

Consolidated Balance Sheets
(Amounts in millions)

	2000	1999
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,856	\$ 1,879
Receivables	1,341	1,118
Inventories	20,171	17,549
At replacement cost		
Less LIFO reserve	378	473
Inventories at LIFO cost	19,793	17,076
Prepaid expenses and other	1,366	1,059
Total Current Assets	24,356	21,132
Property, Plant and Equipment, at Cost:		
Land	8,785	5,219
Building and improvements	21,169	16,061
Fixtures and equipment	10,362	9,296
Transportation equipment	747	553
Less accumulated depreciation	(41,063)	(31,129)
Net property, plant and equipment	32,839	23,674
Property Under Capital Lease:		
Property under capital lease	4,285	3,335
Less accumulated amortization	(1,155)	(1,036)
Net property under capital leases-	3,130	2,299
Other Assets and Deferred Charges:		
Net goodwill and other acquired intangible assets	9,392	2,538
Other assets and deferred charges	632	353
Total Assets	\$ 70,349	\$ 49,996
Liabilities and Shareholders' Equity		
Current Liabilities:		
Commercial paper	\$ 3,323	\$ —
Accounts payable	13,105	10,257
Accrued liabilities	6,161	4,998
Accrued income taxes	1,129	501
Long-term debt due within one year	1,964	900
Obligations under capital leases due within one year	121	106
Total Current Liabilities	25,803	16,762
Long-Term Debt	13,672	6,908
Long-Term Obligations Under Capital Leases	3,002	2,699
Deferred Income Taxes and Other	759	716
Minority Interest	1,279	1,799
Shareholders' Equity		
Preferred stock (\$.10 par value; 100 shares authorized, none issued)		
Common stock (\$.10 par value; 5,500 shares authorized, 4,457 and 4,448 issued and outstanding in 2000 and 1999, respectively)	446	445

DIX B

	2000	1999
DIRECTORS		
H. Lee Scooper, Jr.		
Jack C. Shi		
Donald G. Gault		
Dr. Paula S. Gault		
Jose Villarr		
John T. W		
S. Robson		
OFFICERS		
Michael Du		
Executive V		
Walton		
of the Board		
9,296		
553		
31,129		
7,455		
23,674		
Class		
Executive Committee of the Board		
Don Harris		
Executive V		
Soderquist		
Chairman		
John B. Mei		
Executive V		
International		
Executive V		
W.P. & Vice President, Wal-Mart Realty		
353		
2,538		
9,392		
632		
70,349		
49,996		
Colman Pe		
Executive V		
Thomas M.		
Executive V		
Vice President Merchandise		
—		
10,257		
4,998		
501		
900		
106		
121		
1,964		
1,129		
1,279		
6,161		
1,129		
1,964		
1,279		
3,323		
13,105		
6,161		
1,129		
1,964		
121		
106		
25,803		
13,672		
3,002		
759		
1,279		
446		
445		

Stores, Inc., 2000 Annual Report

evolutionized American retailing with focus on low costs, everyday low pricing to drive sales. Although the company's of lagging performance, it had experienced big gains in business with one-stop supercenters and in international new ventures. To keep it all going and growing was a real challenge in the world, the company and its leadership was able to continue to grow sales and profits into the future. Lee's expansion program was called for to allow the company to

INCOME STATEMENT

(continued)

\$ 165,013	\$ 137,634	\$ 117,958
Net sales	1,796	1,341
Other income-net	139,208	119,299
Costs and Expenses:		
Cost of sales	108,725	93,438
Operating, selling and general and administrative expenses	22,363	19,358
Interest Costs:		
Debt	529	555
Capital leases	266	229
Income Before Income Taxes, Minority Interest, and Cumulative Effect of Accounting Change	157,726	113,580
Minority Interest in Unconsolidated Subsidiaries	9,083	5,719
Provision for Income Taxes	3,476	2,095
Deferred	(138)	20
Income Before Minority Interest, Equity in Unconsolidated Subsidiaries and Cumulative Effect of Accounting Change	5,745	3,604
Minority Interest and Equity in Unconsolidated Subsidiaries	(170)	(78)
Income Before Cumulative Effect of Accounting Change	5,575	3,526
Cumulative Effect of Accounting Change, net of tax benefit of \$119	(198)	-
Income	5,377	3,526
Income Per Common Share:		
Basic Net Income Per Common Share:	1.25	0.99
Income before cumulative effect of accounting change	1.25	0.99
Cumulative effect of accounting change, net of tax	(0.04)	0.00
Income Per Common Share	1.20	0.99
Average number of Common Shares	4,474	4,485
Extraordinary items	-	-
Income	5,575	4,393
Net Income	5,517	3,517
Net Income per common share, basic and diluted	1.25	0.96

Net sales

Other income-net

Costs and Expenses:

Cost of sales

Operating, selling and general and administrative expenses

Interest Costs:

Debt

Capital leases

Income Before Income Taxes, Minority Interest, and Cumulative Effect of Accounting Change

Minority Interest in Unconsolidated Subsidiaries

Provision for Income Taxes

Deferred

Income Before Minority Interest, Equity in Unconsolidated Subsidiaries and Cumulative Effect of Accounting Change

Minority Interest and Equity in Unconsolidated Subsidiaries

Income Before Cumulative Effect of Accounting Change

Cumulative Effect of Accounting Change, net of tax benefit of \$119

Income

Income Per Common Share:

Basic Net Income Per Common Share:

Income before cumulative effect of accounting change

Cumulative effect of accounting change, net of tax

Income Per Common Share

Average number of Common Shares

Extraordinary items

Income

Net Income

Net Income per common share, basic and diluted

Effect in fiscal 2000, 1999 and 1998:

Extraordinary items

Average number of Common Shares

Income Per Common Share

Cumulative effect of accounting change, net of tax

Income before cumulative effect of accounting change

Extraordinary items

Average number of Common Shares

Income Per Common Share

Cumulative effect of accounting change, net of tax

Income before cumulative effect of accounting change

Extraordinary items

Average number of Common Shares

Income

Net Income

Net Income per common share, basic and diluted

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