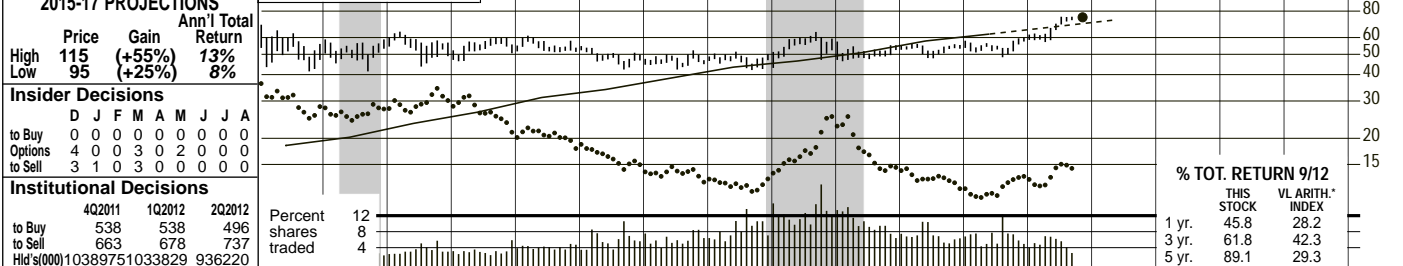


WAL-MART STORES NYSE-WMT

RECENT PRICE **74.76** P/E RATIO **14.8** (Trailing: 16.0 Median: 16.0) RELATIVE P/E RATIO **0.97** DIV'D YLD **2.1%** VALUE LINE

TIMELINESS 2 Raised 6/1/12	High: 58.8 63.9 60.2 61.3 54.6 52.2 51.4 63.8 57.5 56.3 60.0 77.6	Target Price Range 2015 2016 2017
SAFETY 1 Raised 2/15/02	Low: 41.5 43.7 46.3 51.1 42.3 42.3 42.1 43.1 46.3 47.8 48.3 57.2	
TECHNICAL 2 Raised 11/2/12	LEGENDS 9.0 x "Cash Flow" p sh Relative Price Strength 2-for-1 split 4/99 Options: Yes Shaded areas indicate recessions	
BETA .60 (1.00 = Market)		



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
22.87	26.32	30.71	37.02	42.80	49.36	56.09	60.00	68.02	75.79	84.40	95.34	103.34	107.82	119.98	130.76	141.80	151.15	Sales per sh ^A	183.35
.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	6.92	7.50	8.10	"Cash Flow" per sh	10.50
.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	4.45	4.95	5.40	Earnings per sh ^{A B}	7.00
.11	.14	.16	.19	.23	.27	.30	.35	.48	.58	.65	.83	.93	1.06	1.21	1.46	1.60	1.68	Div'ds Decl'd per sh ^{A C}	2.20
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	20.86	23.00	25.20	Book Value per sh	33.50
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	3418.0	3350.0	3275.0	Common Shs Outst'g ^D	3000.0
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	12.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
1.15	1.26	1.62	2.23	2.47	1.79	1.66	1.53	1.20	.97	.86	.79	.97	.93	.83	.78			Relative P/E Ratio	1.00
.9%	.8%	.5%	.4%	.4%	.5%	.5%	.6%	.9%	1.2%	1.4%	1.8%	1.7%	2.1%	2.3%	2.7%			Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 7/31/12				246525	258681	287989	315654	348650	378799	405607	408214	421849	446950	475000	495000	Sales (\$mill) ^A	550000
Total Debt \$54623 mill. Due in 5 Yrs \$20000 mill.				22.2%	23.2%	23.7%	23.8%	24.2%	24.4%	24.5%	25.4%	25.3%	25.0%	24.5%	24.5%	Gross Margin	25.0%
LT Debt \$44177 mill. LT Interest \$2350 mill.				6.9%	7.3%	7.5%	7.4%	7.4%	7.5%	7.3%	7.6%	7.9%	7.7%	7.5%	7.7%	Operating Margin	8.0%
Incl. \$2975 mill. capitalized leases.				4688	4906	5289	6141	6779	7262	7720	8416	8970	10130	11300	12200	Number of Stores	14100
(Total interest coverage: 11.6x) (37% of Cap'l)				8039.0	8861.0	10267	11014	12178	12884	13512	14204	14921	15523	16700	17700	Net Profit (\$mill)	21000
Leases, Uncapitalized Annual rentals \$1406 mill.				35.3%	36.1%	34.7%	34.7%	33.6%	34.2%	34.2%	34.1%	34.0%	33.4%	33.0%	33.0%	Income Tax Rate	33.0%
				3.3%	3.4%	3.6%	3.5%	3.5%	3.4%	3.3%	3.5%	3.5%	3.5%	3.5%	3.6%	Net Profit Margin	3.8%
No Defined Benefit Pension Plan				d2134	d2997	d4397	d5002	d5166	d10869	d6441	d7230	d6591	d7325	d7400	d7000	Working Cap'l (\$mill)	d5000
Pfd Stock None				19608	20099	23669	30171	30735	33402	34549	36401	43842	47079	44000	45000	Long-Term Debt (\$mill)	47000
Common Stock 3,361,444,307 shs.				39337	43623	49396	53171	61573	64608	65285	70749	68542	71315	77050	82530	Shr. Equity (\$mill)	100500
as of 8/31/12				14.5%	14.7%	14.8%	14.0%	14.1%	14.1%	14.5%	14.1%	14.1%	14.0%	14.5%	14.0%	Return on Total Cap'l	14.0%
MARKET CAP: \$251 billion (Large Cap)				20.4%	20.3%	20.8%	20.7%	19.8%	19.9%	20.7%	20.1%	21.8%	21.8%	21.5%	21.5%	Return on Shr. Equity	21.0%
				17.1%	16.7%	16.3%	16.0%	15.2%	14.4%	15.0%	14.1%	15.3%	14.7%	14.5%	15.0%	Retained to Com Eq	14.5%
CURRENT POSITION				2010	2011	7/31/12											
(SMILL)				17%	18%	22%	23%	23%	28%	28%	30%	30%	33%	32%	31%	All Div'ds to Net Prof	31%

CURRENT POSITION	2010	2011	7/31/12
(SMILL.)			
Cash Assets	7395	6550	7935
Receivables	5089	5937	5365
Inventory (LIFO)	36318	40714	40558
Other	3091	1774	2401
Current Assets	51893	54975	56259
Accts Payable	33557	36608	36067
Debt Due	6004	6022	10446
Other	18923	19670	21802
Current Liab.	58484	62300	68315

ANNUAL RATES	Past	Past	Est'd '09-'11
of change (per sh)	10 Yrs.	5 Yrs.	to '15-'17
Sales	10.5%	9.5%	7.5%
"Cash Flow"	12.0%	10.5%	9.0%
Earnings	11.5%	9.0%	9.5%
Dividends	18.5%	17.0%	10.0%
Book Value	11.0%	8.5%	9.5%

Fiscal Year Begins	QUARTERLY SALES (\$mill.) ^A	Full Fiscal Year
	Apr.30 Jul.31 Oct.31 Jan.31	
2009	94242 100910 99411 113651	408214
2010	99811 103726 101952 116360	421849
2011	104189 109366 110226 123169	446950
2012	113018 114296 115000 132686	475000
2013	117000 119000 119000 140000	495000

Fiscal Year Begins	EARNINGS PER SHARE ^{A B}	Full Fiscal Year
	Apr.30 Jul.31 Oct.31 Jan.31	
2009	.77 .88 .84 1.17	3.66
2010	.87 .97 .90 1.34	4.07
2011	.97 1.09 .97 1.44	4.45
2012	1.09 1.18 1.08 1.60	4.95
2013	1.20 1.30 1.16 1.74	5.40

Cal-endar	QUARTERLY DIVIDENDS PAID ^{A C}	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
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	.3975 .3975 .3975 .3975	

(A) Fiscal year ends Jan. 31st of following calendar year. Sales exclude rentals from licensed depts. (B) Based on diluted shares. May not sum due to rounding. Excls. (losses) and gains: '01, (\$0.01); '05, \$0.03; '08, (\$0.07); '09, \$0.06; '10, \$0.05; '11, (\$0.07). Excl. gains (losses) from discontinued operation: '07, (\$0.03); '08, \$0.04; '09, (\$0.02); . Next earnings report due Nov. 15th. (C) Divds. historically paid in early Mar., May, Aug., and Dec. Dividend reinvestment plan available. (D) In millions, adjusted for stock split.

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Company's Financial Strength A++
Stock's Price Stability 100
Price Growth Persistence 40
Earnings Predictability 100

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BUSINESS: Wal-Mart Stores, Inc. is the world's largest retailer, operating 3,029 supercenters (includes sizable grocery departments), 629 discount stores, 611 Sam's Clubs, and 210 Neighborhood Markets in the U.S., plus 5,651 foreign stores, mainly in Latin America, with the balance in Asia, Canada, and the U.K. as of 1/31/12. Total store space: 1.037 billion square feet. Retail space is largely

Wal-Mart appears primed for a strong second half of fiscal 2012. At the company's annual analyst meeting, management reported that the back-to-school season was strong. A number of initiatives are in place to make sure that momentum continues into the holiday shopping season. Merchants improved Halloween assortments and made efforts to ensure all components of the typical Thanksgiving meal stay in stock. Also, focus will be put on adult beverage sales. The layway program started 30 days earlier than in 2011, items have been added, and the amount of money invested is on pace to easily surpass last year's tally. WMT took efforts to ensure it doesn't sell out of toys and electronics that are expected to be top sellers (*iPads*, *Furbys*). It is also using social media platforms to highlight trending toys and gift suggestions from friends on popular Websites like Facebook and Pinterest.

The company continues to "invest in price." Wal-Mart is known for finding creative ways to cut costs in order to lower prices. The initial goal was for \$2 billion in price reductions by 2014, but that was expanded to \$6 billion by 2017. Food and consumables are the primary targets. This strategy is time tested and should continue garnering customer loyalty. Too, efforts are being made to make merchandise offerings more locally relevant.

Store expansion is a top priority. Next year, Wal-Mart plans to grow U.S. square footage by around 2.5%. It will continue to add supercenters but also intends to roll out around 85 Neighborhood Markets a year until 2016. Most of the small-format stores already have a return on investment that equals that of a supercenter. To be sure, efforts are also being made to grow the emerging market footprint.

Wal-Mart and American Express launched a prepaid card. Dubbed *Bluebird*, it's for consumers without checking accounts or those fed up with fees. Users can deposit money directly from paychecks, by taking a picture of a check with a smartphone, or at Wal-Mart registers. Management was mum on details of its financial arrangement with Amex, but the card will likely be a traffic booster.

Timely Wal-Mart stock is a good choice for the short and long term.

Kevin Downing November 2, 2012