

WAL MART STORES INC
Form 10-Q
September 09, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**
For the quarterly period ended July 31, 2009.

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)

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Delaware (State or other jurisdiction of incorporation or organization)	71-0415188 (I.R.S. Employer Identification No.)
702 S.W. 8th 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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. Check One:

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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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 3,856,826,597 shares as of September 4, 2009.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****WAL-MART STORES, INC.****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(Unaudited)****(Amounts in millions except per share data)**

	Three Months Ended July 31,		Six Months Ended July 31,	
	2009	2008	2009	2008
Revenues:				
Net sales	\$ 100,082	\$ 101,546	\$ 193,553	\$ 195,588
Membership and other income	828	796	1,599	1,694
	100,910	102,342	195,152	197,282
Costs and expenses:				
Cost of sales	75,153	77,118	145,541	148,490
Operating, selling, general and administrative expenses	19,875	19,411	38,512	37,662
Operating income	5,882	5,813	11,099	11,130
Interest:				
Debt	447	450	895	938
Capital leases	68	77	138	149
Interest income	(42)	(71)	(93)	(135)
Interest, net	473	456	940	952
Income from continuing operations before income taxes	5,409	5,357	10,159	10,178
Provision for income taxes	1,853	1,826	3,456	3,496
Income from continuing operations	3,556	3,531	6,703	6,682
(Loss) income from discontinued operations, net of tax	(7)	48	(15)	41
Consolidated net income	3,549	3,579	6,688	6,723
Less consolidated net income attributable to noncontrolling interest	(107)	(130)	(224)	(252)
Consolidated net income attributable to Walmart	\$ 3,442	\$ 3,449	\$ 6,464	\$ 6,471
Basic net income per common share:				
Basic income per share from continuing operations attributable to Walmart	\$ 0.89	\$ 0.86	\$ 1.66	\$ 1.63
Basic (loss) income per share from discontinued operations attributable to Walmart	(0.01)	0.01		0.01
Basic net income per share attributable to Walmart	\$ 0.88	\$ 0.87	\$ 1.66	\$ 1.64

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Diluted net income per common share:

Diluted income per share from continuing operations attributable to Walmart	\$	0.88	\$	0.86	\$	1.65	\$	1.62
Diluted income per share from discontinued operations attributable to Walmart				0.01				0.01

Diluted net income per share attributable to Walmart	\$	0.88	\$	0.87	\$	1.65	\$	1.63
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Weighted-average number of common shares:

Basic	3,891	3,945	3,905	3,951
Diluted	3,900	3,958	3,915	3,962

Dividends declared per common share	\$		\$		\$	1.09	\$	0.95
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WAL-MART STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Amounts in millions)

	July 31, 2009	July 31, 2008	January 31, 2009
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,997	\$ 6,903	\$ 7,275
Receivables	3,684	3,221	3,905
Inventories	33,861	35,365	34,511
Prepaid expenses and other	3,336	3,311	3,063
Current assets of discontinued operations	147	974	195
Total current assets	49,025	49,774	48,949
Property and equipment, at cost:			
Property and equipment, at cost	133,070	126,289	125,820
Less accumulated depreciation	(35,707)	(31,335)	(32,964)
Property and equipment, net	97,363	94,954	92,856
Property under capital lease:			
Property under capital lease	5,583	5,740	5,341
Less accumulated amortization	(2,759)	(2,645)	(2,544)
Property under capital lease, net	2,824	3,095	2,797
Goodwill	16,149	16,400	15,260
Other assets and deferred charges	3,581	2,672	3,567
Total assets	\$ 168,942	\$ 166,895	\$ 163,429

LIABILITIES AND EQUITY

Current liabilities:			
Commercial paper and other short-term borrowings	\$ 1,122	\$ 4,347	\$ 1,506
Accounts payable	28,797	29,912	28,849
Dividends payable	2,073	1,927	
Accrued liabilities	16,706	15,607	18,112
Accrued income taxes	1,162	555	677
Long-term debt due within one year	6,959	2,180	5,848
Obligations under capital leases due within one year	336	324	315
Current liabilities of discontinued operations	41	77	83
Total current liabilities	57,196	54,929	55,390
Long-term debt	33,579	34,168	31,349
Long-term obligations under capital leases	3,246	3,544	3,200
Deferred income taxes and other	5,773	5,386	6,014
Redeemable noncontrolling interest	326		397
Commitments and contingencies			

Equity:

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Common stock and capital in excess of par value	4,173	3,986	4,313
Retained earnings	63,153	57,883	63,660
Accumulated other comprehensive (loss) income	(318)	4,924	(2,688)
Total Walmart shareholders' equity	67,008	66,793	65,285
Noncontrolling interest	1,814	2,075	1,794
Total equity	68,822	68,868	67,079
Total liabilities and equity	\$ 168,942	\$ 166,895	\$ 163,429

WAL-MART STORES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Amounts in millions)

	Six Months Ended July 31,	
	2009	2008
Cash flows from operating activities:		
Consolidated net income	\$ 6,688	\$ 6,723
Loss (gain) from discontinued operations, net of tax	15	(41)
Income from continuing operations	6,703	6,682
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	3,457	3,366
Other	(246)	219
Changes in certain assets and liabilities, net of effects of acquisitions:		
Decrease in accounts receivable	575	578
Decrease in inventories	1,394	95
Decrease in accounts payable	(1,131)	(150)