option price per share	Total
Shares under option			
January 31, 1993	14,464,000	$ 1.43-30.82	$234,860,000
Options Granted	3,550,000	25.00-27.25	90,377,000
Options Cancelled	(803,000)	1.43-30.82	(17,325,000)
Options Exercised	(1,335,000)	1.43-30.82	(9,664,000)
January 31, 1994	15,876,000	1.43-30.82	298,248,000
Options Granted	4,125,000	21.63-26.75	95,689,000
Options Cancelled	(1,013,000)	1.43-30.82	(23,127,000)
Options Exercised	(1,019,000)	2.08-27.25	(7,829,000)
January 31, 1995	17,969,000	2.78-30.82	362,981,000
Options Granted	7,114,000	23.50-24.75	167,959,000
Options Cancelled	(1,953,000)	3.75-30.82	(43,873,000)
Options Exercised	(1,101,000)	2.78-25.38	(9,678,000)
January 31, 1996	22,029,000	$ 2.78-30.82	$477,389,000
(5,011,000 shares exerciseable)			
Shares available for option			
January 31, 1995	58,107,000		
January 31, 1996	52,946,000		

7 Long-term Lease Obligations

The Company and certain of its subsidiaries have long-term leases for stores and equipment. Rentals (including, for certain leases, amounts applicable to taxes, insurance, maintenance, other operating expenses, and contingent rentals) under all operating leases were $531 million in 1996, $479 million in 1995, and $361 million in 1994. Aggregate minimum annual rentals at January 31, 1996, under non-cancelable leases are as follows (in millions):

Fiscal years	Operating leases	Capital leases
1997	$ 382	$ 263
1998	417	285
1999	358	284
2000	343	282
2001	317	279
Thereafter	3,117	3,087
Total minimum rentals	$4,934	4,480
Less estimated executory costs		83
Net minimum lease payments		4,397
Less imputed interest at rates ranging from 6.1% to 14.0%		2,236
Present value of minimum lease payments		$2,161

Certain of the leases provide for contingent additional rentals based on percentage of sales. Such additional rentals amounted to $41 million, $42 million, and $27 million in 1996, 1995, and 1994, respectively. Substantially all of the store leases have renewal options for additional terms from five to 25 years at comparable rentals.

The Company has entered into lease commitments for land and buildings for 34 future locations. These lease commitments with real estate developers or through sale/leaseback arrangements provide for minimum rentals for 20 to 25 years, excluding renewal options, which, if consummated based on current cost estimates, will approximate $32 million annually over the lease terms.

8 Quarterly Financial Data (Unaudited)

Amounts in millions (except per share information)	Quarters ended			
1996	April 30,	July 31,	October 31,	January 31,
Net sales	$20,440	$22,723	$22,913	$27,551
Cost of sales	16,196	18,095	18,176	22,097
Net income	553	633	612	942
Net income per share	$ .24	$ .28	$ .27	$ .41
1995				
Net sales	$17,686	$19,942	$20,418	$24,448
Cost of sales	14,063	15,960	16,201	19,362
Net income	498	565	588	1,030
Net income per share	$ .22	$ .25	$ .26	$ .45

Market Price Of Common Stock

	Fiscal years ended January 31, 1996		1995	
Quarter	High	Low	High	Low
April 30	$26.00	$23.13	$29.13	$24.00
July 31	27.50	23.00	25.88	22.75
October 31	26.00	21.63	26.00	22.75
January 31	24.75	19.25	24.13	20.88

Dividends Paid Per Share

Fiscal years ended January 31, Quarterly 1996		1995	
April 14	$0.0500	April 14	$0.0425
July 10	0.0500	July 8	0.0425
October 3	0.0500	October 3	0.0425
January 5	0.0500	January 5	0.0425

SUBSIDIARIES OF WAL-MART STORES, INC.

NAME UNDER
PERCENT OF WHICH DOING
EQUITY BUSINESS
STATE OF SECURITIES OTHER THAN

SUBSIDIARY INCORPORATION OWNED SUBSIDIARY'S

McLane Company, Inc., Texas 100 Wal-Mart and its subsidiaries

EXHIBIT 21

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Wal-Mart Stores, Inc. of our report dated March 25, 1996, included in the 1996 Annual Report to Shareholders of Wal-Mart Stores, Inc.

We also consent to the incorporation by reference of our report dated March 25, 1996, with respect to the consolidated financial statements of Wal-Mart Stores, Inc. incorporated by reference in this Annual Report (Form 10-K) for the year ended January 31, 1996, in the following registration statements and related prospectuses.

The Wholesale Club, Inc. Incentive Stock Option Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 33-42617
Associate Stock Purchase Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 2-64662
Stock Option Plan of 1984 of Wal-Mart Stores, Inc., as amended	Form S-8	File No. 2-94358 and 33-43315
Stock Option Plan of 1994 of Wal-Mart Stores, Inc.	Form S-8	File No. 33-55235
Debt Securities and Pass-Through Certificates of Wal-Mart Stores, Inc.	Form S-3	File No. 33-55725
Directors Deferred Compensation Plan of Wal-Mart Stores, Inc.	Form S-8	File No. 33-55178
Debt Securities of Wal-Mart Stores, Inc.	Form S-3	File No. 33-53125

ERNST & YOUNG LLP

Tulsa, Oklahoma
April 22, 1996

EXHIBIT 23

ARTICLE 5

MULTIPLIER: 1,000,000

PERIOD TYPE	YEAR
FISCAL YEAR END	JAN 31 1996
PERIOD END	JAN 31 1996
CASH	83
SECURITIES	0
RECEIVABLES	853
ALLOWANCES	0
INVENTORY	15,989
CURRENT ASSETS	17,331
PP&E	20,850
DEPRECIATION	3,752
TOTAL ASSETS	37,541
CURRENT LIABILITIES	11,454
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	229
OTHER SE	14,527
TOTAL LIABILITY AND EQUITY	37,541
SALES	93,627
TOTAL REVENUES	94,749
CGS	74,564
TOTAL COSTS	90,403
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	888
INCOME PRETAX	4,346
INCOME TAX	1,606
INCOME CONTINUING	2,740
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	2,740
EPS PRIMARY	1.19
EPS DILUTED	1.19

End of Filing