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# WAL★MART®

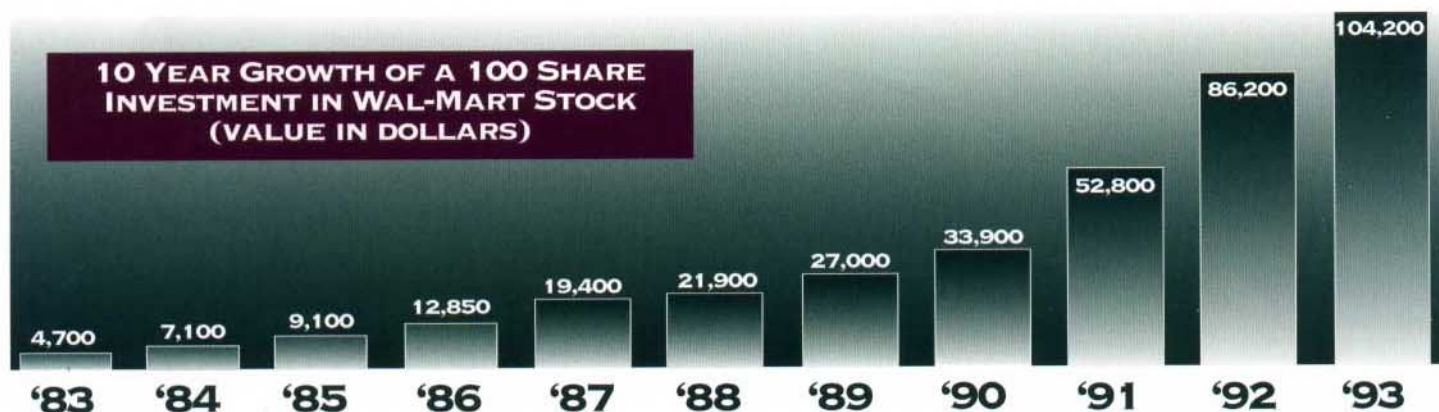
ALWAYS THE LOW PRICE.

*Always.*<sup>SM</sup>

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The above graph reflects the closing fiscal year end valuations of a 100 share purchase of Wal-Mart Stores, Inc. common stock made on January 31, 1983 at \$47.00 per share. The two-for-one stock splits distributed July, 1983; October, 1985; July, 1987; and July, 1990; increased the original 100 shares to 1,600 shares valued at \$65.125 per share on January 31, 1993. The two-for-one stock split authorized January, 1993, was distributed February, 1993.

Cover Photo—U.S.A., Mt. Ranier, Washington

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## FINANCIAL HIGHLIGHTS

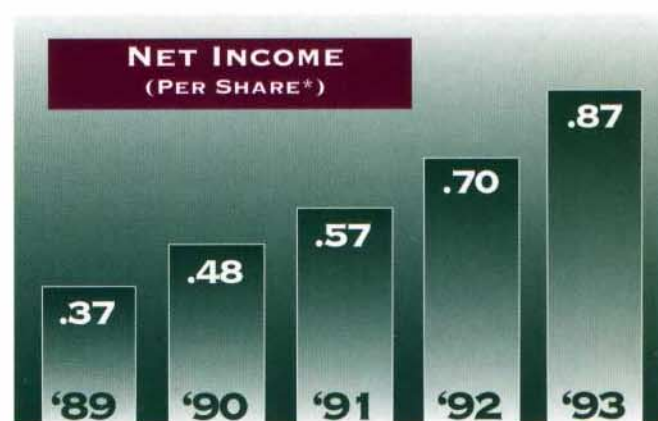
January 31,	1993	1992
Net sales .....	<b>\$55,483,771,000</b>	\$ 43,886,902,000
Net income .....	<b>1,994,794,000</b>	1,608,476,000
Net income per share* .....	<b>.87</b>	.70
Shareholders' equity .....	<b>8,759,180,000</b>	6,989,710,000
Return on shareholders' equity .....	<b>28.5%</b>	30.0%
Common stock outstanding at year end* .....	<b>2,299,638,166</b>	2,298,056,024
Stores in operation at year end:		
Wal-Mart Stores .....	<b>1,880</b>	1,720
Sam's Clubs .....	<b>256</b>	208

### MARKET PRICE OF COMMON STOCK

Fiscal years ended January 31,				
Quarter	1993*		1992*	
	High	Low	High	Low
April 30	\$27.75	\$25.69	\$22.13	\$16.69
July 31	27.94	25.75	23.44	19.94
October 31	31.00	27.94	25.75	23.13
January 31	32.88	29.50	29.57	23.00

### DIVIDENDS PAID PER SHARE

Fiscal years ended January 31,			
	1993*		1992*
	Quarterly		Quarterly
April 2	\$.02625	April 8	\$.02125
July 3	.02625	July 5	.02125
October 5	.02625	October 4	.02125
January 6	.02625	January 3	.02125



\* Restated to reflect the two-for-one stock split on February 25, 1993



## DEAR PARTNER:

Imagine... record sales and earnings, the addition of over 34.5 million square feet of store and club space, the redesign and evolutionary development of store concepts, the purchasing and distribution of over 850,000 trailer loads of merchandise, and you will begin to share our pride in our Wal-Mart Family, all 434,000 Associates. We attempt to provide our Associates the very best in technology, education opportunity and facilities; but, make no mistake about it, it is their dedication and hard work that continue to **make the difference** at Wal-Mart.

### FINANCIAL HIGHLIGHTS

- Sales increased to \$55,483,771,000 from \$43,886,902,000 a year earlier, a 26 percent increase. Sales in comparable stores and clubs, those units which were open at least 12 months as of January 31, 1992, increased 11 percent. Our comparable sales gain for this past year was achieved in a very low inflationary environment and should such an environment persist, future gains will become increasingly challenging. Sales in comparable units, measured per gross square foot of total discount store space, grew to \$297, up from \$265.
- Net income was \$1,994,794,000, a 24 percent increase, equivalent to 87 cents per share, compared with \$1,608,476,000 or 70 cents per share last year.
- As a result of our continuing strong performance, broad acceptance in the financial markets, and the Board's confidence in the Company's future, the Board authorized a two-for-one stock split January, 1993, to be paid and distributed February, 1993. In March, 1993, the Board also approved an increase in the dividend to 13 cents per share from 10.5 cents per share last year, an increase of 24 percent. Return on beginning of the year shareholders' equity was 29 percent. Shareholders' equity grew \$1,769,470,000 to \$8,759,180,000 at year end.

### OPERATIONAL HIGHLIGHTS

#### SAM'S CLUBS

- Sam's Clubs are a very significant competitor in what we believe is still a dynamic and growing warehouse club industry. 133 new clubs in just three years have more than doubled the number of clubs and spread Sam's from Maine to California. Over 7.4 million square feet of club space were added this past year in 48 new clubs and 40 relocations or expansions, increasing Sam's total club space to 30.7 million. Sam's comparable club sales increased nine percent and total sales increased to \$12,339,346,000 from \$9,430,157,000 last year, a 31 percent increase. The warehouse club industry is becoming increasingly competitive, with additional club space in most markets appearing likely. Disinflation in some merchandise categories and competitive pressures only serve to challenge our club Associate-Partners and heighten our confidence in them.
- Sam's plans for calendar 1993 include a record 65 new clubs and 20 relocation or expansion projects. Reconfiguration and new club prototype designs are planned for 1993 as well. Major emphasis is being placed on better understanding the merchandise needs of our business members and improving member service along with creating a new level of excitement in merchandise presentation.

#### WAL-MART STORES

- "Making technology pay" is a phrase frequently used within our Wal-Mart stores as the newest equipment, software, and communications are applied to reduce costs and improve productivity. Our aim is the simplification of what we do, elimination of waste, and access to more meaningful information. Radio frequency technology has enabled us to put more and higher quality sales and inventory information in the hands of our store Associates. As a result, suggested ordering quantities on many items are now available to our Associates on a real-time basis to assist them in the task of keeping our stores replenished and in-stock.
- We opened 161 new Wal-Mart stores and expanded or relocated an additional 170 stores, including 24 Wal-Mart Supercenters. This expansion broadened our trade territory to 45 states, adding Connecticut, Idaho, Maine, Massachusetts, Montana, Oregon, and the territory of Puerto Rico. Wal-Mart store space increased to 152.6 million square feet, an 18 percent increase from last year.
- Calendar 1993 plans include 150 new Wal-Mart stores plus 100 store expansions or relocations. Hawaii, Rhode Island, and Washington will receive their first Wal-Mart stores as a result of this new store growth.

#### WAL-MART SUPERCENTERS

- Wal-Mart Supercenters, our discount store-supermarket combination units, have served as powerful relocation vehicles bringing improved physical facilities and drawing power to existing markets. These stores reflect a complete one-stop shopping commitment through the introduction of a complete deli, fresh bakery and complementary convenience shops, such as: portrait studios, dry cleaners, optical shops, and hair salons. In addition to the relocation of existing Wal-Mart stores, this year's planned 40 Supercenters also include our first introduction of a Supercenter into a new market, Rio Grande City, Texas.

#### McLANE & WESTERN MERCHANDISERS

- McLane and Western, our specialty distribution subsidiaries, experienced record sales and earnings this past year. McLane now serves over 30,000 convenience stores and independent grocers. Excluding inter-company transactions, McLane's sales increased 16 percent to \$2,910,710,000.
- In November, 1992, McLane acquired two distribution and certain food processing facilities of The Southland Corporation, enhancing McLane's nationwide distribution network. In addition, McLane entered into a service agreement with Southland that opens up a number of new supply opportunities with convenience stores across the United States.
- Clarksville, Arkansas, is the home of McLane's first full-line grocery distribution center. This 705,000 square foot center will open Spring, 1993, and will serve Wal-Mart Supercenters. A second center will open in the Fall of 1993, in Temple, Texas.

#### DISTRIBUTION

- Logistics, distribution centers, and transportation - the Wal-Mart distribution team is a key in our ability to remain competitive. Our 22 centers, averaging almost one million square feet, received and shipped more than 769 million cases to our stores this past year. Our private fleet enables customized cost-efficient delivery to our stores, accommodating peak seasonal periods, night deliveries, and accelerated delivery. Our 2,500 drivers and 16,000



distribution Associates' hard work and commitment to continuous improvement make this investment in centers and equipment pay by improving the in-stock position of our stores and making just-in-time inventory management a reality for us and our vendors.

- Two new full-line centers in Menomonie, Wisconsin, and Clearfield, Pennsylvania, plus a specialty center in Hurricane, Utah, and a long-term storage facility in Buckeye, Arizona, are planned for fiscal 1994.

#### INTERNATIONAL

- "Global Economy" - Our world is shrinking and we all must prepare to compete on a world-wide basis. We believe all of our principles and many of our concepts are exportable.
- Mexico has been profitable, but just as importantly, a tremendous learning experience. In our joint venture with CIFRA, Mexico's largest retailer, we presently have three Club Aurreras, four Bodegas discount stores, and one Aurrera combination store. Calendar 1993 and 1994 plans call for aggressive expansion of these operations plus the introduction of the first Wal-Mart Supercenters in Monterrey and Mexico City.

#### STRATEGIC HIGHLIGHTS

- This past year our Associates were able to reduce our operating, selling, and general and administrative expenses as a percentage of sales to 15.00 percent. Our commitment to be the low cost provider of merchandise to our customers has never been greater. Strong comparable store sales and a radical expense consciousness that refuses to allow unproductive expenditures to creep in, are the key to future reductions. The importance of our consistent decline in expenses of the past three years, from 15.77 percent in fiscal year ending 1990, to this year's 15.00 percent, can best be illustrated by re-calculating this year's net income of \$1.9 billion, using the 1990 expense ratio. A whopping \$269,000,000 of profits would have been consumed in unnecessary expenses. Future reductions depend upon making technology pay and incorporating all our Associates' best ideas for improvement and expense control.
- It is our task to continue to operate like a small company, one store, one club at a time, affirming that every Associate is vital and key to our collective success. Technology has made the timely sharing of information much faster and more detailed. All Associates may now share key messages simultaneously over our private satellite communication systems. Nothing, however, can replace our heritage of one-on-one attention, small group discussions, and a willingness and the empowerment to try new ideas and find solutions at the level where the work is done and the customer is served.
- Sharing profits and, probably more importantly, the credit, as Mr. Sam so consistently advocated are keys to Associate involvement and the fundamentals upon which our "Yes We Can, Sam!" program is founded. Thousands of great ideas are generated and we believe the ideas of our Home Office Associates which simplified, improved, or eliminated work, resulting in a savings of over \$85 million, are representative. Join us in saluting our annual Home Office winners: Greg Bailey, Barbara Carson, Daniel Cartwright, Lisa Collins, Kathy DeWitt, Cyndi Driggs, Jill Elias, Lorrie Engelman, DeeDee Forsythe, Janet Hudgins,

Rick Joliff, Susan Lackie, Mike Lewis, Bonnie Sanchez, Lisa Smith, Rogina Ungerer, and Carol Vaughn. Congratulations and thank you!

- Diversity within Wal-Mart is the key to our continued ability to know, understand, and serve the needs of our customers throughout this decade and into the next century. We plan to apply the same level of Wal-Mart energy to address this opportunity as would be applied to any other. We have a wonderful opportunity to draw upon internal resources and have done so, achieving noteworthy improvement at the store and club operation level, particularly in utilizing women. We plan further improvement in regard to women and minority talent.
- We are excited about the recent additions of Dr. Frederick S. Humphries, the President of the leading minority university, Florida A & M University, and Betsy Sanders, an experienced retailing talent, to our Board of Directors.
- When we began our "Buy American" efforts in 1985, we weren't focused on who might or might not get the credit; we did it because we believed it was the right thing to do, right for American manufacturers, right for American workers, and right for Wal-Mart. We still believe it is right! As a result of our efforts, hundreds and hundreds of items previously manufactured overseas are now made in the USA by American workers. We are committed to work even harder.
- Our commitment to serve our customers, Associates, and country extends far beyond the delivery of quality merchandise at low everyday prices. Our concern for our environment, the quality education of every American, and a commitment to the American manufacturers has never been greater.

Our business has become large; we believe our growth is a product of our Associates' commitment. We do not now have, and frankly never have had, specific numeric goals of size or status. Our focus has always been to take care of our customers, take care of one another by treating folks as they want to be treated, embrace innovation and change, and then address growth opportunities as they present themselves. The pursuit of quality, not quantity, through continuous improvement must remain our objective.

We are listening. We hear you Associates, partners, customers, vendors - America. We hear you! Our past performance makes no special allowance for maintenance of the status quo, nor exemptions from market forces demanding greater productivity. We believe that you, our partners, share our expectation for Wal-Mart's continuous improvement. We are confident, not in any single person or any small group of management, but in our 434,000 Associates. We've been talking and listening with them, and we are convinced that together the opportunities which lie ahead are far greater than the achievements of our past.

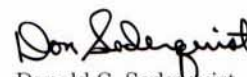
Thank you for your confidence in the Associates of Wal-Mart.



S. Robson Walton  
Chairman of the Board



David D. Glass  
President and Chief Executive Officer



Donald G. Soderquist  
Vice Chairman and  
Chief Operating Officer