

LOWES COMPANIES INC
Form 10-Q
August 31, 2010

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 30, 2010

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 1-7898

LOWE'S COMPANIES, INC.
(Exact name of registrant as specified in its charter)

NORTH CAROLINA 56-0578072
(State or other jurisdiction of incorporation or (I.R.S. Employer Identification No.)
organization)

1000 Lowe's Blvd., Mooresville, NC 28117
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area (704) 758-1000
code

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 for such shorter period 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AT AUGUST 27, 2010
Common Stock, \$.50 par value	1,403,275,853

LOWE'S COMPANIES, INC.

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Part I - FINANCIAL
INFORMATIONItem 1. Financial
Statements

Lowe's Companies, Inc.
Consolidated Balance
Sheets
In Millions, Except Par
Value Data

	(Unaudited) July 30, 2010	(Unaudited) July 31, 2009	January 29, 2010
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,191	\$ 1,087	\$ 632
Short-term investments	816	424	425
Merchandise inventory - net	8,653	8,189	8,249
Deferred income taxes - net	205	117	208
Other current assets	256	216	218
Total current assets	11,121	10,033	9,732
Property, less accumulated depreciation	22,274	22,727	22,499
Long-term investments	730	900	277
Other assets	508	462	497
Total assets	\$ 34,633	\$ 34,122	\$ 33,005
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term borrowings	\$ -	\$ 9	\$ -
Current maturities of long-term debt	37	552	552
Accounts payable	4,888	4,970	4,287
Accrued compensation and	537	540	577

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employee benefits				
Deferred revenue	770	716	683	
Other current				
liabilities	1,761	1,672	1,256	
Total current				
liabilities	7,993	8,459	7,355	
Long-term debt,				
excluding current				
maturities	5,533	4,515	4,528	
Deferred income				
taxes - net	459	504	598	
Other liabilities	1,435	1,468	1,455	
Total liabilities	15,420	14,946	13,936	
Shareholders' equity:				
Preferred stock - \$5				
par value, none issued	-	-	-	
Common stock -				
\$.50 par value;				
Shares issued and				
outstanding				
July 30, 2010	1,423			
July 31, 2009	1,477			
January 29, 2010	1,459	711	738	729
Capital in excess of				
par value	9	367	6	
Retained earnings	18,454	18,025	18,307	
Accumulated other				
comprehensive income	39	46	27	
Total shareholders'				
equity	19,213	19,176	19,069	
Total liabilities and				
shareholders' equity	\$ 34,633	\$ 34,122	\$ 33,005	

See accompanying notes to the consolidated financial statements (unaudited).

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Lowe's Companies,
Inc.

Consolidated Statements of Current and Retained Earnings (Unaudited)

In Millions, Except
Per Share Data

	Three Months Ended				Six Months Ended			
	July 30, 2010		July 31, 2009		July 30, 2010		July 31, 2009	
Current Earnings	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Net sales	\$ 14,361	100.00	\$ 13,844	100.00	\$ 26,749	100.00	\$ 25,676	100.00
Cost of sales	9,355	65.14	9,021	65.16	17,384	64.99	16,658	64.88
Gross margin	5,006	34.86	4,823	34.84	9,365	35.01	9,018	35.12
Expenses:								
Selling, general and administrative	3,189	22.21	3,123	22.55	6,283	23.49	6,079	23.67
Depreciation	398	2.77	408	2.95	795	2.97	809	3.15
Interest - net	84	0.59	76	0.55	166	0.62	154	0.60
Total expenses	3,671	25.57	3,607	26.05	7,244	27.08	7,042	27.42
Pre-tax earnings	1,335	9.29	1,216	8.79	2,121	7.93	1,976	7.70
Income tax provision	503	3.50	457	3.31	800	2.99	741	2.89
Net earnings	\$ 832	5.79	\$ 759	5.48	\$ 1,321	4.94	\$ 1,235	4.81
Weighted average common shares outstanding - basic								
	1,417		1,464		1,427		1,463	
Basic earnings per common share								
	\$ 0.58		\$ 0.51		\$ 0.92		\$ 0.84	
Weighted average common shares outstanding - diluted								
	1,419		1,466		1,430		1,465	
	\$ 0.58		\$ 0.51		\$ 0.92		\$ 0.84	

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Diluted earnings
per common share

Cash dividends per share	\$ 0.110	\$ 0.090	\$ 0.200	\$ 0.175
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Retained Earnings

Balance at beginning of period	\$ 18,246	\$ 17,399	\$ 18,307	\$ 17,049
Net earnings	832	759	1,321	1,235
Cash dividends	(157)	(133)	(287)	(259)
Share repurchases	(467)	-	(887)	-
Balance at end of period	\$ 18,454	\$ 18,025	\$ 18,454	\$ 18,025