Walmart Raises Worry With Cut In Estimate of September Sales

By Gary McWilliams

Walmart Stores Inc., citing a miscellaneous culation, lowered its preliminary estimate of same-store sales in a move that raised new worries about growth at the world's largest retailer. Walmart and sales figures open at least 12 months were up 1.3%, near the bottom of its original forecast and below the estimated 1.8% growth reported Saturday. A spokes-
man said it had misclassified sales from 235 stores in arriving at the earlier figure. The reduced estimate is heightening concerns about the outlook heading into the year's most important selling season. Analysts had expected Walmart, Benton-
ville, Ark., to show stronger growth. It had blamed it on higher energy and interest costs. Gasoline costs in the U.S. have de-
creased more than in the past two months, and Walmart's sales aren't reboun-
ding.

The latest revision leaves Walmart planning for no-growth or negative gains of most retailers, including Target Corp. and Federated Department Stores Inc., which have raised their sales forecasts in recent weeks. Kohl's Corp. Tuesday reported Sep-
tember same-store sales jumped 16.3%, and the department-store chain increased its third-quarter guidance. Better results elsewhere suggest Wall-
Mart may be losing share to rivals, said Ed Yardeni, chief economist at Yardeni Research.

"Managers at our retailers are feeling the heat from Walmart's management," said Yardeni.

"If they were going to do this, they'd probably have something up their sleeve," he added.

Walmart didn't provide total sales for the month, which is expected to release today along with its pre-
cast of October's same-store sales.

Early Warnings

Walmart today is expected to disclose its earnings pressure program to stores in the Or-
lando area, according to people familiar with the situation. In Tampa, it reduced,
prices on 150 gen-
eric drugs to $4 a prescription and promise-
ed an expansion to the rest of the country beginning in early 2007. A Walmart spokesman declined to comment. Florida Gov. Jeb Bush's office said Wal-
Mart executives at a store in Orlando for what it termed a "significant health-
related announcement."