

LOWES COMPANIES INC
Form 10-Q
September 03, 2008

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 August 1, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

1-7898

Commission file number

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

NORTH CAROLINA
(State or other jurisdiction of incorporation or organization)

56-0578072
(I.R.S. Employer Identification No.)

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

28117
(Zip Code)

Registrant's telephone number, including area
code

(704) 758-1000

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

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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 29, 2008
Common Stock, \$.50 par value	1,465,680,775

LOWE'S COMPANIES, INC.

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Part I - FINANCIAL
INFORMATION

Item 1. Financial Statements

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

	(Unaudited) August 1, 2008	(Unaudited) August 3, 2007	February 1, 2008
Assets			
Current assets:			
Cash and cash equivalents	\$ 477	\$ 337	\$ 281
Short-term investments (includes \$39 million of trading securities at August 1, 2008)	377	325	249
Merchandise inventory - net	7,939	7,799	7,611
Deferred income taxes - net	275	209	247
Other current assets	236	181	298
Total current assets	9,304	8,851	8,686
Property, less accumulated depreciation	22,066	19,825	21,361
Long-term investments	798	627	509
Other assets	381	341	313
Total assets	\$ 32,549	\$ 29,644	\$ 30,869
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings	\$ 189	\$ 555	\$ 1,064
Current maturities of long-term debt	31	85	40
Accounts payable	4,786	4,167	3,713
Accrued compensation and employee benefits	492	414	467
Self-insurance liabilities	736	726	671
Deferred revenue	816	819	717
Other current liabilities	1,478	1,274	1,079
Total current liabilities	8,528	8,040	7,751
Long-term debt, excluding current maturities	5,050	4,301	5,576

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Deferred income taxes - net	641	628	670
Other liabilities	824	706	774
Total liabilities	15,043	13,675	14,771
Shareholders' equity:			
Preferred stock - \$5 par value, none issued	-	-	-
Common stock - \$.50 par value; Shares issued and outstanding			
August 1, 2008	1,464		
August 3, 2007	1,485		
February 1, 2008	1,458	732	742
February 1, 2008			729
Capital in excess of par value	118	11	16
Retained earnings	16,648	15,210	15,345
Accumulated other comprehensive income	8	6	8
Total shareholders' equity	17,506	15,969	16,098
Total liabilities and shareholders' equity	\$ 32,549	\$ 29,644	\$ 30,869

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

Lowes's Companies, Inc.
 Consolidated Statements of Current and Retained Earnings (Unaudited)
 In Millions, Except Per
 Share Data

	Three Months Ended		Six Months Ended	
	August 1, 2008	August 3, 2007	August 1, 2008	August 3, 2007
Current Earnings	Amount	Percent	Amount	Percent
Net sales	\$ 14,509	100.00	\$ 14,167	100.00
	\$ 26,519	100.00	\$ 26,338	100.00
Cost of sales	9,527	65.66	9,284	65.53
Gross margin	4,982	34.34	4,883	34.47
	9,148	34.50	9,143	34.71
Expenses:				
Selling, general and administrative	3,014	20.78	2,839	20.04
Store opening costs	21	0.14	26	0.18
Depreciation	381	2.63	38	0.14