WAL-MART STORES NYSE-WMT

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
76.64	14.9 (Trailing: 15.1 Median: 15.0)	0.79	2.5%

VALUE LINE

TIMELINESS **3** Raised 6/20/14
SAFETY **1** Raised 2/15/02
TECHNICAL **3** Lowered 8/1/14
BETA .60 (1.00 = Market)

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+75%)	*17%*
Low	110	(+45%)	*12%*

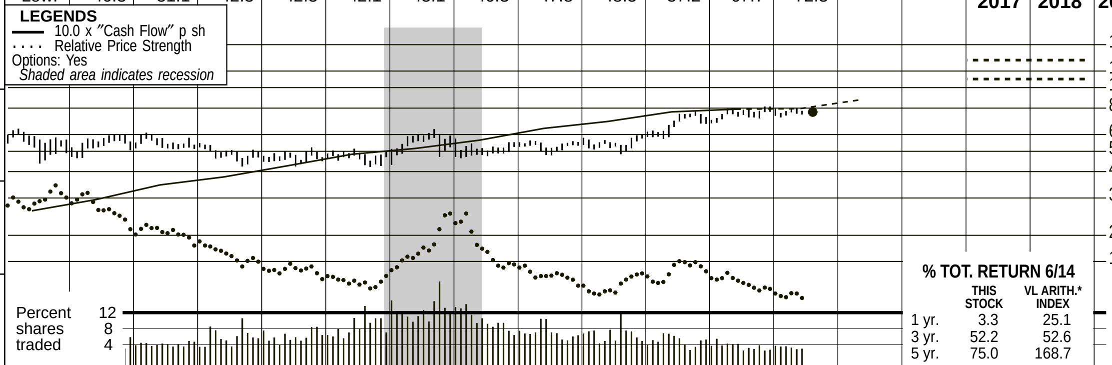
Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	1	0	0	0	0	0
to Sell	0	0	0	4	0	1	2	0	1

Institutional Decisions

	3Q2013	4Q2013	1Q2014
to Buy	567	623	582
to Sell	611	623	666
Hld's(000)	966123	971546	963148

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
High:	60.2	61.3	54.6	52.2	51.4	63.8	57.5	56.3	60.0	77.6	81.4	80.0
Low:	46.3	51.1	42.3	42.3	42.1	43.1	46.3	47.8	48.3	57.2	67.7	72.3



Target Price Range

2017	2018	2019

% TOT. RETURN 6/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	3.3	25.1
3 yr.	52.2	52.6
5 yr.	75.0	168.7

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
30.71	37.02	42.80	49.36	56.09	60.00	68.02	75.79	84.40	95.34	103.34	107.82	119.98	130.76	141.57	147.32	***152.80***	***164.50***	Sales per sh A	***191.55***
1.41	1.81	2.05	2.25	2.61	2.95	3.47	3.78	4.27	4.83	5.16	5.64	6.42	6.92	7.69	7.92	***7.95***	***8.80***	"Cash Flow" per sh	***11.35***
.99	1.28	1.40	1.50	1.81	2.03	2.41	2.63	2.92	3.16	3.42	3.66	4.07	4.45	5.02	5.11	***5.15***	***5.75***	Earnings per sh A B	***7.60***
.16	.20	.24	.28	.30	.36	.52	.60	.67	.88	.95	1.09	1.21	1.46	1.59	1.88	***1.92***	***2.20***	Div'ds Decl'd per sh ■C	***2.70***
4.71	5.80	7.01	7.88	8.95	10.12	11.67	12.77	14.91	16.26	16.63	18.69	19.49	20.86	23.04	23.59	***26.00***	***28.00***	Book Value per sh	***38.00***
4482.0	4457.0	4470.0	4453.0	4395.0	4311.0	4234.0	4165.0	4131.0	3973.0	3925.0	3786.0	3516.0	3418.0	3314.0	3233.0	***3200.0***	***3100.0***	Common Shs Outst'g D	***2950.0***
31.2	39.1	38.0	34.9	30.3	26.9	22.8	18.3	16.0	14.9	16.2	13.9	13.1	12.4	13.5	14.9	***Bold figures are***		Avg Ann'l P/E Ratio	***16.0***
1.62	2.23	2.47	1.79	1.66	1.53	1.20	.97	.86	.79	.97	.93	.83	.78	.86	.84	***Value Line***		Relative P/E Ratio	***1.00***
.5%	.4%	.5%	.5%	.5%	.7%	.9%	1.2%	1.4%	1.9%	1.7%	2.1%	2.3%	2.7%	2.3%	2.5%	***estimates***		Avg Ann'l Div'd Yield	***2.2%***

CAPITAL STRUCTURE as of 4/30/14
Total Debt $52028 mill. **Due in 5 Yrs** $16150 mill.
LT Debt $48441 mill. **LT Interest** $2250 mill.
Incl. $2742 mill. capitalized leases.
(Total interest coverage: 12.4x) (35% of Cap'l)

Leases, Uncapitalized Annual rentals $1722 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 3,223,604,679 shs.
as of 6/4/14
MARKET CAP: $247 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
287989	315654	348650	378799	405607	408214	421849	446950	469162	476294	***489000***	***510000***	Sales ($mill) A	***565000***
23.7%	23.8%	24.2%	24.4%	24.5%	25.4%	25.3%	25.0%	24.9%	26.7%	***24.0%***	***24.5%***	Gross Margin	***25.5%***
7.5%	7.4%	7.4%	7.5%	7.3%	7.6%	7.9%	7.7%	7.7%	7.7%	***7.6%***	***7.7%***	Operating Margin	***8.0%***
5289	6141	6779	7262	7720	8416	8970	10130	10773	10942	***11470***	***12100***	Number of Stores	***15000***
10267	11014	12178	12884	13512	14204	14921	15523	16999	16728	***16500***	***18000***	Net Profit ($mill)	***22400***
34.7%	34.7%	33.6%	34.2%	34.2%	34.1%	34.0%	33.4%	31.0%	32.2%	***33.0%***	***33.0%***	Income Tax Rate	***33.0%***
3.6%	3.5%	3.5%	3.4%	3.3%	3.5%	3.5%	3.5%	3.6%	3.5%	***3.4%***	***3.5%***	Net Profit Margin	***4.0%***
d4397	d5002	d5166	d10869	d6441	d7230	d6591	d7325	d11878	d8160	***d7000***	***d6000***	Working Cap'l ($mill)	***d4000***
23669	30171	30735	33402	34549	36401	43842	47079	41417	44559	***42000***	***41000***	Long-Term Debt ($mill)	***40000***
49396	53171	61573	64608	65285	70749	68542	71315	76343	76255	***83200***	***86800***	Shr. Equity ($mill)	***112100***
14.8%	14.0%	14.1%	14.1%	14.5%	14.1%	14.1%	14.0%	15.3%	14.7%	***13.0%***	***14.0%***	Return on Total Cap'l	***15.0%***
20.8%	20.7%	19.8%	19.9%	20.7%	20.1%	21.8%	21.8%	22.3%	21.9%	***20.0%***	***21.0%***	Return on Shr. Equity	***20.0%***
16.3%	16.0%	15.2%	14.4%	15.0%	14.1%	15.3%	14.7%	15.2%	13.9%	***12.5%***	***13.0%***	Retained to Com Eq	***14.0%***
22%	23%	23%	28%	28%	30%	30%	33%	32%	37%	***37%***	***38%***	All Div'ds to Net Prof	***33%***

CURRENT POSITION ($MILL.)	2012	2013	4/30/14
Cash Assets	7781	7281	6012
Receivables	6768	6677	6096
Inventory (LIFO)	43803	44858	45315
Other	1588	2369	2264
Current Assets	59940	61185	59687
Accts Payable	38080	37415	36347
Debt Due	12392	4412	3587
Other	21346	27518	28008
Current Liab.	71818	69345	67942

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Sales	10.0%	8.0%	*5.5%*
"Cash Flow"	11.0%	9.5%	*7.0%*
Earnings	10.5%	9.0%	*7.5%*
Dividends	18.0%	14.5%	*8.5%*
Book Value	9.5%	7.0%	*9.0%*

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2011	104189	109366	110226	123169	446950
2012	113018	114296	113929	127919	469162
2013	114071	116829	115688	129706	476294
2014	114960	***119500***	***119000***	***135540***	***489000***
2015	***119000***	***123300***	***124400***	***143300***	***510000***

Fiscal Year Begins	EARNINGS PER SHARE A B Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2011	.97	1.09	.99	1.44	4.45
2012	1.09	1.18	1.08	1.67	5.02
2013	1.14	1.24	1.14	1.60	5.11
2014	1.10	***1.20***	***1.15***	***1.70***	***5.15***
2015	***1.25***	***1.37***	***1.32***	***1.81***	***5.75***

Cal-endar	QUARTERLY DIVIDENDS PAID ■ C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.2725	.605	.3025	- -	1.18
2011	.3025	.730	.365	- -	1.40
2012	.365	.795	.3975	.3975	1.96
2013	.47	.47	.47	.47	1.88
2014	.48	.48			

BUSINESS: Wal-Mart Stores, Inc. is the world's largest retailer, operating 3,288 supercenters (includes sizable grocery departments), 508 discount stores, 632 Sam's Clubs, and 407 Neighborhood Markets in the U.S., plus 6,107 foreign stores, mainly in Latin America, with the balance in Asia, Canada, and the U.K. as of 1/31/14. Total store space: 1.101 billion square feet. Retail space is largely owned, and most stores are within 400 miles of a distribution center. Groceries accounted for 55% of U.S. sales; sales per square foot in 2012: about $437. Has 2,200,000 employees. Off./dir. own 50.6% of shares (4/14 proxy). Chairman: S. Robson Walton. CEO and Pres.: Doug McMillon. Inc.: DE. Addr.: 702 S.W. 8th St., Bentonville, AR 72716. Tel.: 479-273-4000. Internet: www.walmart.com.

Wal-Mart posted decent results in the first quarter (ended April 30th). Same-store sales (comps) rose 80 basis points, and would have been up 210 basis points excluding the effect of foreign currency exchange. Given the "challenging retail environment," Wal-Mart expects domestic comps to remain flat in the July period.

The company is focused on keeping its shelves fully stocked. In the recent past, third parties were reporting evidence that Wal-Mart was having difficulty making available enough merchandise to customers, due to lack of necessary labor. The company seems to finally be addressing the issue head on, saying shelf stockers now quickly respond when IT infrastructure notifies them of out-of-stock items. It is now surpassing its goal of 95% availability, which is helping improve results at underperforming locations.

There has been cost inflation, of late. The first quarter saw this metric rise 120 basis points, driven largely by meat and produce. WMT has generally not passed this onto customers in hopes of increasing traffic and, thus, sales of other merchandise. It couldn't confirm whether this was having its intended effect, but we are inclined to believe that this "price investment" is having a positive impact on customer loyalty and satisfaction.

Wal-Mart remains focused on expanding its small format stores. Neighborhood Markets are designed to satisfy customers' need for goods that they replenish so frequently, they don't necessarily want to go to a supercenter to do so (i.e., "a stock-up trip"). Wal-Mart is on track to open between 180 and 200 of these locations this year alone. Some investors have voiced concerns about these locations cannibalizing sales of nearby supercenters, but WMT said this only appears to be a concern with stores that are located within a two-mile radius of one another.

We think these neutrally ranked shares are suitable for long-term investors. The company is doing well to cater to the needs of its cost-conscious customers, and appears to be resolving performance issues with its representatives. We like the small-format store expansion initiative and think it will help drive sales in the coming years.

Kevin Downing *August 1, 2014*

(A) Fiscal year ends Jan. 31st of following calendar year. Sales exclude rentals from licensed depts. **(B)** Based on diluted shares. May not sum due to rounding. Excls. n/r (losses)/gains: '01, ($0.01); '05, $0.03; '08, ($0.07); '09, $0.04; '10, $0.40; '11, $0.03; '13, ($0.23). Next earnings report due Aug. 14th. **(C)** Divds. historically paid in early Mar., May, Aug., and Dec.■ Dividend reinvestment plan available. **(D)** In millions.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	100