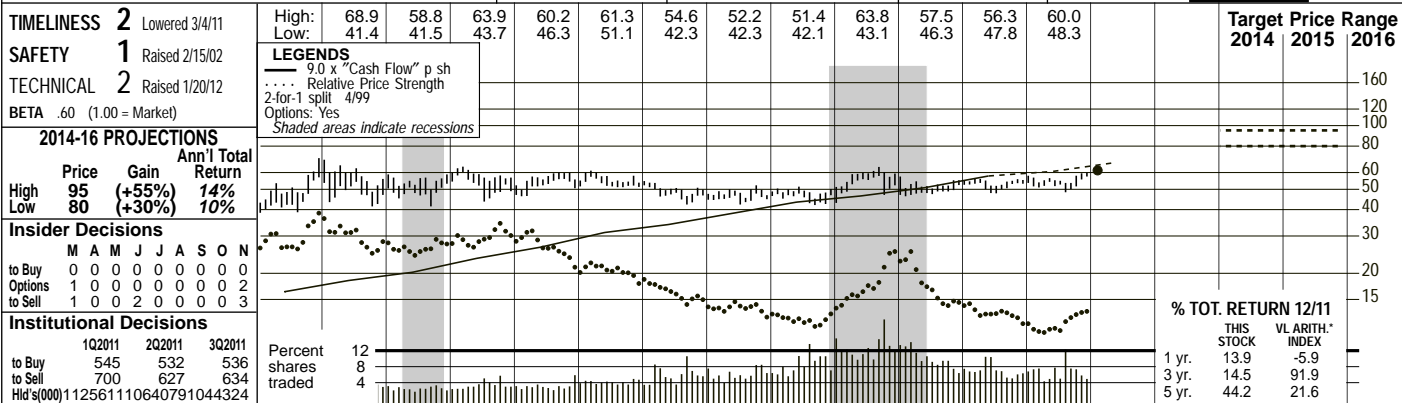


WAL-MART STORES NYSE-WMT

RECENT PRICE **61.39** P/E RATIO **13.0** (Trailing: 14.0 Median: 18.0) RELATIVE P/E RATIO **0.86** DIV'D YLD **2.4%** VALUE LINE



1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
20.42	22.87	26.32	30.71	37.02	42.80	48.91	55.64	59.46	67.36	75.01	83.51	95.34	103.34	107.82	119.98	131.00	143.00	Sales per sh ^A	182.75
.88	.99	1.15	1.41	1.81	2.05	2.25	2.61	2.95	3.47	3.78	4.27	4.83	5.16	5.64	6.42	6.75	7.45	"Cash Flow" per sh	8.95
.60	.67	.78	.99	1.28	1.40	1.50	1.81	2.03	2.41	2.63	2.92	3.16	3.42	3.66	4.07	4.50	5.00	Earnings per sh ^{A B}	6.00
.10	.11	.14	.16	.19	.23	.27	.30	.35	.48	.58	.65	.83	.93	1.06	1.21	1.46	1.75	Div'ds Decl'd per sh ^C	2.20
3.22	3.74	4.13	4.71	5.80	7.01	7.88	8.95	10.12	11.67	12.77	14.91	16.26	16.63	18.69	19.49	21.50	22.80	Book Value per sh	26.30
4586.0	4586.0	4482.0	4482.0	4457.0	4470.0	4453.0	4395.0	4311.0	4234.0	4165.0	4131.0	3973.0	3925.0	3786.0	3516.0	3420.0	3290.0	Common Shs Outst'g ^D	2900.0
20.4	18.4	21.8	31.2	39.1	38.0	34.9	30.3	26.9	22.8	18.3	16.0	14.9	16.2	13.9	13.1	12.2	12.2	Avg Ann'l P/E Ratio	14.5
1.37	1.15	1.26	1.62	2.23	2.47	1.79	1.66	1.53	1.20	.97	.86	.79	.97	.93	.84	.76	.76	Relative P/E Ratio	.85
.8%	.9%	.8%	.5%	.4%	.4%	.5%	.5%	.6%	.9%	1.2%	1.4%	1.8%	1.7%	2.1%	2.3%	2.7%	2.7%	Avg Ann'l Div'd Yield	2.6%

CAPITAL STRUCTURE as of 10/31/11

Total Debt \$59236 mill. Due in 5 Yrs \$20000 mill.
 LT Debt \$47851 mill. LT Interest \$2350 mill.
 Incl. \$2979 mill. capitalized leases.
 (Total interest coverage: 11.6x) (40% of Cap'l)

Leases, Uncapitalized Annual rentals \$1406 mill.

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 3,424,697,366 shs. as of 12/6/11
MARKET CAP: \$210 billion (Large Cap)

	217799	244524	256329	285222	312427	344992	378799	405607	408214	421849	448000	470500	530000
22.7%	22.9%	24.0%	24.5%	24.6%	25.0%	24.4%	24.4%	24.5%	25.4%	25.3%	25.0%	25.0%	Gross Margin
6.2%	6.2%	6.4%	6.6%	6.4%	6.5%	7.5%	7.3%	7.6%	7.9%	7.8%	8.0%	8.2%	Operating Margin
4414	4688	4906	5289	6141	6779	7262	7720	8416	8970	9420	9890	11450	Number of Stores
6711.0	8039.0	8861.0	10267	11014	12178	12884	13512	14204	14921	15500	16700	18000	Net Profit (\$mill)
36.2%	35.3%	36.1%	34.7%	34.7%	33.6%	34.2%	34.2%	34.1%	34.0%	34.0%	34.0%	34.0%	Income Tax Rate
3.1%	3.3%	3.5%	3.6%	3.5%	3.5%	3.4%	3.3%	3.5%	3.5%	3.4%	3.5%	3.4%	Net Profit Margin
964.0	d2134	d2997	d4397	d5002	d5166	d10869	d6441	d7230	d6591	d8000	d7000	d4000	Working Cap'l (\$mill)
18732	19608	20099	23669	30171	30735	33402	34549	36401	43842	48500	48500	50000	Long-Term Debt (\$mill)
35102	39337	43623	49396	53171	61573	64608	65285	70749	68542	73530	75040	76360	Shr. Equity (\$mill)
13.6%	14.5%	14.7%	14.8%	14.0%	14.1%	14.1%	14.5%	14.1%	14.1%	13.5%	14.5%	15.0%	Return on Total Cap'l
19.1%	20.4%	20.3%	20.8%	20.7%	19.8%	19.9%	20.7%	20.1%	21.8%	21.0%	22.5%	23.5%	Return on Shr. Equity
15.6%	17.1%	16.7%	16.3%	16.0%	15.2%	14.4%	15.0%	14.1%	15.3%	14.5%	15.5%	15.0%	Retained to Com Eq
19%	17%	18%	22%	23%	23%	28%	28%	30%	30%	32%	31%	36%	All Div'ds to Net Prof

BUSINESS: Wal-Mart Stores, Inc. is the world's largest retailer, operating 2,907 supercenters (includes sizable grocery departments), 708 discount stores, 596 Sam's Clubs, and 189 Neighborhood Markets in the U.S., plus 4,557 foreign stores, mainly in Latin America, with the balance in Asia, Canada, and the U.K. as of 1/31/11. Total store space: 985 million square feet. Most stores are owned and are within 400 miles of an expanding network of distribution centers. Groceries accounted for 54% of U.S. sales; sales per square foot in 2010: about \$430. Has 2,100,000 employees. Off/dir. own 49.0% of shares (4/11 proxy). Chairman: S. Robson Walton. CEO and Pres.: Michael Duke, Inc. DE. Addr.: 702 S.W. 8th St., Bentonville, AR 72716. Tel.: 479-273-4000. Internet: www.walmart.com.

Wal-Mart remains focused on undercutting its competitors. In aggregate, the company expects to lower prices by approximately \$2 billion over the next two years by way of its "everyday low price" and "ad match guarantee" initiatives. The main objective is to improve customer loyalty and increase traffic, both of which suffered after the recession due to a shift in consumer spending toward dollar stores and Wal-Mart's admittedly ill-conceived decision to stop buying certain underperforming brands. Wal-Mart finished adding back over 10,000 items, which we believe will help consumers to once again view the retailer as a one-stop shopping destination. WMT appears to be making progress, considering traffic, while still negative on a year-over-year basis, did rise 160 basis points sequentially in the fiscal third quarter. This is coming at the expense of the gross margin, which contracted 22 basis points. A similar result likely occurred in the January period. **The company will attempt to cut costs in order to lower prices.** The aforementioned price reductions should be funded through cost and productivity improvements. This involves reducing product acquisition expenses via improved vendor relationships, as well as supply chain improvements, direct sourcing, and more efficient in-store procedures. **Inflation is a headwind.** The cost of merchandise rose 4% in the third quarter, and Wal-Mart only passed 70 basis points of that advance onto consumers through higher prices. Not only is WMT trying to limit price increases, but many customers are trading down to private-label or second-tier brands, going for smaller pack sizes, or forgoing certain categories altogether. Notably, the paycheck cycle remains pronounced, with more customers coming in following pay periods. **These shares are ranked 2 (Above Average) for year-ahead relative price performance.** Wal-Mart's focus on luring back low-income households through everyday low prices and other initiatives has resulted in its first positive domestic comp in over two years during the October period. This, along with steady growth overseas, ought to drive solid risk-adjusted long-term price appreciation.

Kevin Downing
 February 3, 2012

Fiscal Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2008	95303	102667	98642	108995	405607
2009	94242	100910	99411	113651	408214
2010	99811	103726	101952	116360	421849
2011	104189	109366	110226	124219	448000
2012	11000	115000	115000	129500	470500

Fiscal Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2008	.76	.86	.77	1.03	3.42
2009	.77	.88	.84	1.17	3.66
2010	.87	.97	.90	1.34	4.07
2011	.97	1.09	.97	1.47	4.50
2012	1.08	1.20	1.13	1.59	5.00

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.2375	.2375	.2375	.2375	.95
2009	.2725	.2725	.2725	.2725	1.09
2010	.3025	.3025	.3025	.3025	1.21
2011	.365	.365	.365	.365	1.46
2012					

(A) Fiscal year ends Jan. 31st of following calendar year. Sales exclude rentals from licensed depts. (B) Based on diluted shares. Excludes extraord. (losses) and gains: '01, (\$0.01); '05, \$0.03; '08, (\$0.07); '09, \$0.06; '10, \$0.05. Excl. gains (losses) from discontinued operation: '03, \$0.04; '06, (\$0.21); '07, (\$0.03); '08, \$0.04; '09, (\$0.02). Next earnings report due February 21st. (C) Scheduled '11 div. payments in early Mar., May, Aug., and Dec. Dividend reinvestment plan available. (D) In millions, adjusted for stock split.

Company's Financial Strength A++
 Stock's Price Stability 100
 Price Growth Persistence 35
 Earnings Predictability 100

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