



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company WAL-MART STORES Date 12/16/05

Prepared by jah Data taken from NAIC Data

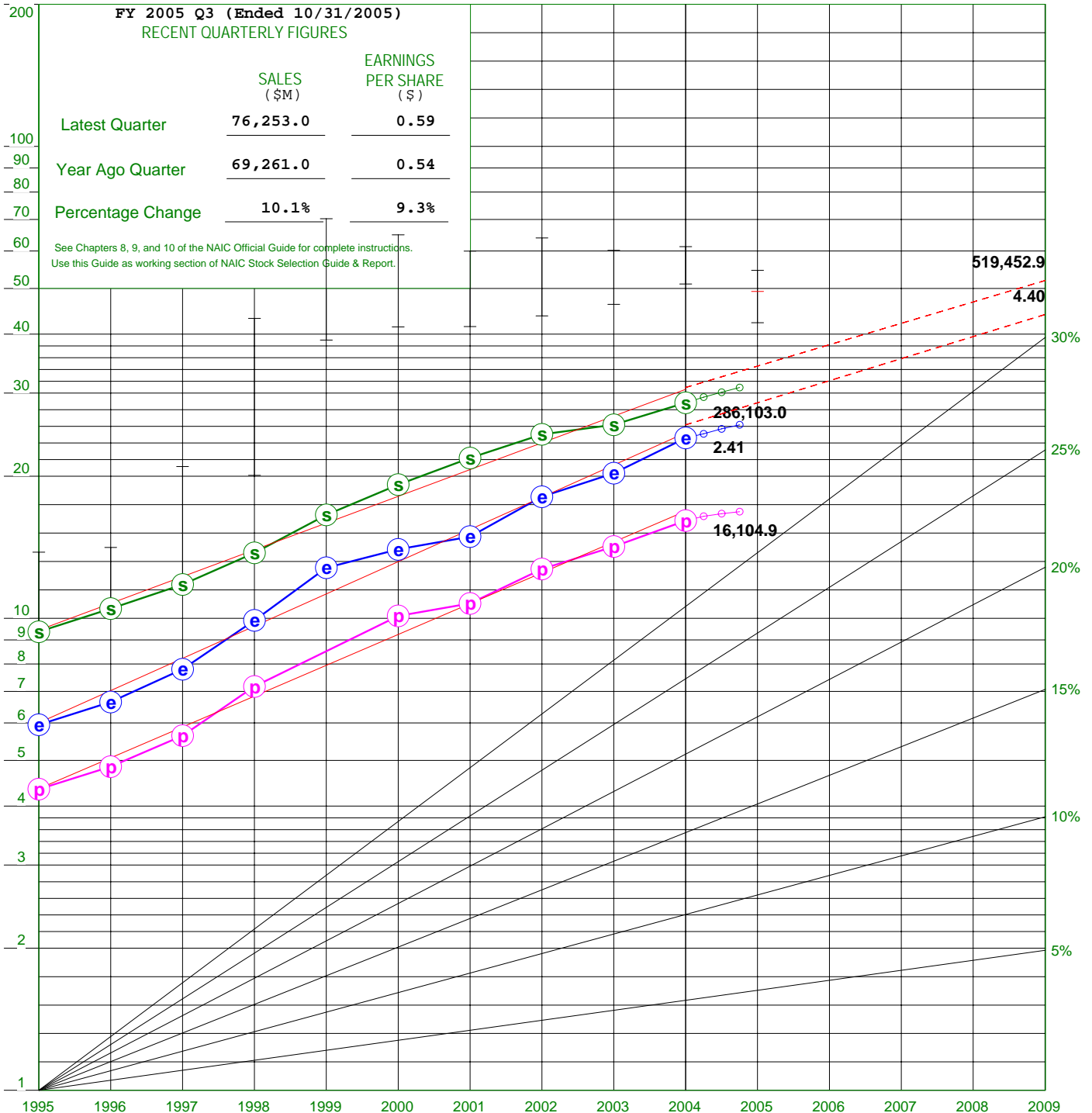
Where traded NYSE Major product/service Hypermarket

CAPITALIZATION --- Outstanding Amounts Reference _____

Preferred (\$M)	0.0	% Insiders	% Institution	
Common (M Shares)	4,162.7	0.0	0.0	
Debt (\$M)	37,999.0	% to Tot.Cap.	43.9 % Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

WMT



- (1) Historical Sales Growth 13.9 %
- (2) Estimated Future Sales Growth 11.0 %
- (3) Historical Earnings Per Share Growth 17.0 %
- (4) Estimated Future Earnings Per Share Growth 11.4 %

2 EVALUATING MANAGEMENT

Company **WAL-MART STORES (WMT)**

12/16/05

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	LAST 5 YEAR AVG.	TREND	
													UP	DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	4.6	4.6	4.8	5.2	5.3	5.3	4.9	5.2	5.5	5.6	5.3	EVEN	
B	% Earned on Equity (E/S ÷ Book Value)	18.5	17.7	18.9	20.9	22.1	20.0	18.9	20.2	20.1	20.7	20.0	UP	

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE		49.270		HIGH THIS YEAR		54.600		LOW THIS YEAR		42.310		
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		E LOW B ÷ C	F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100				
		HIGH	LOW		A ÷ C	B ÷ C								
1	2000	64.9	41.4	1.40	46.4	29.6		0.240	17.1	0.6				
2	2001	60.0	41.5	1.49	40.3	27.9		0.280	18.8	0.7				
3	2002	63.9	43.7	1.81	35.3	24.1		0.300	16.6	0.7				
4	2003	60.2	46.3	2.03	29.7	22.8		0.360	17.7	0.8				
5	2004	61.3	51.1	2.41	25.4	21.2		0.520	21.6	1.0				
6	TOTAL		224.0		90.4	68.1			91.8					
7	AVERAGE		44.8		30.1	22.7			18.4					
8	AVERAGE PRICE EARNINGS RATIO				26.4		9		CURRENT PRICE EARNINGS RATIO				19.2	

4 EVALUATING RISK AND REWARD over the next 5 years

Proj. P/E [17.21] Based on Next 4 qtr. EPS [2.86] Current P/E Based on Last 4 qtr. EPS [2.57] PEG=169

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~30.1~~ 25.0 X Estimate High Earnings/Share 4.40 = Forecast High Price \$ 110.0 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~22.7~~ 17.0 X Estimated Low Earnings/Share ~~2.41~~ 2.57 = \$ 43.7 (3E7 as adj.)
 (b) Avg. Low Price of Last 5 Years = 44.8 (3B7)
 (c) Recent Severe Market Low Price = 42.3

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{0.600}{0.010} = 59.0$
 Selected Estimate Low Price = 43.7 (4B1)

C ZONING

110.0 (4A1) High Forecast Price Minus 43.7 (4B1) Low Forecast Price Equals 66.3 (C) Range. 1/3 of Range = 16.6 (4CD)
 (4C2) Lower 1/3 = 43.7 (4B1) to 60.3 (Buy) Note: Ranges changed to 25%/50%/25%
 (4C3) Middle 1/3 = 60.3 to 93.4 (Maybe)
 (4C4) Upper 1/3 = 93.4 to 110.0 (4A1) (Sell)

Present Market Price of 49.270 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 110.0 Minus Present Price 49.270 = 60.7
 Present Price 49.270 Minus Low Price (4B1) 43.7 = 5.6 = 10.9 To 1 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 110.0 = (2.233) X 100 = (223.3) - 100 = 123.3 % Appreciation (4E)
 Present Market Price 49.270

Relative Value: 72.7% Proj. Relative Value: 65.2%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 0.600
 Present Price of Stock \$ 49.270 = 0.012 X 100 = 1.2 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS
 Avg. Earnings Per Share Next 5 Years 3.55 X Avg. % Payout (3G7) 18.4 = 65.3 = 1.3 % (5B)
 Present Price \$ 49.270

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential (4E)		P.A.R.	Tot. Ret.
	<u>123.3</u>	<u>24.7</u> %	<u>0.9%</u>	<u>0.7%</u>
Average Yield (5B)		<u>1.3</u> %	<u>13.4%</u>	<u>17.4%</u>
Average Total Annual Return Over the Next 5 Years (5C)		<u>26.0</u> %	<u>14.3%</u>	<u>18.2%</u>

WAL-MART STORES NYSE-WMT

RECENT PRICE **47.56** P/E RATIO **17.5** (Trailing: 18.9) Median: 28.0 RELATIVE P/E RATIO **0.97** DIV'D YLD **1.4%** VALUE LINE

TIMELINESS 3 Lowered 2/11/05
SAFETY 1 Raised 2/15/02
TECHNICAL 4 Lowered 11/11/05
BETA .85 (1.00 = Market)

High: 14.6 13.8 14.1 21.0 41.4 70.3 68.9 58.8 63.9 60.2 61.3 54.6
 Low: 10.6 10.3 9.5 11.0 18.8 38.7 41.4 41.5 43.7 46.3 51.1 42.3

LEGENDS
 — 13.0 x "Cash Flow" p sh
 ... Relative Price Strength
 2-for-1 split 2/93
 2-for-1 split 4/99
 Options: Yes
 Shaded area indicates recession

2008-10 PROJECTIONS
 Price **90** Gain **(+90%)** Ann'l Total Return **18%**
 High **90** Low **75** Gain **(+60%)** Return **13%**

Insider Decisions
 D J F M A M J J A
 to Buy 0 0 1 0 0 0 0 0 1
 Options 2 0 2 0 0 1 0 0 0
 to Sell 3 0 3 0 0 0 0 1 0

Institutional Decisions
 4Q2004 1Q2005 2Q2005
 to Buy 490 509 449
 to Sell 565 591 673
 Hld's (000) 152112515389421429649

Percent shares traded: 6, 4, 2

% TOT. RETURN 10/05
 THIS STOCK VLARITH. INDEX
 1 yr. -11.2 13.2
 3 yr. -9.3 85.3
 5 yr. 8.3 61.3

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	© VALUE LINE PUB, INC.	08-10
5.70	7.14	9.55	12.06	14.65	17.96	20.42	22.87	26.32	30.71	37.02	42.80	48.91	55.64	59.46	67.36	76.00	85.45	Sales per sh ^A	123.35
.30	.36	.45	.57	.69	.82	.88	.99	1.15	1.41	1.81	2.05	2.25	2.61	2.95	3.47	3.85	4.35	"Cash Flow" per sh	6.40
.24	.29	.35	.44	.51	.59	.60	.67	.78	.99	1.28	1.40	1.50	1.81	2.03	2.41	2.63	3.00	Earnings per sh ^B	4.45
.03	.04	.04	.05	.07	.09	.10	.11	.14	.16	.19	.23	.27	.30	.35	.48	.58	.65	Div'ds Decl'd per sh ^C	.90
.88	1.17	1.52	1.90	2.34	2.77	3.22	3.74	4.13	4.71	5.80	7.01	7.88	8.95	10.12	11.67	13.00	14.50	Book Value per sh	20.80
4529.1	4569.1	4596.1	4599.3	4597.5	4594.0	4586.0	4586.0	4482.0	4482.0	4457.0	4470.0	4453.0	4395.0	4311.0	4234.0	4150.0	4060.0	Common Shs Outst'g ^D	3800.0
20.7	24.4	32.8	32.8	27.0	20.9	20.4	18.4	21.8	31.2	39.1	38.0	34.9	30.3	26.9	22.8	22.8	22.8	Avg Ann'l P/E Ratio	18.5
1.57	1.81	2.10	1.99	1.59	1.37	1.37	1.15	1.26	1.62	2.23	2.47	1.79	1.66	1.53	1.22	1.22	1.22	Relative P/E Ratio	1.25
.6%	.5%	.4%	.4%	.5%	.7%	.8%	.9%	.8%	.5%	.4%	.4%	.5%	.5%	.6%	.9%	.9%	.9%	Avg Ann'l Div'd Yield	1.1%

CAPITAL STRUCTURE as of 7/31/05
 Total Debt \$36071 mill. Due in 5 Yrs \$24000 mill.
 LT Debt \$23708 mill. LT Interest \$1190 mill.
 Incl. \$3499 mill. capitalized leases.
 (Total interest coverage: 14.6x) (33% of Cap'l)

Leases, Uncapitalized Annual rentals \$730 mill.

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 4,163,000,000 shs.

MARKET CAP: \$198 billion (Large Cap)

2003	2004	7/31/05	
93627	104859	117958	137634
21.8%	21.6%	22.2%	22.4%
5.8%	5.6%	5.8%	6.1%
2943	3054	3406	3599
2740.0	3056.0	3526.0	4430.0
37.0%	37.0%	37.0%	37.4%
2.9%	2.9%	3.0%	3.2%
5877.0	7036.0	4892.0	4370.0
10600	10016	9674.0	9607.0
14756	17143	18503	21112
12.2%	12.6%	13.8%	15.6%
18.6%	17.8%	19.1%	21.0%
15.5%	15.0%	15.8%	17.7%
17%	16%	17%	16%

BUSINESS: Wal-Mart Stores, Inc. is the world's largest retailer, operating 1,353 discount stores, 1,713 supercenters (includes sizable grocery departments), 551 Sam's Clubs, and 85 Neighborhood Markets in the U.S., plus 1,587 foreign stores in Latin America, Europe, Canada, and Asia as of 1/31/05. Most stores are leased and are within a 400-mile radius of one of the expanding network of distribution centers. Sold McLane, a grocery-distribution subsidiary, in 5/03. Total store space: about 663 mill. sq. ft.; sales per square foot in 2004: \$450. Has about 1,700,000 employees. Off./dir. own 40.5% of shares (4/05 proxy). Chairman: S. Robson Walton. CEO and Pres.: H. Lee Scott. Inc.: DE. Address: Box 116, Bentonville, AR 72716. Tel.: 501-273-4000. Internet: wal-mart.com.

Wal-Mart is progressing in both of its major growth endeavors. Supercenters, which average 187,000 square feet, now account for over 60% of its domestic selling space, and that metric ought to be about 75% by 2008-2010. The appeal of its prices and broad offerings of food, general merchandise, and services is enabling it to gain market share from leading supermarket companies and from the Kmart chain (now part of Sears Holdings). Meanwhile, acquisitions and, to a much lesser extent, internal growth have propelled the International division's sales from 2% to 20% of the total over the past 10 years. The greatest expansion has been in Latin America, Canada, the U.K., and Germany. Asian markets (particularly China) are now at the center of management's expansion plans. We think International will account for at least 25% of Wal-Mart's sales by the decade's close.

The operating margin is likely to increase slightly in fiscal 2006 (begins February 1st). Expansion of the company's global inventory-procurement program has been the key factor behind a widening of the gross margin in recent years. That improvement, though, has been more than offset by the advance in SG&A expenses as a percentage of sales. In the first half, that percentage went up 30 basis points, year to year, due to rising per-employee payroll costs, elevated utility expenses, and second-quarter restructuring costs in the U.K. However, we think that the company will be better able to leverage a rising sales base (10% estimated gain) next year. Our assumptions are that the recent strong uptrend in employee costs will moderate, fuel-price increases will be less onerous than this year, and profitability at the large U.K. operation will improve.

We project earnings increases of 13%-15% in each of the coming 3 to 5 years. A decline in the effective tax rate, stemming from the rapid expansion of International and share repurchases are likely pluses. Rising interest expense, though, might keep the net profit margin in check for a while. About 50% of Wal-Mart's debt has a variable interest rate. **This neutrally ranked stock has attractive appreciation potential to 2008-2010.**

David R. Cohen November 11, 2005

Fiscal Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2002	54960	59694	58797	71073	244524
2003	56718	62637	62480	74494	256329
2004	64763	69722	68520	82217	285222
2005	70908	76811	76200	91581	315500
2006	78000	84500	83800	100700	347000

Fiscal Year Begins	Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2002	.37	.46	.41	.57	1.81
2003	.42	.52	.46	.63	2.03
2004	.50	.62	.54	.75	2.41
2005	.55	.67	.57	.84	2.63
2006	.63	.75	.66	.96	3.00

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2001	.06	.07	.07	.07	.27
2002	.07	.075	.075	.075	.295
2003	.075	.09	.09	.09	.345
2004	.09	.13	.13	.13	.48
2005	.13	.15	.15	.15	.58

(A) Fiscal year ends Jan. 31st of following calendar year. Sales exclude rentals from licensed depts.
 (B) Based on diluted shares. Excludes ex-traord. (losses) and gain: '99, (\$0.07); '01, (\$0.01); '05-Q1, \$0.03. Excl. gain from discontinued operation: '03, \$0.04. Next earnings report due mid-November.
 (C) Dividend payments historically in early January, April, July, and October.
 (D) In millions, adjusted for stock splits.

Company's Financial Strength A++
 Stock's Price Stability 90
 Price Growth Persistence 80
 Earnings Predictability 100

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PERT Worksheet-A

Company WAL-MART STORES (WMT)

QUARTERLY DATA								LAST 12 MONTHS DATA									
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX RATE	EPS \$	PRE-TAX PROFIT		SALES MIL	INCOME TAX		% CHANGE		
	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE			\$ MIL	% SALES		\$ MIL	% RATE	EPS	PRE-TAX PROFIT	SALES
04/97	0.14		1,046.00	4.1		25,695.00		36.6					36.9				
07/97	0.18		1,267.00	4.4		28,704.00		36.9			111,726.0		36.9				
10/97	0.18		1,291.00	4.4		29,127.00	11.7	37.4			114,775.0		37.0				
01/98	0.29		2,115.00	5.9		35,773.00	14.5	37.0	0.78	5,719.00	4.8	119,299.0	2,114.6	37.0			
04/98	0.18	28.7	1,364.00	4.5	30.4	30,157.00	17.4	37.0	0.82	6,037.00	4.9	123,761.0	2,238.2	37.1			
07/98	0.23	31.4	1,696.00	5.0	33.9	33,880.00	18.0	37.0	0.88	6,466.00	5.0	128,937.0	2,398.9	37.1		15.4	
10/98	0.23	28.6	1,651.00	4.9	27.9	33,509.00	15.0	38.8	0.93	6,826.00	5.1	133,319.0	2,555.6	37.4		16.2	
01/99	0.35	22.0	2,612.00	6.4	23.5	40,785.00	14.0	39.9	0.99	7,323.00	5.3	138,331.0	2,795.0	38.2	26.8	28.0	16.0
04/99	0.25	35.9	1,809.00	5.1	32.6	35,129.00	16.5	38.2	1.06	7,768.00	5.4	143,303.0	2,988.1	38.5	28.5	28.7	15.8
07/99	0.31	34.8	2,026.00	5.2	19.5	38,913.00	14.9	31.6	1.14	8,098.00	5.5	148,336.0	3,004.9	37.1	29.6	25.2	15.0
10/99	0.29	28.9	2,069.00	5.1	25.3	40,899.00	22.1	37.3	1.20	8,516.00	5.5	155,726.0	3,128.5	36.7	29.6	24.8	16.8
01/00	0.43	22.9	3,179.00	6.1	21.7	51,868.00	27.2	39.4	1.28	9,083.00	5.4	166,809.0	3,325.5	36.6	29.4	24.0	20.6
04/00	0.30	20.0	2,134.00	4.9	18.0	43,447.00	23.7	37.0	1.33	9,408.00	5.4	175,127.0	3,417.4	36.3	26.1	21.1	22.2
07/00	0.36	16.1	2,575.00	5.5	27.1	46,588.00	19.7	37.3	1.38	9,957.00	5.4	182,802.0	3,759.0	37.8	21.6	23.0	23.2
10/00	0.31	6.9	2,194.00	4.8	6.0	46,181.00	12.9	36.6	1.40	10,082.00	5.4	188,084.0	3,789.2	37.6	16.7	18.4	20.8
01/01	0.45	4.7	3,213.00	5.6	1.1	57,079.00	10.0	37.2	1.42	10,116.00	5.2	193,295.0	3,744.8	37.0	10.9	11.4	15.9
04/01	0.31	3.3	2,220.00	4.6	4.0	48,565.00	11.8	37.3	1.43	10,202.00	5.1	198,413.0	3,784.2	37.1	7.5	8.4	13.3
07/01	0.36	0.0	2,612.00	4.9	1.4	53,187.00	14.2	38.2	1.43	10,239.00	5.0	205,012.0	3,821.0	37.3	3.6	2.8	12.1
10/01	0.33	6.5	2,390.00	4.5	8.9	53,185.00	15.2	38.1	1.45	10,435.00	4.9	212,016.0	3,934.0	37.7	3.6	3.5	12.7
01/02	0.49	8.9	3,529.00	5.5	9.8	64,735.00	13.4	37.9	1.49	10,751.00	4.9	219,672.0	4,072.9	37.9	4.9	6.3	13.6
04/02	0.36	16.1	2,537.00	4.9	14.3	52,126.00	7.3	36.6	1.54	11,068.00	5.0	223,233.0	4,172.4	37.7	7.7	8.5	12.5
07/02	0.45	25.0	3,127.00	5.5	19.7	56,781.00	6.8	35.9	1.63	11,583.00	5.1	226,827.0	4,301.7	37.1	14.0	13.1	10.6
10/02	0.40	21.2	2,818.00	5.1	17.9	55,765.00	4.9	37.1	1.70	12,011.00	5.2	229,407.0	4,428.6	36.9	17.2	15.1	8.2
01/03	0.56	14.3	3,886.00	5.8	10.1	66,905.00	3.4	36.2	1.77	12,368.00	5.3	231,577.0	4,508.9	36.5	18.8	15.0	5.4
04/03	0.41	13.9	2,878.00	5.0	13.4	57,224.00	9.8	37.4	1.82	12,709.00	5.4	236,675.0	4,658.4	36.7	18.2	14.8	6.0
07/03	0.52	15.6	3,576.00	5.7	14.4	63,231.00	11.4	36.2	1.89	13,158.00	5.4	243,125.0	4,831.5	36.7	16.0	13.6	7.2
10/03	0.46	15.0	3,194.00	5.1	13.3	63,036.00	13.0	37.0	1.95	13,534.00	5.4	250,396.0	4,968.6	36.7	14.7	12.7	9.1
01/04	0.63	12.5	4,545.00	6.0	17.0	75,190.00	12.4	39.9	2.02	14,193.00	5.5	258,681.0	5,341.5	37.6	14.1	14.8	11.7
04/04	0.50	22.0	3,397.00	5.2	18.0	65,434.00	14.3	36.7	2.11	14,712.00	5.5	266,891.0	5,510.8	37.5	15.9	15.8	12.8
07/04	0.62	19.2	4,164.00	5.9	16.4	70,459.00	11.4	36.4	2.21	15,300.00	5.6	274,119.0	5,738.7	37.5	16.9	16.3	12.7
10/04	0.54	17.4	3,543.00	5.1	10.9	69,261.00	9.9	35.2	2.29	15,649.00	5.6	280,344.0	5,799.4	37.1	17.4	15.6	12.0
01/05	0.75	19.0	5,001.00	6.0	10.0	82,819.00	10.1	36.4	2.41	16,105.00	5.6	287,973.0	5,825.7	36.2	19.3	13.5	11.3
04/05	0.55	10.0	3,741.00	5.2	10.1	71,680.00	9.5	37.8	2.46	16,449.00	5.6	294,219.0	5,994.3	36.4	16.6	11.8	10.2
07/05	0.68	9.7	4,377.00	5.6	5.1	77,518.00	10.0	35.1	2.52	16,662.00	5.5	301,278.0	6,016.5	36.1	14.0	8.9	9.9
10/05	0.59	9.3	3,700.00	4.9	4.4	76,253.00	10.1	33.5	2.57	16,819.00	5.5	308,270.0	6,000.9	35.7	12.2	7.5	10.0
01/06								38.2					36.1				

A B C D E F G H I J K L M N O P Q R S T

Trailing 4 quarters

PERT Worksheet-A Graph

Company WAL-MART STORES (WMT)

