UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the quarterly period ended October 31, 2004.

or

¨ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the transition period from ______ to ______.

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** **(I.R.S. Employer Identification No.)**
702 S.W. Eighth Street **Bentonville, Arkansas** **(Address of principal executive offices)**	**72716** **(Zip Code)**

(479) 273-4000
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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 such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes x No ¨

Applicable Only to Corporate Issuers

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common Stock, $.10 Par Value – 4,234,867,066 shares as of November 23, 2004.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

WAL-MART STORES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Amounts in millions except per share data)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2004	2003	2004	2003
Revenues:				
Net sales	$68,520	$62,480	$203,005	$181,835
Other income, net	741	555	2,165	1,656
	69,261	63,035	205,170	183,491
Costs and expenses:				
Cost of sales	52,567	48,292	156,069	140,508
Operating, selling, general and administrative expenses	12,910	11,344	37,308	32,704
Operating income	3,784	3,399	11,793	10,279
Interest:				
Debt	248	168	649	512
Capital leases	57	64	189	202
Interest income	(64)	(26)	(149)	(83)
Interest, net	241	206	689	631
Income from continuing operations before income taxes and minority interest	3,543	3,193	11,104	9,648
Provision for income taxes	1,207	1,117	3,853	3,377
Income from continuing operations before minority interest	2,336	2,076	7,251	6,271
Minority interest	(50)	(48)	(148)	(131)
Income from continuing operations	2,286	2,028	7,103	6,140
Income from discontinued operation, net of tax	—	—	—	193
Net income	$ 2,286	$ 2,028	$ 7,103	$ 6,333
Basic net income per common share:				
Income from continuing operations	$ 0.54	$ 0.46	$ 1.67	$ 1.40
Income from discontinued operation	—	—	—	0.05
Basic net income per common share	$ 0.54	$ 0.46	$ 1.67	$ 1.45
Diluted net income per common share:				
Income from continuing operations	$ 0.54	$ 0.46	$ 1.66	$ 1.40
Income from discontinued operation	—	—	—	0.04
Diluted net income per common share	$ 0.54	$ 0.46	$ 1.66	$ 1.44
Weighted-average number of common shares:				
Basic	4,242	4,362	4,266	4,375
Diluted	4,249	4,372	4,274	4,385
Dividends declared per common share – See Note 7	$ —	$ 0.09	$ 0.52	$ 0.27

See accompanying notes.

WAL-MART STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in millions)

	October 31, 2004 (Unaudited)	October 31, 2003 (Unaudited)	January 31, 2004 *
ASSETS			
Cash and cash equivalents	$ 4,639	$ 3,312	$ 5,199
Receivables	1,418	1,112	1,254
Inventories	33,347	31,285	26,612
Prepaid expenses and other	1,573	1,083	1,356
Total current assets	40,977	36,792	34,421
Property, plant and equipment, at cost	80,421	69,203	71,601
Less accumulated depreciation	(18,545)	(15,593)	(15,684)
Property, plant and equipment, net	61,876	53,610	55,917
Property under capital leases	4,465	4,245	4,286
Less accumulated amortization	(1,798)	(1,651)	(1,673)
Property under capital leases, net	2,667	2,594	2,613
Goodwill	10,191	9,446	9,882
Other assets and deferred charges	2,378	2,383	2,079
Total assets	$ 118,089	$ 104,825	$ 104,912
LIABILITIES AND SHAREHOLDERS' EQUITY			
Commercial paper	$ 7,569	$ 4,709	$ 3,267
Accounts payable	22,133	20,300	18,932
Dividends payable	537	—	—
Accrued liabilities	12,325	10,185	10,741
Accrued income taxes	525	679	1,377
Long-term debt due within one year	3,721	2,913	2,904
Obligations under capital leases due within one year	206	181	196
Total current liabilities	47,016	38,967	37,417
Long-term debt	19,099	16,951	17,102
Long-term obligations under capital leases	3,048	2,997	2,997
Deferred income taxes and other	2,588	2,317	2,289
Minority interest	1,452	1,422	1,484
Common stock and capital in excess of par value	2,723	2,513	2,566
Retained earnings	40,850	39,750	40,206
Other accumulated comprehensive income	1,313	(92)	851
Total shareholders' equity	44,886	42,171	43,623
Total liabilities and shareholders' equity	$ 118,089	$ 104,825	$ 104,912

* The balance sheet at January 31, 2004 has been derived from the audited financial statements at that date and condensed.

See accompanying notes.

WAL-MART STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in millions)

	Nine Months Ended October 31,	
	2004	2003
Cash flows from operating activities:		
Income from continuing operations	$ 7,103	$ 6,140
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,161	2,813
Other	311	120
Changes in certain assets and liabilities, net of effects of acquisitions:		
Decrease (increase) in accounts receivable	(44)	460
Increase in inventories	(6,632)	(6,630)
Increase in accounts payable	3,099	3,655
Increase in accrued liabilities	450	1,202
Net cash provided by operating activities of continuing operations	7,448	7,760
Net cash provided by operating activities of discontinued operation	—	50
Net cash provided by operating activities	7,448	7,810
Cash flows from investing activities:		
Payments for property, plant and equipment	(9,260)	(7,403)
Disposal of assets	742	191
Proceeds from sale of McLane	—	1,500
Investment in international operations	(315)	—
Other investing activities	(23)	172
Net cash used in investing activities of continuing operations	(8,856)	(5,540)
Net cash used in investing activities of discontinued operation	—	(176)
Net cash used in investing activities	(8,856)	(5,716)
Cash flows from financing activities:		
Increase in commercial paper	4,302	635
Proceeds from issuance of long-term debt	4,831	5,610
Dividends paid	(1,664)	(1,180)
Payment of long-term debt	(2,081)	(3,500)
Purchase of Company stock	(4,398)	(3,105)
Other financing activities	(181)	(70)
Net cash provided by (used in) financing activities	809	(1,610)
Effect of exchange rates on cash	39	70
Net increase (decrease) in cash and cash equivalents	(560)	554
Cash and cash equivalents at beginning of year *	5,199	2,758
Cash and cash equivalents at end of period	$ 4,639	$ 3,312
Supplemental disclosure of cash flow information:		
Income taxes paid	$ 4,597	$ 3,363
Interest paid	$ 918	$ 835

* Includes cash and cash equivalents of discontinued operation of $22 million at January 31, 2003.

See accompanying notes.

NOTE 1. Basis of Presentation

The condensed consolidated balance sheets of Wal-Mart Stores, Inc. and its subsidiaries (the "Company") as of October 31, 2004 and 2003, and the related consolidated statements of income for the three and nine-month periods ended October 31, 2004 and 2003, and the condensed consolidated statements of cash flows for the nine-month periods ended October 31, 2004 and 2003, are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the financial statements have been included. Such adjustments are of a normal recurring nature. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not contain certain information included in the Company's annual report to shareholders for the fiscal year ended January 31, 2004. Therefore, the interim financial statements should be read in conjunction with that annual report to shareholders. Certain reclassifications have been made to prior periods to conform to the current period presentation.

In February 2004, the Company completed its purchase of Bompreço S.A. Supermercados do Nordeste ("Bompreço"), a supermarket chain in northern Brazil with 118 hypermarkets, supermarkets and mini-markets. The purchase price was approximately $315 million, net of cash acquired. The results of operations for Bompreço, which were not material to the Company, have been included in the Company's consolidated financial statements since the date of acquisition.

NOTE 2. Net Income Per Share

Basic net income per share is based on the weighted-average outstanding common shares. Diluted net income per share is based on the weighted-average outstanding common shares including the dilutive effect of stock options and restricted stock grants amounting to a weighted-average of 7 million and 10 million for the three months ended October 31, 2004, and 2003, respectively, and 8 million and 10 million for the nine months ended October 31, 2004 and 2003, respectively.

NOTE 3. Inventories

The Company values inventories at the lower of cost or market as determined primarily by the retail method of accounting, using the last-in, first-out ("LIFO") method for substantially all merchandise inventories in the United States, except SAM'S CLUB merchandise, which is based on average cost using the LIFO method. Inventories outside of the United States are primarily valued by the retail method of accounting, using the first-in, first-out ("FIFO") method. At October 31, 2004, the Company's inventories valued at LIFO approximate those inventories if they were valued at FIFO.

NOTE 4. Long-term Debt

In the first quarter of fiscal 2005, the Company sold notes totaling $2.0 billion. These notes bear interest of 4.125% and mature in 2012. During the third quarter of fiscal 2005, the Company sold $1.8 billion (£1.0 billion) of 5.250% notes due 2036 and $1.0 billion of floating rate notes due 2007. The floating rate notes accrue interest at the three month LIBOR rate less 0.140%. The proceeds from the sale of these notes were used for general corporate purposes and to repay commercial paper. The notes issued in the nine months ended October 31, 2004 are senior, unsecured and unsubordinated debt securities. During the nine months ended October 31, 2004, we repaid $2.1 billion of notes.

During the nine months ended October 31, 2003, we issued $5.6 billion of notes and repaid $3.5 billion of notes.

NOTE 5. Segments

The Company and its subsidiaries are principally engaged in the operation of mass merchandising stores located in all 50 states, Argentina, Canada, Germany, Puerto Rico, South Korea and the United Kingdom, through joint ventures in China, and through majority-owned subsidiaries in Brazil and Mexico. The Company's segments, Wal-Mart Stores, SAM'S CLUB and International, are identified based on management responsibility within the United States and in total for international units.

The Wal-Mart Stores segment includes the Company's Discount Stores, Supercenters and Neighborhood Markets in the United States as well as Walmart.com. The SAM'S CLUB segment includes the warehouse membership Clubs in the United States as well as samsclub.com. The International segment consists of the Company's operations in Argentina, Brazil, Canada, China, Germany, Mexico, Puerto Rico, South Korea and the United Kingdom. At October 31, 2004, the Company owned approximately 37% of The Seiyu, Ltd. ("Seiyu") with warrants to purchase up to approximately 69% of that company. Seiyu operates over 400 stores located throughout Japan. The Company includes its ownership interest in Seiyu, which is accounted for under the equity method, in the "Other" caption. The Company's share of Seiyu's results was not material to the three and nine months ended October 31, 2004 and 2003. The amounts under the caption "Other" in the following table also include unallocated corporate overhead.

The Company measures the profit of its segments as "segment operating income," which is defined as income from continuing operations before net interest expense, income taxes and minority interest. Segment operating income does not include unallocated corporate overhead. Information on segments and the reconciliation to income from continuing operations before income taxes and minority interest appear in the following tables.

Net sales by operating segment were as follows (in millions):

	Quarter Ended October 31,		Nine Months Ended October 31,	
	2004	2003	2004	2003
Wal-Mart Stores	$45,888	$42,386	$136,373	$123,574
SAM'S CLUB	9,082	8,607	27,139	24,982
International	13,550	11,487	39,493	33,279
Total net sales	$68,520	$62,480	$203,005	$181,835

Segment operating income and the reconciliation to income from continuing operations before income taxes and minority interest are as follows (in millions):

	Quarter Ended October 31,		Nine Months Ended October 31,	
	2004	2003	2004	2003
Wal-Mart Stores	$3,115	$2,967	$ 9,921	$ 9,036
SAM'S CLUB	306	270	925	783
International	698	564	2,009	1,509
Other	(335)	(402)	(1,062)	(1,049)
Operating income	3,784	3,399	11,793	10,279
Interest, net	241	206	689	631
Income from continuing operations before income taxes and minority interest	$3,543	$3,193	$11,104	$ 9,648

Goodwill is recorded on the balance sheet in the operating segments as follows (in millions):

	October 31, 2004	October 31, 2003	January 31, 2004
International	$ 9,886	$ 9,141	$ 9,577
SAM'S CLUB	305	305	305
Total goodwill	$ 10,191	$ 9,446	$ 9,882

The change in International segment goodwill during the nine months ended October 31, 2004 was primarily the result of foreign exchange rate fluctuations due mostly to the strengthening of the British Pound. Goodwill also increased by an insignificant amount as the result of the Company's purchase of Bompreço.

NOTE 6. Comprehensive Income

Comprehensive income is net income plus certain other items that are recorded directly to shareholders' equity, which consist primarily of currency translation and the effects of hedge accounting. Comprehensive income was $2.5 billion and $1.7 billion for the three months ended October 31, 2004, and 2003, respectively, and $7.6 billion and $6.8 billion for the nine months ended October 31, 2004 and 2003, respectively.

NOTE 7. Common Stock Dividends

During the first quarter of fiscal 2005, the Company's Board of Directors declared an annual dividend of $0.52 per share, or $2.2 billion, on shares of the Company's common stock. Historically, the Company's Board of Directors has declared the Company's dividends quarterly. The fiscal 2005 dividend is payable in equal quarterly per share amounts on April 5, June 7, and September 7, 2004 and January 3, 2005 to holders of record on March 19, May 21, August 20 and December 17, 2004, respectively. The portions of the annual dividend payable on April 5, June 7 and September 7, 2004, totaled $0.39 per share and were paid on those dates.

NOTE 8. New Accounting Pronouncement

In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," ("FIN 46") as amended by FIN 46-R. This interpretation addresses the consolidation of business enterprises ("variable interest entities") to which the usual condition (ownership of a majority voting interest) of consolidation does not apply. This interpretation focuses on financial interests that indicate control. It concludes that in the absence of clear control through voting interests or sufficient equity, a company's exposure ("variable interest") to the economic risks and potential rewards from the variable interest entity's assets and activities are the best evidence of control. Variable interests are rights and obligations that convey economic gains or losses from changes in the values of the variable interest entity's assets and liabilities. Variable interests may arise from financial instruments, service contracts, nonvoting ownership interests and other arrangements. If an enterprise holds a majority of the variable interests of an entity, it would be considered the primary beneficiary. The primary beneficiary is required to consolidate the assets, liabilities and the results of operations of the variable interest entity in its financial statements.

The Company adopted the provisions of FIN 46-R for the year ended January 31, 2004, for any variable interest entities created after January 31, 2003, and any variable interest entities that are special purpose entities. This adoption had no impact on our financial statements. At April 30, 2004, the Company adopted the provisions of FIN 46-R for variable interest entities created before February 1, 2003. This adoption did not have a material impact on the Company's financial condition or results of operations.

NOTE 9. Contingencies

The Company is involved in a number of legal proceedings, which include consumer, employment, tort and other litigation. The lawsuits discussed below, if decided adversely to or settled by the Company, may result in liability material to the Company's financial condition or results of operations. The Company may enter into discussions regarding settlement of these and other lawsuits, and may enter into settlement agreements, if it believes settlement is in the best interests of the Company's shareholders. In accordance with Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies," the Company has made accruals with respect to these lawsuits, where appropriate, which are reflected in the Company's consolidated financial statements.

The Company is a defendant in numerous cases containing class-action allegations in which the plaintiffs have brought claims under the Fair Labor Standards Act ("FLSA"), corresponding state statutes, or other laws. The plaintiffs in these lawsuits are current and former hourly Associates who allege, among other things, that the Company forced them to work "off the clock" and failed to provide work breaks. The complaints generally seek unspecified monetary damages, injunctive relief, or both. Class certification has yet to be addressed in a majority of the cases. Class certification has been denied or overturned in North Carolina, Georgia, Texas (state court), Ohio, Louisiana, Wisconsin, West Virginia, Florida, Arkansas, Maryland, Massachusetts, Indiana, and Michigan. Some or all of the requested classes have been certified in Minnesota, California, Oregon, Texas (federal court), Washington, and Colorado.

A putative class action is pending in California challenging the methodology of payments made under various Associate incentive bonus plans, and a second putative class action in California asserts that the Company has omitted to include bonus payments in calculating Associates' regular rate of pay for purposes of determining overtime.

The Company is currently a defendant in three putative class actions brought on behalf of assistant store managers who challenge their exempt status under the FLSA, two of which are pending in federal court in Michigan, and one of which is pending in federal court in New Mexico. A similar putative class action challenging the exempt status of Wal-Mart assistant store managers under California law has been filed in Los Angeles County Superior Court. No determination has been made as to class certification in any of these cases.

The Company is a defendant in *Dukes v. Wal-Mart Stores, Inc.*, a class-action lawsuit commenced in June 2001 and pending in the United States District Court for the Northern District of California. The case was brought on behalf of all past and present female employees in all of the Company's retail stores and wholesale clubs in the United States. The complaint alleges that the Company has engaged in a pattern and practice of discriminating against women in promotions, pay, training and job assignments. The complaint seeks, among other things, injunctive relief, compensatory damages including front pay and back pay, punitive damages, and attorneys' fees. Following a hearing on class certification on September 24, 2003, on June 21, 2004, the District Court issued an order granting in part and denying in part the plaintiffs' motion for class certification. The class, which was certified by the District Court for purposes of liability, injunctive and declaratory relief, punitive damages, and lost pay, subject to certain exceptions, includes all women employed at any Wal-Mart domestic retail store at any time since December 26, 1998, who have been or may be subjected to the pay and management track promotions policies and practices challenged by the plaintiffs. The class as certified currently includes approximately 1.6 million present and former female Associates.

The Company believes that the District Court's ruling is incorrect. The United States Court of Appeals for the Ninth Circuit has granted the Company's petition for discretionary review of the ruling. If the Company is not successful in its appeal of class certification, or an appellate court issues a ruling that allows for the certification of a class or classes with a different size or scope, and if there is a subsequent adverse verdict on the merits from which there is no successful appeal, or in the event of a negotiated settlement of the litigation, the resulting liability could be material to the Company. The plaintiffs also seek punitive damages which, if awarded, could result in the payment of additional amounts material to the Company. However, because of the uncertainty of the outcome of the appeal from the District Court's certification decision, because of the uncertainty of the balance of the proceedings contemplated by the District Court, and because the Company's liability, if any, arising from the litigation, including the size of any damages award if plaintiffs are successful in the litigation or any negotiated settlement, could vary widely, the Company cannot reasonably estimate the possible loss or range of loss which may arise from the litigation.

The Company is a defendant in four putative class-action lawsuits, three of which are pending in Texas, and one in Oklahoma. In each lawsuit, the plaintiffs seek a declaratory judgment that Wal-Mart and the other defendants who purchased Corporate-Owned Life Insurance ("COLI") policies lacked an insurable interest in the lives of the employees who were insured under the policies, and seek to recover the proceeds of the policies under theories of unjust enrichment and constructive trust. In some of the suits, the plaintiffs assert other causes of action, and seek punitive damages. In January 2004, the parties to the first-filed Texas lawsuit signed a settlement agreement, which received final approval from the court on October 28, 2004. The settlement will include all Texas COLI claimants who do not opt out of the settlement class. The amount to be paid by Wal-Mart under the settlement will not have a material impact on the Company's financial condition or results of operations. In the Oklahoma litigation, the court has deferred ruling on plaintiffs' request to add 11 additional states to the litigation, pending a ruling on the Company's motion for summary judgment.

The Company is a defendant in *Mauldin v. Wal-Mart Stores, Inc.,* a class-action lawsuit that was filed on October 16, 2001, in the United States District Court for the Northern District of Georgia, Atlanta Division. The class was certified on August 23, 2002. On September 30, 2003, the court denied the Company's motion to reconsider that ruling. The class is composed of female Wal-Mart Associates who were participants in the Associates Health and Welfare Plan at any time from March 8, 2001, to the present and who were using prescription contraceptives. The class seeks amendment of the Plan to include coverage for prescription contraceptives, back pay for all members in the form of reimbursement of the cost of prescription contraceptives, pre-judgment interest, and attorneys' fees. The complaint alleges that the Company's Health Plan violates Title VII's prohibition against gender discrimination in that the Health Plan's Reproductive Systems provision does not provide coverage for prescription contraceptives.

The Company is a defendant in a lawsuit that was filed on August 24, 2001, in the United States District Court for the Eastern District of Kentucky. *EEOC (Janice Smith) v. Wal-Mart Stores, Inc.* is an action brought by the EEOC on behalf of Janice Smith and all other females who made application or transfer requests at the London, Kentucky, Distribution Center from 1995 to the present, and who were not hired or transferred into the warehouse positions for which they applied. The class seeks back pay for those females not selected for hire or transfer during the relevant time period. The class also seeks injunctive and prospective affirmative relief. The complaint alleges that the Company based hiring decisions on gender in violation of Title VII of the 1964 Civil Rights Act as amended. The EEOC can maintain this action as a class without certification.

NOTE 10. Discontinued Operation

On May 23, 2003, the Company completed the sale of McLane Company, Inc. ("McLane") for $1.5 billion in cash. In accordance with the provisions related to discontinued operations specified within Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the accompanying consolidated financial statements and notes reflect the operations of McLane as a discontinued operation.

Following is summarized financial information for McLane operations (in millions):

	Nine Months Ended October 31, 2003
Net sales	$ 4,327
Income from discontinued operation	$ 67
Income tax expense	(25)
Gain on sale of McLane, net of $147 income tax expense	151
Income from discontinued operation, net of tax	$ 193

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion relates to Wal-Mart Stores, Inc. and its consolidated subsidiaries (the "Company") and should be read in conjunction with our financial statements as of January 31, 2004, and the year then ended, and Management's Discussion and Analysis of Financial Condition and Results of Operations, both contained in our Annual Report on Form 10-K for the year ended January 31, 2004.

We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from period to period, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements. The discussion also provides information about the financial results of the various segments of our business to provide a better understanding of how those segments and their results affect the financial condition and results of operations of the Company as a whole.

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, we discuss segment operating income and comparative store sales. Segment operating income refers to income from continuing operations before net interest expense, income taxes and minority interest. Segment operating income does not include unallocated corporate overhead. Comparative store sales is a measure which indicates the performance of our existing stores by measuring the growth in sales for such stores for a particular period over the corresponding period in the prior year. We consider comparative store sales to be sales at stores that were open as of February 1st of the prior fiscal year and have not been expanded or relocated since that date. Stores that were expanded or relocated during that period are not included in the calculation. Comparative store sales is also referred to as "same-store" sales by others within the retail industry. The method of calculating comparative store sales varies across the retail industry. As a result, our calculation of comparative store sales is not necessarily comparable to similarly titled measures reported by other companies.

On May 2, 2003, we announced that we had entered into an agreement to sell McLane Company, Inc. ("McLane"), one of our wholly-owned subsidiaries, for $1.5 billion. On May 23, 2003, the transaction was completed. As a result of this sale, we have classified McLane as a discontinued operation in the financial statements and these discussions and comparisons of the current and prior fiscal year periods ended October 31.

Key Items in the Third Quarter of Fiscal 2005

Significant financial items related to the third quarter of fiscal 2005 include:

- Net sales for the third quarter of fiscal 2005 increased 9.7% to $68.5 billion when compared with $62.5 billion in the third quarter of fiscal 2004. Income from continuing operations increased 12.7% to $2.3 billion when compared with the third quarter of fiscal 2004.
- Total assets increased 12.7% when compared with October 31, 2003, to $118.1 billion at October 31, 2004. During the nine months ended October 31, 2004, we made $9.3 billion of capital expenditures which represents an increase of 25.1% over capital expenditures of $7.4 billion for the first nine months of fiscal 2004.
- Comparative store sales in the United States increased 1.7% for the quarter ended October 31, 2004 and 6.1% for the quarter ended October 31, 2003. Comparative store sales at our Wal-Mart Stores segment increased 1.3% in the third quarter of fiscal 2005 and 5.7% in the third quarter of fiscal 2004. SAM'S CLUB's comparative store sales increased 4.0% in the third quarter of fiscal 2005 and 8.0% in the third quarter of fiscal 2004.
- Net sales at our International segment were $13.6 billion, an increase of 18.0% when compared with the third quarter of fiscal 2004. Changes in foreign currency rates had a favorable impact of $714 million on our International segment net sales in the third quarter of fiscal 2005.
- When compared with the third quarter of fiscal 2004, our SAM'S CLUB and International segment operating income for the third quarter of fiscal 2005 increased 13.3% and 23.8%, respectively. Operating income in these segments grew faster than segment net sales. Our Wal-Mart Stores segment operating income grew 5.0% when compared to the third quarter of fiscal 2004, although operating income did not grow faster than segment net sales because of increased operating expenses as a percentage of segment net sales.

Results of Operations

Our consolidated and segment results of operations are discussed below. The overall Company's results should be considered in conjunction with the discussion of our individual segments' results of operations.

Quarter ended October 31, 2004

The Company and each of its operating segments had net sales for the quarters ended October 31, 2004 and 2003 as follows (in millions):

	Quarter ended October 31, 2004		Quarter ended October 31, 2003		
	Net sales	Percent of total	Net sales	Percent of total	Percent increase
Wal-Mart Stores	$45,888	66.9%	$42,386	67.8%	8.3%
SAM'S CLUB	9,082	13.3%	8,607	13.8%	5.5%
International	13,550	19.8%	11,487	18.4%	18.0%
Total net sales	$68,520	100.0%	$62,480	100.0%	9.7%

The increase in our net sales resulted from our expansion programs and a comparative store sales increase of 1.7% in the United States for the quarter ended October 31, 2004.

The increase in the International segment's net sales as a percentage of total net sales and the corresponding decrease in the other segments are largely due to the faster pace of sales growth in the International segment and the favorable impact of foreign exchange on the International segment's net sales in the third quarter of fiscal 2005 which amounted to $714 million. The decrease in the SAM'S CLUB segment's net sales as a percentage of total net sales also resulted from the more rapid development of new stores in the Wal-Mart Stores segment than in the SAM'S CLUB segment.

Our total gross profit as a percentage of net sales (our "gross margin") increased from 22.7% in the third quarter of fiscal 2004 to 23.3% during the third quarter of fiscal 2005. Because the Wal-Mart Stores and International segment sales yield higher gross margins than does the SAM'S CLUB segment, the greater increase in net sales for the Wal-Mart Stores and International segments had a favorable impact on the Company's total gross margin.

Operating, selling, general and administrative expenses ("operating expenses") as a percentage of net sales were 18.8% for the third quarter of fiscal 2005, up from 18.2% in the corresponding period in fiscal 2004. This increase was primarily due to a faster rate of growth in operating expenses in our Wal-Mart Stores and International segments, which have higher operating expenses as a percentage of segment net sales than our SAM'S CLUB segment. Operating expenses in the third quarter of fiscal 2005 were impacted by the Wal-Mart Stores and SAM'S CLUB segments' implementation of a new job classification and pay structure for all hourly field Associates in the United States. The job classification and pay structure, which was implemented in the second quarter of fiscal 2005, is designed to help maintain internal equity and external competitiveness.

Interest, net, as a percentage of net sales increased slightly in the third quarter of fiscal 2005 when compared with the third quarter of fiscal 2004. Interest on debt increased from the third quarter of fiscal 2004 due to higher borrowing levels and higher interest rates during fiscal 2005.

In the third quarter of fiscal 2005, we earned net income of $2.3 billion, a 12.7% increase over the third quarter of fiscal 2004. Our effective income tax rates for the third quarter of fiscal 2005 and 2004 were 34.1% and 35.0%, respectively. The reduction in our effective tax rate is primarily due to the passage of the Working Families Tax-Relief Act of 2004 in October 2004 which retroactively extended the work opportunity tax credit for fiscal 2004. As a result of this retroactive extension, the effective income tax rate for the third quarter of fiscal 2005 reflects a cumulative adjustment to arrive at a 34.7% effective income tax rate for the nine months ended October 31, 2004.

Nine months ended October 31, 2004

The Company and each of its operating segments had net sales for the nine months ended October 31, 2004 and 2003 as follows (in millions):

	Nine months ended October 31, 2004		Nine months ended October 31, 2003		
	Net sales	Percent of total	Net sales	Percent of total	Percent increase
Wal-Mart Stores	$136,373	67.2%	$123,574	68.0%	10.4%
SAM'S CLUB	27,139	13.4%	24,982	13.7%	8.6%
International	39,493	19.4%	33,279	18.3%	18.7%
Total net sales	$203,005	100.0%	$181,835	100.0%	11.6%

The increase in our net sales resulted from our expansion programs and a comparative store sales increase of 4.1% in the United States for the nine months ended October 31, 2004.

During the nine months ended October 31, 2004, foreign exchange had a $2.2 billion favorable impact on the International segment's net sales which increased that segment's net sales as a percentage of total net sales. The impact of foreign exchange on the International segment also caused a corresponding decrease in the Wal-Mart Stores and SAM'S CLUB segment net sales as a percentage of total net sales. Additionally, the decrease in the SAM'S CLUB segment's net sales as a percentage of total net sales resulted from the more rapid development of new stores in the International segment and the Wal-Mart Stores segment than the SAM'S CLUB segment.

Gross margin increased from 22.7% in the nine months ended October 31, 2003 to 23.1% in the nine months ended October 31, 2004. Because the Wal-Mart segment and International segment sales yield higher gross margins than does the SAM'S CLUB segment, the greater increases in net sales for the Wal-Mart Stores and International segments had a favorable impact on the Company's total gross margin.

Operating expenses as a percentage of net sales were 18.4% for the nine months ended October 31, 2004, up from 18.0% in the corresponding period in fiscal 2004. This increase was primarily due to faster growth in operating expenses at our Wal-Mart Stores segment relative to our other segments.

Interest, net, as a percentage of net sales remained relatively unchanged in the nine months ended October 31, 2004, when compared with the same period in fiscal 2004. Interest on debt in the first nine months of fiscal 2005 increased from the same period in fiscal 2004 because of higher borrowing levels and higher interest rates during fiscal 2005.

In the nine months ended October 31, 2004, we earned income from continuing operations of $7.1 billion, a 15.7% increase over the corresponding period in fiscal 2004. Net income for the first nine months of fiscal 2005 increased 12.2% over the first nine months of fiscal 2004 largely as a result of the increase in income from continuing operations described above, net of the $193 million decrease in net income from McLane, which was disposed in the first half of fiscal 2004 and accounted for as a discontinued operation in that period. Our effective income tax rates for the nine months ended October 31, 2004 and 2003 were 34.7% and 35.0%, respectively.

Wal-Mart Stores Segment

Quarter ended October 31, 2004

Quarter ended October 31,	Segment net sales (in millions)	Segment net sales increase from prior fiscal year third quarter	Segment operating income (in millions)	Segment operating income increase from prior fiscal year third quarter	Segment operating income as a percentage of segment net sales
2004	$ 45,888	8.3%	$ 3,115	5.0%	6.8%
2003	$ 42,386	12.8%	$ 2,967	10.9%	7.0%

The third quarter fiscal 2005 net sales increase for the Wal-Mart Stores segment resulted from our continued expansion activities within the segment and sales increases in comparable stores. Expansion since October 31, 2003 has consisted of the opening of 38 Discount Stores (including the expansion or relocation of 1 existing Discount Store, net of closures), 16 Neighborhood Markets and 90 Supercenters. Additionally, 151 Supercenters have been expanded, relocated or converted from existing Discount Stores since October 31, 2003. The comparative store sales increase for the segment was 1.3% for the third quarter of fiscal 2005. The increase in comparative store sales is primarily due to increased sales in food categories over the third quarter of fiscal 2004 predominantly offset by weaker sales in certain general merchandise categories.

Segment operating income as a percentage of segment net sales decreased slightly, due to an increase in operating expenses as a percentage of segment net sales. Operating expenses as a percentage of segment net sales increased 0.7%, primarily as a result of higher wage and accident costs. Wages were impacted by the rollout of the new job classification and pay structure program discussed previously. Accident costs rose due to increases in customer claims, costs associated with lost-time Associate claims, and healthcare costs. An increase in gross margin partially offset the increase in operating expenses. The increase in gross margin resulted from continued reductions in merchandise costs from supply chain efficiencies, a decrease in shrinkage and markdowns during the third quarter of fiscal 2005 compared to the third quarter of fiscal 2004 and a shift in mix among categories.

Nine months ended October 31, 2004

Nine months ended October 31,	Segment net sales (in millions)	Segment net sales increase from prior fiscal year period	Segment operating income (in millions)	Segment operating income increase from prior fiscal year period	Segment operating income as a percentage of segment net sales
2004	$ 136,373	10.4%	$ 9,921	9.8%	7.3%
2003	$ 123,574	10.7%	$ 9,036	9.4%	7.3%

The sales increase for the nine months ended October 31, 2004 for the Wal-Mart Stores segment resulted from our continued expansion activities within the segment and a 3.4% comparative store sales increase. The increase in comparative store sales is largely due to increased sales in food categories, partially offset by weaker sales in certain general merchandise categories. Additionally, the impact of leap year on the first nine months of fiscal 2005 added an additional day of sales when compared to the first nine months of fiscal 2004.

Segment operating income as a percentage of segment net sales remained unchanged, despite an increase in operating expenses as a percentage of segment net sales. Operating expenses as a percentage of segment net sales increased 0.4% primarily as a result of higher wage and accident costs. An increase in gross margin offset the increase in operating expenses. The increase in gross margin resulted from continued reductions in merchandise costs from supply chain efficiencies, a decrease in shrinkage and markdowns during the first nine months of fiscal 2005 compared to the first nine months of fiscal 2004 and a shift in mix among categories.

SAM'S CLUB Segment

Quarter ended October 31, 2004

Quarter ended October 31,	Segment net sales (in millions)	Segment net sales increase from prior fiscal year third quarter	Segment operating income (in millions)	Segment operating income increase from prior fiscal year third quarter	Segment operating income as a percentage of segment net sales
2004	$ 9,082	5.5%	$ 306	13.3%	3.4%
2003	$ 8,607	11.2%	$ 270	12.5%	3.1%

The SAM'S CLUB segment's net sales increase for the third quarter of fiscal 2005 resulted from the growth in comparative Club sales and the segment's continued expansion activities since October 31, 2003, which have resulted in the opening of 17 new Clubs and the relocation or expansion of 17 existing Clubs. The SAM'S CLUB third quarter comparative sales increase of 4.0% was due to our continued focus on the business member, resulting in strong sales in key business categories.

The increase in the segment's operating income as a percentage of segment net sales for the third quarter of fiscal 2005 resulted primarily from an increase in gross margin. The increase in gross margin is primarily a result of strong sales increases in higher margin categories. The gross margin improvement was partially offset by an increase in operating expenses as a percentage of segment net sales due to higher wage costs. Wages were impacted by the rollout of the new job classification and pay structure program discussed previously.

Nine months ended October 31, 2004

Nine Months ended October 31,	Segment net sales (in millions)	Segment net sales increase from prior fiscal year period	Segment operating income (in millions)	Segment operating income increase from prior fiscal year period	Segment operating income as a percentage of segment net sales
2004	$ 27,139	8.6%	$ 925	18.1%	3.4%
2003	$ 24,982	8.7%	$ 783	7.3%	3.1%

The SAM'S CLUB segment's net sales increase for the first nine months of fiscal 2005 resulted from sales increases in comparable Clubs and the segment's continued expansion activities since October 31, 2003. The SAM'S CLUB comparative sales increase was 7.2% for the first nine months of fiscal 2005. Comparative Club sales grew in the first nine months of fiscal 2005 due to our continued focus on the business member, resulting in strong sales in key business categories.

The increase in the segment's operating income as a percentage of segment net sales for the first nine months of fiscal 2005 was positively impacted by the adoption of EITF 02-16, "Accounting by a Reseller for Cash Consideration Received from a Vendor," during the first nine months of fiscal 2004. The adoption of EITF 02-16 in fiscal 2004 resulted in a decrease to the SAM'S CLUB segment operating income in the first nine months of fiscal 2004 of $43 million. Additionally, operating income was favorably impacted in the first nine months of fiscal 2005 by gross margin improvement due to stronger sales in higher margin categories.

International Segment

Quarter ended October 31, 2004

Quarter ended October 31,	Segment net sales (in millions)	Segment net sales increase from prior fiscal year third quarter	Segment operating income (in millions)	Segment operating income increase from prior fiscal year third quarter	Segment operating income as a percentage of segment net sales
2004	$ 13,550	18.0%	$ 698	23.8%	5.2%
2003	$ 11,487	15.7%	$ 564	28.5%	4.9%

International segment net sales for the third quarter of fiscal 2005, when compared to net sales in the same period in fiscal 2004, increased as a result of improved operating results, continued expansion activities within the segment and favorable exchange rate movements (primarily in the British Pound and Canadian Dollar). Expansion in the International segment since October 31, 2003 has consisted of the opening of 93 new units (including the relocation or expansion of 12 units, net of closures). Additionally, the acquisition of Bompreço S.A. Supermercados do Nordeste ("Bompreço") during the first quarter of fiscal 2005 resulted in the addition of 118 hypermarkets, supermarkets and mini-markets in northern Brazil. Changes in foreign currency rates had a favorable impact of $714 million on segment net sales during the third quarter of fiscal 2005.

The International segment's operating income increased from the third quarter of fiscal 2004 to the third quarter of fiscal 2005 primarily as a result of the impact of greater sales increases in markets with higher operating income as a percentage of net sales. Additionally, the third quarter of fiscal 2005 includes a $38 million favorable impact from changes in foreign currency rates.

Nine months ended October 31, 2004

Nine months ended October 31,	Segment net sales (in millions)	Segment net sales increase from prior fiscal year period	Segment operating income (in millions)	Segment operating income increase from prior fiscal year period	Segment operating income as a percentage of segment net sales
2004	$ 39,493	18.7%	$ 2,009	33.1%	5.1%
2003	$ 33,279	16.3%	$ 1,509	20.7%	4.5%

The International segment net sales for the nine months ended October 31, 2004, when compared to net sales in the same period in fiscal 2004, increased as a result of improved operating results, continued expansion activities within the segment, the acquisition of Bompreço and favorable exchange rate movements (primarily in the British Pound and Canadian Dollar). Changes in foreign currency rates had a favorable impact of $2.2 billion on net sales during the nine months ended October 31, 2004.

The International segment's operating income for the first nine months of fiscal 2005 increased from fiscal 2004 primarily as a result of the impact of greater sales increases in markets with higher operating income as a percentage of net sales and the effects of the adoption of EITF 02-16 in fiscal 2004. The adoption of EITF 02-16 in fiscal 2004 resulted in a decrease of $84 million to International segment operating income for the first nine months of last year. Operating income for the International segment for the nine months ended October 31, 2004, includes a $95 million favorable impact from changes in foreign currency rates.

Liquidity and Capital Resources

Overview

Cash flows provided by operating activities of continuing operations provide us with a significant source of liquidity. Cash flows provided by operating activities of continuing operations in the first nine months of fiscal 2005 were $7.4 billion, compared with $7.8 billion for the comparable period in fiscal 2004. The decrease in cash flows provided by operating activities of continuing operations is primarily attributable to differences in the timing of payroll, income and other taxes and supplier payments as well as the timing of the collection of receivables in fiscal 2005 compared with fiscal 2004.

During the first nine months of fiscal 2005, we paid dividends of $1.7 billion, issued long-term debt totaling $4.8 billion, issued $4.3 billion of commercial paper (net of commercial paper repaid in that period), repurchased 77 million outstanding shares of our common stock for approximately $4.4 billion and repaid approximately $2.1 billion of notes.

We made $9.3 billion in capital expenditures during the first nine months of fiscal 2005. Total fiscal 2005 capital expenditures are expected to be approximately $12 billion. Capital expenditures for fiscal 2006 are expected to be approximately $14 billion. These fiscal 2006 expenditures will be for the construction of 40 to 45 new Discount Stores, 240 to 250 new Supercenters (with relocations or expansions accounting for approximately 160 of those Supercenters), 25 to 30 new Neighborhood Markets, 30 to 40 new SAM'S CLUBs and 155 to 165 new units in our International segment (with relocations or expansions accounting for approximately 30 of these units).

Working Capital

Current liabilities exceeded current assets at October 31, 2004 by $6.0 billion, an increase of $3.0 billion from January 31, 2004. The ratio of our current assets to our current liabilities was 0.9 to 1.0 at October 31, 2004, January 31, 2004 and October 31, 2003. Decreases in cash and cash equivalents and accrued income taxes and increases in commercial paper and dividends payable offset to leave the ratio relatively unchanged from January 31, 2004 to October 31, 2004. The increase in dividends payable resulted from an annual dividend being declared in the first quarter of fiscal 2005, as opposed to dividends being declared quarterly in previous years.

Company Share Repurchase Program and Common Stock Dividends

During the nine months ended October 31, 2004, we repurchased $4.4 billion of shares under our share repurchase programs. During January 2004, our Board of Directors authorized a $7.0 billion share repurchase program. We repurchased $4.6 billion of shares under this repurchase program, $559 million of which were purchased prior to fiscal 2005. In September 2004, our Board of Directors approved a new $10.0 billion share repurchase program, separate from and replacing the previous $7.0 billion program. The increased authorization contemplates possible repurchases of our shares that may become available for purchase as a result of the S&P Index Float Adjustment scheduled to be implemented in March and September of 2005. Through October 31, 2004, we have repurchased $187 million of shares under the $10.0 billion share repurchase program. Under our share repurchase programs, repurchased shares are constructively retired and returned to unissued status. We consider several factors in determining when to make share repurchases, including among other things, our current cash needs, our cost of borrowing, and the market price of the stock. There is no expiration date governing the period over which we can make our share repurchases. At October 31, 2004, approximately $9.8 billion of additional shares may be repurchased under the current authorization.

In March 2004, we announced that we had increased the annual dividend on our common stock by 44% to $0.52 per share. This annual dividend was declared in entirety in March 2004 and is payable in equal quarterly per share payments over the course of fiscal year 2005. Historically, the Company's Board of Directors has declared the Company's dividends quarterly. We have increased our dividend every year since our first declared dividend in March 1974.

Capital Resources

In the first quarter of fiscal 2005, we sold notes totaling $2.0 billion. These notes bear interest of 4.125% and mature in February 2011. The proceeds from the sale of these notes were used for general corporate purposes.

During the third quarter of fiscal 2005, we sold $1.8 billion (£1.0 billion) of 5.250% notes due September 2035 and $1.0 billion of floating rate notes due March 2006. The floating rate notes accrue interest at the three month LIBOR rate less 0.140%. Proceeds from the issuance of the 5.250% notes due 2035 were converted to US Dollars. The proceeds from the sale of the notes in the third quarter of fiscal 2005 were used to repay commercial paper and for other general corporate purposes.

Following these debt issuances, we may issue an additional $2.8 billion of debt in the public markets under a shelf registration statement previously filed with the United States Securities and Exchange Commission.

If our operating cash flows are not sufficient to pay the increased dividend and to fund our capital expenditures, we anticipate funding any shortfall in these expenditures with a combination of commercial paper and long-term debt. We plan to refinance existing long-term debt as it matures and may desire to obtain additional long-term financing for other corporate purposes. We anticipate no difficulty in obtaining long-term financing in view of our credit rating and favorable experiences in the debt market in the recent past. Our objective is to maintain a debt to total capitalization ratio averaging 40%. At October 31, 2004, October 31, 2003 and January 31, 2004, the ratio of our debt to our total capitalization was 43%, 40% and 38%, respectively. The increase in the debt to total capitalization ratio is largely due to the impact of our share repurchase program.

Forward-looking Information

This Quarterly Report contains statements that Wal-Mart believes are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act. These forward-looking statements include statements under the caption "Liquidity and Capital Resources" in Management's Discussion and Analysis of Financial Condition and Results of Operations above with respect to our capital expenditures, our ability to fund certain cash flow shortfalls by the sale of commercial paper and long-term debt securities and our ability to sell our long-term securities. These statements are identified by the use of the words "anticipate," "expect" and "plan," and other, similar words. These forward-looking statements are subject to risks, uncertainties and other factors, such as, our results of operations and capital market conditions, including interest rate fluctuations and other risks. We discuss certain of these matters more fully in other of our filings with the SEC, including our Annual Report on Form 10-K for our fiscal year 2004, which was filed with the SEC on April 9, 2004. This Quarterly Report should be read in conjunction with that Annual Report on Form 10-K, and all our other filings, including Current Reports on Form 8-K, made with the SEC through the date of this report. We urge you to consider all of these risks, uncertainties and other factors carefully in evaluating the forward-looking statements contained in this Quarterly Report. As a result of these matters, including changes in facts or other factors, the actual circumstances relating to the subject matter of any forward-looking statement in this Quarterly Report may differ materially from the anticipated results expressed or implied in that forward-looking statement. The forward-looking statements included in this Quarterly Report are made only as of the date of this report and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

Market risks relating to our operations result primarily from changes in interest rates and changes in currency exchange rates. During the second quarter of fiscal 2005, we entered into interest rate swap agreements to exchange a fixed rate of interest for a floating rate of interest on $1.5 billion notional principal. These swap agreements mature in May 2013. Our market risks at October 31, 2004, are similar to those disclosed in our Form 10-K for the year ended January 31, 2004.

The information concerning market risk under the sub-caption "Market Risk" of the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition" on pages 26 through 30 of the Annual Report to Shareholders for the year ended January 31, 2004, that is an exhibit to our Annual Report on Form 10-K for the year ended January 31, 2004, is hereby incorporated by reference into this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

We maintain a system of disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (our "Disclosure Controls") was performed as of the end of the period covered by this report. This evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these Disclosure Controls are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

There has been no change in our internal control over financial reporting that occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

I. SUPPLEMENTAL INFORMATION: We discuss certain legal proceedings pending against us in Part I of this Quarterly Report on Form 10-Q under the caption "Item 1. Financial Statements," in Note 8 to our financial statements, which is captioned "Contingencies," and refer you to that discussion for important information concerning those legal proceedings, including the basis for such actions and, where known, the relief sought. We provide the following additional information concerning those legal proceedings which sets forth the name of the lawsuit, the court in which the lawsuit is pending and the date on which the petition commencing the lawsuit was filed. In each lawsuit's name, the letters "WM" refer to Wal-Mart Stores, Inc.

Wage and Hour "Off the Clock" Class Actions: *Adcox v. WM,* US Dist. Ct. ("USDC"), Southern Dist. of TX, 11/9/04; *Armijo v. WM,* 1st Judicial Dist. Ct., Rio Arriba County, NM, 9/18/00; *Bailey v. WM,* Marion County Superior Ct. IN, 8/17/00; *Barnett v. WM,* Superior Ct. of WA, King County, 9/10/01; *Basco v. WM,* USDC, Eastern Dist. of LA, 9/5/00; *Braun v. WM,* 1st Judicial Dist. Ct. Dakota County MN, 9/12/01; *Braun v. WM,* Ct. of Common Pleas, Philadelphia County, PA, 3/20/02; *Brown v. WM,* 14th Judicial Circuit Ct., Rock Island, IL, 6/20/01; *Carr v. WM,* Superior Ct. of Fulton County, GA, 8/14/01; *Culver v. WM*, USDC, Dist. of CO, 12/10/1996; *Carter v. WM,* Ct. of Common Pleas, Colleton County, SC, 7/31/02; *Gamble v. WM,* Supreme Ct. of the State of NY, County of Albany, 12/7/01; *Gross v. WM,* Circuit Ct., Laurel County, KY, 9/29/04; *Hale v. WM,* Circuit Ct., Jackson County, MO, 8/15/01; *Hall v. WM,* 8th Judicial Dist. Ct., Clark County, NV, 9/9/99; *Harrison v. WM,* Superior Ct. of Forsyth County, NC, 11/29/00; *Holcomb v. WM,* State Ct. of Chatham County, GA, 3/28/00; *Hummel v. WM,* Common Pleas Ct. of Philadelphia County, PA, 8/30/04; *Iliadis v. WM,* Superior Ct. of NJ, Middlesex County, 5/30/02; *Kuhlmann (In Re: Wal-Mart Employee Litigation) v. WM,* Circuit Ct., Milwaukee County, WI, 8/30/01; *Lerma v. WM,* Dist. Ct., Cleveland County, OK, 8/31/01; *Lopez v. WM,* 23rd Judicial Dist. Ct. of Brazoria County, TX, 6/23/00; *Mendoza v. WM*, Superior Ct. of CA, Ventura County, 3/2/04; *Michell v. WM,* USDC, Eastern Dist. of TX, Marshall Div., 9/13/02; *Montgomery v. WM,* USDC, Southern Dist. of MS, 12/30/02; *Mussman v. WM,* IA Dist. Ct., Clinton County, 6/5/01; *Nagy v. WM,* Circuit Ct. of Boyd County, KY, 8/29/01; *Osuna v. WM,* Superior Ct. of AZ, Pima County, 11/30/01; *Pickett v. WM*, Circuit Court, Shelby County, TN, 10/22/03; *Pittman v. WM,* Circuit Ct. for Prince George's County, MD, 7/31/02; *Robinson v. WM,* Circuit Ct., Holmes County, MS, 12/30/02; *Sago v. WM,* Circuit Ct., Holmes County, MS, 12/31/02; *Romero v. WM,* Superior Ct. of CA, Monterey County, 03/25/04; *Salvas v. WM,* Superior Ct., Middlesex County, MA, 8/21/01; *Sarda v. WM,* Circuit Ct., Washington County, FL, 9/21/01; *Savaglio v. WM,* Superior Ct. of CA, Alameda County, 2/6/01; *Scott v. WM*, Circuit Ct. of Saginaw County, MI, 9/26/01; *Smith v. WM,* Circuit Ct., Holmes County, MS, 12/31/02; *Thiebes v. WM,* USDC, Dist. of OR, 6/30/98; *Willey v. WM,* Dist. Ct. of Wyandotte County, KS, 9/21/01; *Williams v. WM*, Superior Ct. of CA, Alameda County, 3/23/04; *Wilson v. WM*, Common Pleas Ct. of Butler County, OH, 10/27/03; *Winters v. WM,* Circuit Ct., Holmes County, MS, 5/28/02.

California Labor Code Cases: *Cruz v. WM*, Superior Ct. of CA, Los Angeles County, 10/24/03; *Fries v. SAM'S and WM,* Superior Ct. of CA, Los Angeles County, 06/28/04.

Exempt Status Cases: *Ramsey v. WM,* USDC, Western Dist. of MI, Northern Div., 12/23/02; *Comer v. WM*, Western Dist. of MI, Northern Div., 2/27/04; *Highland v. WM,* USDC, Dist. of NM, 06/24/04; *Sepulveda v. WM*, Superior Ct. of CA, Los Angeles County, CA, 1/14/04.

Dukes v. WM: *Dukes v. WM,* USDC, Northern Dist. of CA, San Francisco Div., 6/19/01.

COLI Litigation: *Mayo v. Hartford Life Ins. Co.,* USDC, Southern Dist. of TX, Houston Div., 6/28/01; *Waller v. AIG Life Ins. Co.,* USDC, Northern Dist. of TX, Fort Worth Div., 7/3/01; *Miller v. WM,* USDC, Southern Dist. of TX, Houston Div., 10/22/02; *Lewis v. WM,* USDC, Northern Dist. of OK, 12/18/02.

Mauldin v. WM: *Mauldin v. WM,* USDC, Northern Dist. of GA, Atlanta Div., 10/16/01.

EEOC (Smith) v. WM: *EEOC (Smith) v. WM,* USDC, Eastern Dist. of KY, London Div., 8/31/01.

II. ENVIRONMENTAL MATTERS: Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters. The following matters are disclosed in accordance with that requirement:

During fiscal 2001, the State of Connecticut filed suit against the Company in the Superior Court for the Judicial District of Hartford alleging various violations of state environmental laws and alleging that the Company failed to obtain the appropriate permits or failed to maintain required records relating to storm water management practices at 12 stores. In December 2003, the State filed an amended complaint alleging that the Company also had discharged wastewater associated with vehicle maintenance activities and photo processing activities without proper permits. The suit seeks to ensure the Company's compliance with the general permits applicable to those activities.

The United States Environmental Protection Agency ("EPA") and the states of Tennessee and Utah have alleged that the Company and some of its construction contractors have violated the EPA's stormwater regulations at specified sites around the country. On July 31, 2003, the Company served the EPA with a Notice of Dispute as required by a national consent decree entered into between the Company and the EPA in August 2001. Serving the Notice of Dispute initiated an informal dispute resolution process in accordance with the terms of the consent decree. The Company has settled these allegations without admitting any wrongdoing or violations of the regulations by agreeing to pay a $3.1 million civil penalty and entering into a new consent decree. The parties are awaiting entry by the court of the final Consent Decree.

In August 2003, the Company was served with a grand jury subpoena in connection with an investigation by the Office of District Attorney of Harris County, Texas, seeking information related to the waste disposal activities of one of the Company's photo processing labs. The Company is cooperating with the investigation.

In the Spring of 2003, an investigation was initiated by the Florida Department of Environmental Protection ("FDEP") in connection with the Company's alleged failure to comply with certain rules and regulations governing the ownership and operation of above-ground storage tank systems as set forth in Chapter 62-761, Florida Administrative Code. The Company has settled these allegations without admitting any wrongdoing or violations of the regulations by agreeing to pay a $750,000 civil penalty plus $15,000 for the FDEP's costs in this matter, and entering into a consent order.

III. IMMIGRATION MATTER: On or about October 30, 2003, Wal-Mart was formally advised by the United States Attorney for the Middle District of Pennsylvania that it was the "target" of a federal grand jury investigation. The notice from the government did not identify the nature of the allegations against Wal-Mart, but rather generally indicated that Wal-Mart was the target of a grand jury investigation assessing potential violations of Federal law including conspiracy, aiding and abetting, transporting illegal aliens, and encouraging illegal aliens to reside in the United States, all for the purpose of commercial advantage or private financial gain, and aiding and abetting the unlawful employment of illegal aliens. Based on subsequent discussions with the government, Wal-Mart has learned the grand jury investigation relates to its relationship with certain third-party contractors providing floor cleaning services to certain Wal-Mart stores, and those contractors' alleged employment of individuals who may be in the United States illegally. Recently, Wal-Mart has entered into discussions with the U.S. Attorney in an effort to resolve the government's investigation on a civil basis. The Company does not believe any amounts paid to resolve the matter will have any material effect on the financial condition or results of operations of the Company.

On or about November 10, 2003, a civil action was filed against the Company in the United States District Court for the District of New Jersey, captioned *Zavala, et al. v. Wal-Mart Corporation, et al*., Case No. 03-CV-5309. This complaint asserts claims under the Fair Labor Standards Act, the Racketeer Influenced Corrupt Organizations Act, and various statutory causes of action and common law torts arising from the Company's relationship with certain third-party contractors responsible for providing floor cleaning services in its stores. Any potential liability on the part of the Company cannot be determined at this time.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In January 2004, our Board of Directors authorized a $7.0 billion share repurchase program. In September 2004, our Board of Directors approved a new $10.0 billion share repurchase program, separate from and replacing the previous $7.0 billion program. Shares purchased under our share repurchase programs are constructively retired and returned to unissued status. There is no expiration date for or other restriction limiting the period over which we can make our share repurchases under the program, which will expire if and when we have repurchased an aggregate of $10.0 billion of shares pursuant to the program.

The following table sets forth information on the Company's common stock repurchase program activity based on trade date for the quarter ended October 31, 2004 (amounts in thousands, except per share amounts):

Period	Total Number of Shares Repurchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Programs
August 1, 2004 through August 31, 2004	7,682	$ 52.95	7,678	$ 2,590,811
September 1, 2004 through September 30, 2004	4,427	$ 52.91	4,421	$ 9,994,696
October 1, 2004 through October 31, 2004	3,439	$ 52.79	3,439	$ 9,813,160
Total third quarter	15,548	$ 52.90	15,538	$ 9,813,160

(1) Includes a nominal amount of shares repurchased from Associates to satisfy the exercise price and tax withholding of certain stock option exercises.

Item 6. Exhibits

Exhibit 3(i)	Restated Certificate of Incorporation of the Company is incorporated herein by reference to Exhibit 3(a) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1989, the Certificate of Amendment to the Restated Certificate of Incorporation is incorporated herein by reference to Registration Statement on Form S-8 (File Number 33-43315) and the Certificate of Amendment to the Restated Certificate of Incorporation is incorporated hereby by reference to the Current Report on Form 8-K dated June 27, 1999.
Exhibit 3(ii)	By-Laws of the Company, as amended June 3, 1993, are incorporated herein by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended January 31, 1994. This document is located in the Securities and Exchange Commission's Public Reference Room in Washington, D.C. in the Securities and Exchange Commission's file no. 1-6991.
Exhibit 10.1*	Notification of Restricted Stock Award and Terms and Conditions of Award
Exhibit 10.2*	Notice of Non Qualified Stock Option Grant
Exhibit 12*	Ratio of Earnings to Fixed Charges
Exhibit 31.1*	Chief Executive Officer Section 302 Certification
Exhibit 31.2*	Chief Financial Officer Section 302 Certification
Exhibit 32.1**	Chief Executive Officer Section 906 Certification
Exhibit 32.2**	Chief Financial Officer Section 906 Certification
Exhibit 99	All information incorporated by reference in Part I, Item 3 of this Quarterly Report on Form 10-Q from the Annual Report on Form 10-K of the Company for the year ended January 31, 2004, as amended

* Filed herewith as an Exhibit.

** Furnished herewith as an Exhibit.

SIGNATURES

Pursuant to the requirements 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.

	WAL-MART STORES, INC.
Date: December 3, 2004	/s/ H. Lee Scott, Jr.
	H. Lee Scott, Jr. President and Chief Executive Officer
Date: December 3, 2004	/s/ Thomas M. Schoewe
	Thomas M. Schoewe Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date: December 3, 2004	/s/ Charles M. Holley, Jr.
	Charles M. Holley, Jr. Senior Vice President and Controller (Principal Accounting Officer)

Index to Exhibits

Exhibit Number	Description of Document
3(i)	Restated Certificate of Incorporation of the Company is incorporated herein by reference to Exhibit 3(a) from the Annual Report on Form 10-K of the Company for the year ended January 31, 1989, the Certificate of Amendment to the Restated Certificate of Incorporation is incorporated herein by reference to Registration Statement on Form S-8 (File Number 33-43315) and the Certificate of Amendment to the Restated Certificate of Incorporation is incorporated hereby by reference to the Current Report on Form 8-K dated June 27, 1999.
3(ii)	By-Laws of the Company, as amended June 3, 1993, are incorporated herein by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended January 31, 1994. This document is located in the Securities and Exchange Commission's Public Reference Room in Washington, D.C. in the Securities and Exchange Commission's file no. 1-6991.
10.1*	Notification of Restricted Stock Award and Terms and Conditions of Award
10.2*	Notice of Non Qualified Stock Option Grant
12*	Ratio of Earnings to Fixed Charges
31.1*	Chief Executive Officer Section 302 Certification
31.2*	Chief Financial Officer Section 302 Certification
32.1**	Chief Executive Officer Section 906 Certification
32.2**	Chief Financial Officer Section 906 Certification
99	All information incorporated by reference in Part I, Item 3 of this Quarterly Report on Form 10-Q from the Annual Report on Form 10-K of the Company for the year ended January 31, 2004, as amended

* Filed herewith as an Exhibit.

** Furnished herewith as an Exhibit.

Exhibit 10.1

Name of Grantee: ____________________
Grant Date ____________________
Number of Shares ____________________
Social Security Number: ____________________

WAL-MART STORES, INC.
STOCK INCENTIVE PLAN OF 1998

RESTRICTED STOCK AWARD
NOTIFICATION OF AWARD AND TERMS AND CONDITIONS OF AWARD

This Restricted Stock Award Agreement (the "Agreement") contains the terms and conditions of the restricted stock award granted to you by Wal-Mart Stores, Inc., a Delaware corporation ("Wal-Mart") under the Wal-Mart Stores, Inc. Stock Incentive Plan of 1998.

1. <u>Grant of Restricted Stock.</u> Wal-Mart has granted to you, effective on the Grant Date (shown above), the right to receive the number of shares shown above of the common stock of Wal-Mart, par value $0.10 per share ("Shares") at the end of the vesting period (as defined below). Before the Shares are vested, they are referred to in this Agreement as "Restricted Stock."

2. <u>Stock Incentive Plan Governs.</u> The award and this Agreement are subject to the terms and conditions of the Wal-Mart Stores, Inc. Stock Incentive Plan of 1998, as amended from time to time (the "Plan"). The Plan is incorporated in this Agreement by reference and all capitalized terms used in this Agreement have the meaning set forth in the Plan, unless this Agreement specifies a different meaning. By signing this Agreement, you accept this award, acknowledge receipt of a copy of the Plan and the prospectus covering the Plan and acknowledge that the award is subject to all the terms and provisions of the Plan and this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Committee of the Plan upon any questions arising under the Plan.

3. <u>Payment</u>. Unless the Shares have not been previously issued, the Restricted Stock is granted without requirement of payment. If the Shares have not been previously issued, you must pay the par value ($0.10) per Share no later than 10 business days after the Grant Date of the Restricted Stock. You must pay this amount in full either in cash, by check or by wire transfer.

4. <u>Stockholder Rights</u>. Your Restricted Stock will be held for you by Wal-Mart until the applicable Vesting Date. You shall have all the rights of a stockholder on shares of Restricted Stock that vest. With respect to your unvested Restricted Stock,

A. You shall have the right to vote such shares at any meeting of stockholders of Wal-Mart;

B. You shall have and the right to receive, free of vesting restrictions (but subject to applicable withholding taxes) all cash dividends paid with respect to such shares; and

C. Any non-cash dividends and other non-cash proceeds of such shares, including stock dividends and any other securities issued or distributed in respect of such shares shall be subject to the same vesting and forfeiture conditions as the shares of Restricted Stock to which they relate, and the term “Restricted Stock” when used in this Agreement shall also include any related stock dividends and other securities issued or distributed in respect of such shares.

5. Vesting of Restricted Stock.

A. Vesting. Your Restricted Stock will vest as follows, provided you have not incurred a Forfeiture Condition described below:

Percentage of shares vesting	Cumulative percentage vested	Vesting Date

B. Forfeiture Conditions. Subject to Paragraph 5C. below, the shares of your Restricted Stock that would otherwise vest on a Vesting Date will not vest and shall be forfeited if, after the Grant Date and prior to the Vesting Date your continuous status as an Associate terminates or after the Grant Date and on or prior to the Vesting Date,

1. you (a) have become or (b) are discussing or negotiating the possibility of becoming, or (c) are considering an offer to become, or have accepted an offer or entered into an agreement to become an employee, officer, director, partner, manager, consultant to, or agent of, or otherwise becoming affiliated with, any entity competing or seeking to compete with Wal-Mart or an Affiliate; or

2. you are subject to an administrative suspension, unless you are reinstated as an Associate in good standing at the end of the administrative suspension period, in which case the applicable number of shares of Restricted Stock would vest as of the date of such reinstatement.

C. Accelerated Vesting; Vesting Notwithstanding Termination. Your Restricted Stock will vest earlier than described in Paragraph 5A, and such earlier vesting date shall also be considered a “Vesting Date,” under the following circumstances:

1. If your Continuous Status as an Associate is terminated by your Disability, your Restricted Stock that would have become vested on a Vesting Date occurring no more than 3 months after your Continuous Status as an Associate is so terminated will become vested on the date your Continuous Status as an Associate is so terminated. “Disability” for this purpose means you have a physical or

mental condition resulting from bodily injury, disease or mental disorder that constitutes total disability under the Federal Social Security Act and for which you have actually been approved for Social Security disability benefits.

2. If you Retire, your Restricted Stock that would have become vested on a Vesting Date occurring no more than 3 months after you Retire will become vested on the day you Retire. “Retire” means that you cease to be a full-time Associate (other than for Cause) upon or after reaching age 65.

3. If your Continuous Status as an Associate is terminated by your death on or after ten years of service or on or after the third anniversary of the Grant Date, your Restricted Stock shall immediately become fully vested.

4. The Committee may, in its discretion, at any time accelerate the vesting of your Restricted Stock on such terms and conditions as it deems appropriate.

D. Mandatory Deferral of Vesting. If the vesting of Restricted Stock in any year could, in the Committee’s opinion, when considered with your other compensation, result in Wal-Mart’s inability to deduct the value of your Shares because of the limitation on deductible compensation under Internal Revenue Code Section 162(m), then Wal-Mart in its sole discretion may defer the Vesting Date applicable to your Restricted Stock (but only to the extent that, in the Committee’s judgment, the value of your Restricted Stock would not be deductible) until the first year in which your total compensation including Shares that become vested under your Restricted Stock award do not cause the loss of such deduction.

E. Elective Deferral of Restricted Stock. If you are eligible to participate in the Wal-Mart Officer Deferred Compensation Plan (“Deferred Compensation Plan”), you may elect, no later than December 31 of the calendar year prior to the calendar year in which the applicable Vesting Date would occur, in lieu of having your Restricted Stock vest on such Vesting Date, to have an amount of equivalent value (as of the Vesting Date) credited to your deferred account under the Stock Incentive Plan, in accordance with Section 7.8 of the Plan and the rules and procedures relating thereto. At the time you make such deferral election you must also elect the date as of which your account will be distributed, and otherwise comply with the rules and procedures applicable to such deferral.

6. Forfeiture of Restricted Stock. If you suffer a forfeiture condition (i.e., if your Continuous Service as an Associate is terminated prior to the Vesting Date and the vesting is not accelerated under Paragraph 5C), you will immediately forfeit your Restricted Stock (including any cash dividends and non-cash proceeds related to the Restricted Stock for which the record date occurs on or after the date of the forfeiture), and all of your rights to and interest in the Restricted Stock shall terminate upon forfeiture without payment of consideration (except that if you paid par value for the Restricted Stock the par value of the forfeited shares of Restricted Stock will be returned to you). Forfeited Restricted Stock, shall be reconveyed to Wal-Mart.

7. Taxes and Tax Withholding.

A. Upon the vesting of your Restricted Stock, you will have income in the amount of the value of the Shares that become vested on the Vesting Date, and you must pay income tax on that income. If you have made an elective deferral as described in Section 5.E., your Restricted Stock is not taxed until you receive or are deemed to have received a distribution from the Deferred Compensation Plan.

B. You agree to consult with any tax consultants you think advisable in connection with your Restricted Stock and acknowledge that you are not relying, and will not rely, on Wal-Mart for any tax advice. Please see Section 9.F. regarding Section 83(b) elections.

C. Whenever any Restricted Stock becomes vested under the terms of this Agreement, you must remit, on or prior to the due date thereof, the minimum amount necessary to satisfy all of the federal, state and local withholding (including FICA) tax requirements imposed on Wal-Mart (or the Affiliate that employs you) relating to your Shares. The Committee may require you to satisfy these minimum withholding tax obligations by any (or a combination) of the following means: (i) a cash, check, or wire transfer; (ii) authorizing Wal-Mart to withhold from the Shares otherwise deliverable to you as a result of the vesting of the Restricted Stock, a number of Shares having a Fair Market Value, as of the date the withholding tax obligation arises, less than or equal to the amount of the withholding obligation; or (iii) in unencumbered shares of Wal-Mart common stock, which have been held for at least six months.

8. Restricted Stock Not Transferable. Neither Restricted Stock, nor your interest in the Restricted Stock, may be sold, conveyed, assigned, transferred, pledged or otherwise disposed of or encumbered at any time prior to vesting applicable to any award of Restricted Stock issued in your name. Any attempted action in violation of this paragraph shall be null, void, and without effect.

9. Other Provisions.

A. The value of the Shares under this Agreement will not be taken into account in computing the amount of your salary or other compensation for purposes of determining any pension, retirement, death or other benefit under any employee benefit plan of Wal-Mart or any Affiliate, except to the extent such plan or another agreement between you and Wal-Mart specifically provides otherwise.

B. Wal-Mart may, without liability for its good faith actions, place legend restrictions upon the Restricted Stock or unrestricted Shares obtained upon vesting of the Restricted Stock and issue “stop transfer” instructions requiring compliance with applicable securities laws and the terms of the Restricted Stock.

C. Determinations regarding this Agreement (including, but not limited to whether an event has occurred resulting in the forfeiture of or vesting of Restricted Stock) shall be made by the Committee in accordance with this Agreement, and all determinations of the Committee shall be final and conclusive and binding on all persons.

D. Neither this Agreement nor the Plan creates any contract of employment, and nothing in this Agreement or the Plan shall interfere with or limit in any way the right of Wal-Mart or an Affiliate to terminate your employment or service at any time, nor confer upon you the right to continue in the employ of Wal-Mart and/or Affiliate. Nothing in this Agreement or the Plan creates any fiduciary or other duty to you owed by Wal-Mart, any Affiliate, or any member of the Committee except as expressly stated in this Agreement or the Plan.

E. Wal-Mart reserves the right to amend the Plan at any time. The Committee reserves the right to amend this Agreement at any time.

F. By accepting this award Agreement,

1. You agree to provide any information reasonably requested from time to time, and

2. You agree not to make an Internal Revenue Code Section 83(b) election with respect to this award of Restricted Stock.

G. This Agreement shall be construed under the laws of the State of Delaware.

WAL-MART STORES, INC.

By: ______________________________

Grantee:

I acknowledge having received, read and understood the Plan and this Agreement. I accept the terms and conditions of my Restricted Stock award as set forth in this Agreement, subject to the terms and conditions of the Plan

____

Signature

Name (please print): ______________________________

Agreed to and accepted this ____ day of ____________________, 200__.

WAL*MART STORES
Stock Incentive Plan
Notice of Non Qualified Stock Option Grant

Name	Social Security Number	Department
«Name»	«Social»	«Department»

Grant Date	Shares Granted	Price per Share	Expiration Date
«GrantDate»	«SharesGranted»	«PricePerShare»	«ExpirationDate»

Grant of Option: You have been granted an option to purchase up to the above-designated number of shares of Common Stock of Wal-Mart Stores, Inc., ("Shares") at the designated price per Share, on or before the designated Expiration Date, subject to the terms of the Wal-Mart Stores, Inc. Stock Incentive Plan of 1998, as amended from time to time. Capitalized terms used in the notice have the same meanings as in the Plan.

Vesting. This Option shall cumulatively vest and become exercisable as follows, except that no Options shall vest after you cease to be an associate of the company for any reason whatsoever other than on account of death in which case all Options shall immediately vest. The unexercised portion of each vested installment may be accumulated from year to year.

Shares Vesting	Date
«Vest1»	«Date1»
«Vest2»	«Date2»
«Vest3»	«Date3»
«Vest4»	«Date4»
«Vest5»	«Date5»
«TotalShrGranted»	**Total**

Time to Exercise Vested Options: You may exercise all or any portion of your vested Options only (i) while you are employed by the Company, or (ii) within 3 months after termination of employment, or (iii) within one year after death if you die before otherwise terminating employment or within 3 months thereafter. However, in no event shall this Option be exercisable (a) after the Expiration Date, (b) during any administrative suspension, or (c) if your employment was terminated for cause.

Payment of Exercise Price: You must pay the Option price in full in any one or a combination of the following, subject to the approval of the Committee: (i) through a broker-dealer selected by you to whom you have submitted an irrevocable exercise notice including an irrevocable instruction to deliver the Option price promptly to the Company by check or wire transfer; (ii) by cash, check, or wire transfer; (iii) withholding of Shares otherwise deliverable to you as a result of the exercise of an Option; or (iv) in unencumbered Shares Mature Shares valued at their Fair Market Value on the date of exercise. "Mature Shares" are unencumbered Shares which you have acquired on the open market or which you have held for at least 6 months.

Tax Withholding: The Company's required federal, state and local tax withholding must be satisfied when you exercise an Option by any (one or a combination) of the following means: (i) by cash, check, or wire transfer payment; (ii) withholding of Shares otherwise deliverable to you as a result of the exercise of an Option;, or (iii) in unencumbered Shares, which have been held for at least six months. Shares and Mature Shares shall be valued at their Fair Market Value as of the date the withholding tax obligation arises.

Successors Bound by this Notice: This Notice and the terms of the Plan bind you and your heirs, personal representatives, successors and assigns.

Arkansas Law Governs this Notice: This Notice shall be governed by and interpreted according to Arkansas law.

Exhibit 12

WAL-MART STORES, INC. AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

	Nine Months Ended		Fiscal Year Ended				
	October 31, 2004	October 31, 2003	2004	2003	2002	2001	2000
Income from continuing operations before income taxes and minority interest	$ 11,104	$ 9,648	$14,193	$12,368	$10,396	$ 9,783	$ 9,110
Capitalized interest	(82)	(85)	(144)	(124)	(130)	(93)	(57)
Minority interest	(148)	(131)	(214)	(193)	(183)	(129)	(170)
Adjusted income from continuing operations before income taxes *	10,874	9,432	13,835	12,051	10,083	9,561	8,883
Fixed Charges:							
Interest **	933	811	1,157	1,191	1,491	1,486	1,107
Interest component of rent	239	216	306	318	289	245	212
Total fixed charges	1,172	1,027	1,463	1,509	1,780	1,731	1,319
Income from continuing operations before income taxes and fixed charges	$ 12,046	$ 10,459	$15,298	$13,560	$11,863	$11,292	$10,202
Ratio of earnings to fixed charges	10.28x	10.18x	10.46x	8.99x	6.66x	6.52x	7.73x

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

** Includes interest on debt and capital leases, amortization of debt issuance costs and capitalized interest.

Certain reclassifications have been made to prior periods to conform to the current period presentation. In addition, the impact of McLane as a discontinued operation has been removed for all periods presented.

EXHIBIT 31.1

I, H. Lee Scott, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wal-Mart Stores, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's third quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 3, 2004

/s/ H. Lee Scott, Jr.

H. Lee Scott, Jr.
President and
Chief Executive Officer

EXHIBIT 31.2

I, Thomas M. Schoewe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wal-Mart Stores, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
   c) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s third quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the Audit Committee of registrant’s Board of Directors:
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: December 3, 2004

/s/ Thomas M. Schoewe

Thomas M. Schoewe
Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Quarterly Report of Wal-Mart Stores, Inc. (the “Company”) on Form 10-Q for the period ending October 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, H. Lee Scott, Jr., President and Chief Executive Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of December 3, 2004.

/s/ H. Lee Scott, Jr.

H. Lee Scott, Jr.
President and
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Wal-Mart Stores, Inc. and will be retained by Wal-Mart Stores, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report of Wal-Mart Stores, Inc. (the “Company”) on Form 10-Q for the period ending October 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas M. Schoewe, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of December 3, 2004.

/s/ Thomas M. Schoewe

Thomas M. Schoewe
Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Wal-Mart Stores, Inc. and will be retained by Wal-Mart Stores, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.