

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 3, 2012

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
(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

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
Non-accelerated filer

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 31, 2012

Common Stock, \$.50 par value

1,140,565,085

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 3, 2012	(Unaudited) July 29, 2011	February 3, 2012
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,710	\$ 568	\$ 1,014
Short-term investments	586	340	286
Merchandise inventory - net	8,699	8,825	8,355
Deferred income taxes - net	279	222	183
Other current assets	325	213	234
Total current assets	11,599	10,168	10,072
Property, less accumulated depreciation	21,734	22,195	21,970
Long-term investments	485	857	504
Other assets	1,214	825	1,013
Total assets	\$ 35,032	\$ 34,045	\$ 33,559
Liabilities and shareholders' equity			
Current liabilities:			
Current maturities of long-term debt	\$ 594	\$ 39	\$ 592
Accounts payable	5,084	5,378	4,352
Accrued compensation and employee benefits	561	495	613
Deferred revenue	847	831	801
Other current liabilities	1,936	1,934	1,533
Total current liabilities	9,022	8,677	7,891
Long-term debt, excluding current maturities	9,008	6,581	7,035
Deferred income taxes - net	580	479	531
Deferred revenue - extended protection plans	726	673	704
Other liabilities	872	856	865
Total liabilities	20,208	17,266	17,026
Shareholders' equity:			
Preferred stock - \$5 par value, none issued	-	-	-
Common stock - \$.50 par value;			
Shares issued and outstanding			
August 3, 2012	1,152		
July 29, 2011	1,260		
February 3, 2012	1,241	576	630
Capital in excess of par value	2	7	14
Retained earnings	14,199	16,060	15,852
Accumulated other comprehensive income	47	82	46
Total shareholders' equity	14,824	16,779	16,533
Total liabilities and shareholders' equity	\$ 35,032	\$ 34,045	\$ 33,559

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 and Percentage Data

	Three Months Ended				Six Months Ended			
	August 3, 2012		July 29, 2011		August 3, 2012		July 29, 2011	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Current Earnings								
Net sales	\$ 14,249	100.00	\$ 14,543	100.00	\$ 27,402	100.00	\$ 26,728	100.00
Cost of sales	9,415	66.07	9,527	65.51	18,003	65.70	17,393	65.07
Gross margin	4,834	33.93	5,016	34.49	9,399	34.30	9,335	34.93
Expenses:								
Selling, general and administrative	3,172	22.26	3,232	22.22	6,414	23.40	6,351	23.76
Depreciation	369	2.59	365	2.51	739	2.70	737	2.76
Interest - net	96	0.68	90	0.62	199	0.73	178	0.67
Total expenses	3,637	25.53	3,687	25.35	7,352	26.83	7,266	27.19
Pre-tax earnings	1,197	8.40	1,329	9.14	2,047	7.47	2,069	7.74
Income tax provision	450	3.15	499	3.43	772	2.82	777	2.91
Net earnings	\$ 747	5.25	\$ 830	5.71	\$ 1,275	4.65	\$ 1,292	4.83

Weighted average common shares outstanding - basic	1,157		1,275		1,182		1,300	
Basic earnings per common share	\$ 0.64		\$ 0.65		\$ 1.07		\$ 0.99	
Weighted average common shares outstanding - diluted	1,159		1,278		1,183		1,303	
Diluted earnings per common share	\$ 0.64		\$ 0.64		\$ 1.07		\$ 0.98	
Cash dividends per share	\$ 0.16		\$ 0.14		\$ 0.30		\$ 0.25	

Retained Earnings

Balance at beginning of period	\$ 14,557		\$ 16,715		\$ 15,852		\$ 17,371	
Net earnings	747		830		1,275		1,292	
Cash dividends	(184)		(176)		(350)		(322)	
Share repurchases	(921)		(1,309)		(2,578)		(2,281)	
Balance at end of period	\$ 14,199		\$ 16,060		\$ 14,199		\$ 16,060	

Lowe's Companies, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)
 In Millions, Except Percentage Data

	Three Months Ended				Six Months Ended			
	August 3, 2012		July 29, 2011		August 3, 2012		July 29, 2011	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Net earnings	\$ 747	5.25	\$ 830	5.71	\$ 1,275	4.65	\$ 1,292	4.83
Foreign currency translation adjustments	(8)	(0.05)	(4)	(0.03)	(1)	-	27	0.10
Net unrealized investment gains	3	0.01	1	0.01	2	0.01	2	0.01
Other comprehensive (loss)/income	(5)	(0.04)	(3)	(0.02)	1	0.01	29	0.11
Comprehensive income	\$ 742	5.21	\$ 827	5.69	\$ 1,276	4.66	\$ 1,321	4.94

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

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Lowe's Companies, Inc.
Consolidated Statements of Cash Flows (Unaudited)
In Millions

	Six Months Ended	
	August 3, 2012	July 29, 2011
Cash flows from operating activities:		
Net earnings	\$ 1,275	\$ 1,292
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	789	786
Deferred income taxes	(59)	(50)
Loss on property and other assets - net	36	100
Loss on equity method investments	29	4
Share-based payment expense	54	59
Changes in operating assets and liabilities:		
Merchandise inventory - net	(345)	(495)
Other operating assets	(159)	121
Accounts payable	731	1,026
Other operating liabilities	445	450
Net cash provided by operating activities	2,796	3,293
Cash flows from investing activities:		
Purchases of investments	(1,176)	(948)
Proceeds from sale/maturity of investments	897	1,232
Property acquired	(622)	(780)
Change in equity method investments	(159)	(204)
Proceeds from sale of property and other long-term assets	49	20
Other - net	(21)	(14)
Net cash used in investing activities	(1,032)	(694)
Cash flows from financing activities:		
Net proceeds from issuance of long-term debt	1,984	-
Repayment of long-term debt	(20)	(18)
Proceeds from issuance of common stock under share-based payment plans	90	55
Cash dividend payments	(340)	(294)
Repurchase of common stock	(2,793)	(2,433)
Other - net	13	3
Net cash used in financing activities	(1,066)	(2,687)
Effect of exchange rate changes on cash	(2)	4
Net increase/(decrease) in cash and cash equivalents	696	(84)
Cash and cash equivalents, beginning of period	1,014	652
Cash and cash equivalents, end of period	\$ 1,710	\$ 568

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

Lowe's Companies, Inc.
Notes to Consolidated Financial Statements (Unaudited)

Note 1: Basis of Presentation - The accompanying consolidated financial statements (unaudited) and notes to the consolidated financial statements (unaudited) are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not include all the disclosures normally required in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements (unaudited), in the opinion of management, contain all adjustments necessary to present fairly the financial position as of August 3, 2012 and July 29, 2011, the results of operations for the three and six months ended August 3, 2012 and July 29, 2011 and cash flows for the six months ended August 3, 2012 and July 29, 2011.

These interim consolidated financial statements (unaudited) should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Lowe's Companies, Inc. (the Company) Annual Report on Form 10-K for the fiscal year ended February 3, 2012 (the Annual Report). The financial results for the interim periods may not be indicative of the financial results for the entire fiscal year.

Certain prior period amounts have been reclassified to conform to current classifications. Certain amounts within the consolidated statements of cash flows have been reclassified, including the loss on equity method investments and net contributions to equity method investments, which are now presented as separate line items.

Note 2: Fair Value Measurements - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance for fair value measurements establishes a three-level hierarchy, which encourages an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the hierarchy are defined as follows:

- Level 1 - inputs to the valuation techniques that are quoted prices in active markets for identical assets or liabilities
- Level 2 - inputs to the valuation techniques that are other than quoted prices but are observable for the assets or liabilities, either directly or indirectly
- Level 3 - inputs to the valuation techniques that are unobservable for the assets or liabilities

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The following tables present the Company's financial assets measured at fair value on a recurring basis as of August 3, 2012, July 29, 2011, and February 3, 2012, classified by fair value hierarchy:

(In millions)	August 3, 2012	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Available-for-sale securities:				
Municipal floating rate obligations	\$ 433	\$ -	\$ 433	\$ -
Money market funds	61	61	-	-
Municipal obligations	56	-	56	-
Other	8	8	-	-
Trading securities:				
Mutual funds	28	28	-	-
Total short-term investments	\$ 586	\$ 97	\$ 489	\$ -
Available-for-sale securities:				
Municipal floating rate obligations	\$ 394	\$ -	\$ 394	\$ -
Municipal obligations	80	-	80	-
Equity securities	11	11	-	-
Total long-term investments	\$ 485	\$ 11	\$ 474	\$ -

(In millions)	July 29, 2011	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Available-for-sale securities:				
Municipal floating rate obligations	\$ 48	\$ -	\$ 48	\$ -
Money market funds	95	95	-	-
Municipal obligations	142	-	142	-
Other	2	2	-	-
Trading securities:				
Mutual funds	53	53	-	-
Total short-term investments	\$ 340	\$ 150	\$ 190	\$ -
Available-for-sale securities:				
Municipal floating rate obligations	\$ 641	\$ -	\$ 641	\$ -
Municipal obligations	196	-	196	-
Other	20	-	20	-
Total long-term investments	\$ 857	\$ -	\$ 857	\$ -

(In millions)	February 3, 2012	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Available-for-sale securities:				
Municipal floating rate obligations	\$ 25	\$ -	\$ 25	\$ -
Money market funds	153	153	-	-
Municipal obligations	79	-	79	-
Other	2	2	-	-
Trading securities:				
Mutual funds	27	27	-	-
Total short-term investments	\$ 286	\$ 182	\$ 104	\$ -
Available-for-sale securities:				
Municipal floating rate obligations	\$ 363	\$ -	\$ 363	\$ -
Municipal obligations	122	-	122	-
Other	19	-	19	-
Total long-term investments	\$ 504	\$ -	\$ 504	\$ -

When available, quoted prices were used to determine fair value. When quoted prices in active markets were available, investments were classified within Level 1 of the fair value hierarchy. When quoted prices in active markets were not available, fair values were determined using pricing models, and the inputs to those pricing models were based on observable market inputs. The inputs to the pricing models were typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

During the six months ended August 3, 2012 and July 29, 2011, the Company's only significant assets or liabilities measured at fair value on a nonrecurring basis subsequent to their initial recognition were certain assets subject to long-lived asset impairment.

The Company reviews the carrying amounts of long-lived assets whenever certain events or changes in circumstances indicate that the carrying amounts may not be recoverable. With input from retail store operations, the Company accounting and finance personnel that organizationally report to the chief financial officer, assess the performance of retail stores quarterly against historical patterns and projections of future profitability for evidence of possible impairment. An impairment loss is recognized when the carrying amount of the asset (disposal) group is not recoverable and exceeds its fair value. The Company estimated the fair values of assets subject to long-lived asset impairment based on the Company's own judgments about the assumptions that market participants would use in pricing the assets and on observable market data, when available. The Company classified these fair value measurements as Level 3.

In the determination of impairment for operating locations, the Company determined the fair values of individual operating locations using an income approach, which required discounting projected future cash flows. When determining the stream of projected future cash flows associated with an individual operating location, management made assumptions, incorporating local market conditions and inputs from retail store operations, about key variables including the following unobservable inputs: sales growth rates, gross margin, controllable expenses, such as payroll and occupancy expense, and asset residual values. In order to calculate the present value of those future cash flows, the Company discounted cash flow estimates at a rate commensurate with the risk that selected market participants would assign to the cash flows. In general, the selected market participants represented a group of other retailers with a location footprint similar in size to the Company's.

During the six months ended August 3, 2012, four operating locations experienced a triggering event and were evaluated for recoverability. One of the four operating locations was determined to be impaired due to a decline in recent cash flow trends and an unfavorable sales outlook, resulting in an impairment loss of \$6 million. The discounted cash flow model used to estimate the fair value of the impaired operating location assumed sales growth rates ranging from 2.0% to 3.5% over the remaining life of the location and applied a discount rate of approximately 6%.

The remaining three operating locations that experienced a triggering event during 2012 were determined to be recoverable and therefore were not impaired. For these three locations, the expected undiscounted cash flows substantially exceeded the net book value of the location's assets. A 10% reduction in projected sales used to estimate future cash flows at the latest date these three operating locations were evaluated for impairment would have resulted in the impairment of one of these locations and increased recognized impairment losses by \$6 million. We analyzed other assumptions made in estimating the future cash flows of the operating locations evaluated for impairment, but the sensitivity of those assumptions was not significant to the estimates.

In the determination of impairment for locations identified for closure and for excess properties held-for-use and held-for-sale, which consisted of retail outparcels and property associated with relocated or closed locations, the fair values were determined using a market approach based on estimated selling prices. The Company determined the estimated selling prices by obtaining information from property brokers or appraisers in the specific markets being evaluated or negotiated non-binding offers to purchase. The information obtained from property brokers or appraisers included comparable sales of similar assets and assumptions about demand in the market for these assets.

During the six months ended August 3, 2012, the Company incurred total impairment charges of \$16 million for 15 excess property locations. A 10% reduction in the estimated selling prices for these excess properties at the dates the locations were evaluated for impairment would have increased impairment losses by approximately \$3 million.

The following tables present the Company's non-financial assets measured at estimated fair value on a nonrecurring basis and the resulting long-lived asset impairment losses included in earnings, excluding costs to sell for excess properties held-for-sale. Because assets subject to long-lived asset impairment were not measured at fair value on a recurring basis, certain fair value measurements presented in the table may reflect values at earlier measurement dates and may no longer represent the fair values at August 3, 2012, and July 29, 2011.

Fair Value Measurements - Nonrecurring Basis

(In millions)	Three Months Ended			
	August 3, 2012		July 29, 2011	
	Fair Value Measurements	Impairment Losses	Fair Value Measurements	Impairment Losses
Assets-held-for-use:				
Operating locations	\$ 1	\$ (6)	\$ 9	\$ (18)
Locations identified for closure	-	-	21	(60)
Excess properties	14	(10)	18	(5)
Assets-held-for-sale:				
Excess properties	3	(1)	1	-
Total	\$ 18	\$ (17)	\$ 49	\$ (83)

(In millions)	Six Months Ended			
	August 3, 2012		July 29, 2011	
	Fair Value Measurements	Impairment Losses	Fair Value Measurements	Impairment Losses
Assets-held-for-use:				
Operating locations	\$ 1	\$ (6)	\$ 9	\$ (18)
Locations identified for closure	-	-	21	(60)
Excess properties	31	(15)	22	(11)
Assets-held-for-sale:				
Excess properties	3	(1)	2	-
Total	\$ 35	\$ (22)	\$ 54	\$ (89)

Fair Value of Financial Instruments

The Company's financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and long-term debt and are reflected in the financial statements at cost. With the exception of long-term debt, cost approximates fair value for these items due to their short-term nature. The fair values of the Company's unsecured notes classified as Level 1 were estimated using quoted market prices. The fair values of the Company's mortgage notes classified as Level 2 were estimated using a discounted cash flow analyses, based on the future cash outflows associated with these arrangements and discounted using the applicable risk-free borrowing rate.

Carrying amounts and the related estimated fair value of the Company's long-term debt, excluding capitalized lease obligations, are as follows:

(In millions)	August 3, 2012		July 29, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Unsecured notes (Level 1)	\$ 9,175	\$ 10,751	\$ 6,194	\$ 6,936
Mortgage notes (Level 2)	19	23	21	25
Long-term debt (excluding capitalized lease obligations)	\$ 9,194	\$ 10,774	\$ 6,215	\$ 6,961

Note 3: Restricted Investment Balances - Short-term and long-term investments include restricted balances pledged as collateral for the Company's extended protection plan program and for a portion of Installed Sales program liability. At July 29, 2011 and February 3, 2012, short-term and long-term investments also included restricted balances pledged as collateral for a portion of the Company's casualty insurance liability. Restricted balances included in short-term investments were \$136 million at August 3, 2012, \$163 million at July 29, 2011, and \$233 million at February 3, 2012. Restricted balances included in long-term investments were \$313 million at August 3, 2012, \$256 million at July 29, 2011, and \$262 million at February 3, 2012.

Note 4: Property - Property is shown net of accumulated depreciation of \$13.0 billion at August 3, 2012, \$11.9 billion at July 29, 2011, and \$12.4 billion at February 3, 2012.

Note 5: Extended Protection Plans - The Company sells separately-priced extended protection plan contracts under a Lowe's-branded program for which the Company is ultimately self-insured. The Company recognizes revenue from extended protection plan sales on a straight-line basis over the respective contract term. Extended protection plan contract terms primarily range from one to four years from the date of purchase or the end of the manufacturer's warranty, as applicable. Changes in deferred revenue for extended protection plan contracts are summarized as follows:

(In millions)	Three Months Ended		Six Months Ended	
	August 3, 2012	July 29, 2011	August 3, 2012	July 29, 2011
Deferred revenue - extended protection plans, beginning of period	\$ 716	\$ 650	\$ 704	\$ 631
Additions to deferred revenue	68	70	134	135
Deferred revenue recognized	(58)	(47)	(112)	(93)
Deferred revenue - extended protection plans, end of period	\$ 726	\$ 673	\$ 726	\$ 673

Incremental direct acquisition costs associated with the sale of extended protection plans are also deferred and recognized as expense on a straight-line basis over the respective contract term. Deferred costs associated with extended protection plan contracts were \$119 million at August 3, 2012, \$160 million at July 29, 2011, and \$145 million at February 3, 2012. The Company's extended protection plan deferred costs are included in other assets (noncurrent) on the consolidated balance sheets. All other costs, such as costs of services performed under the contract, general and administrative expenses and advertising expenses are expensed as incurred.

The liability for extended protection plan claims incurred is included in other current liabilities on the consolidated balance sheets. Changes in the liability for extended protection plan claims are summarized as follows:

(In millions)	Three Months Ended		Six Months Ended	
	August 3, 2012	July 29, 2011	August 3, 2012	July 29, 2011
Liability for extended protection plan claims, beginning of period	\$ 22	\$ 19	\$ 21	\$ 20
Accrual for claims incurred	25	26	42	45
Claim payments	(24)	(21)	(40)	(41)
Liability for extended protection plan claims, end of period	\$ 23	\$ 24	\$ 23	\$ 24

Note 6: Long-Term Debt - In April 2012, the Company issued \$2.0 billion of unsecured notes in three tranches: \$500 million of 1.625% notes maturing in April 2017 (the 2017 Notes), \$750 million of 3.12% notes maturing in April 2022 (the 2022 Notes) and \$750 million of 4.65% notes maturing in April 2042 (the 2042 Notes). The 2017, 2022 and 2042 notes were issued at discounts of approximately \$2 million, \$4 million and \$10 million, respectively. Interest on these notes is payable semiannually in arrears in April and October of each year until maturity, beginning in October 2012.

The discounts associated with these issuances are included in long-term debt and are being amortized over the respective terms of the notes.

The indentures governing these notes contain a provision that allows the Company to redeem the notes at any time, in whole or in part, at specified redemption prices plus accrued interest to the date of redemption. The indentures also contain a provision that allows the holders of the notes to require the Company to repurchase all or any part of their notes if a change of control triggering event (as defined in the Indenture) occurs. If elected under the change of control provisions, the repurchase of the notes will occur at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any, on such notes to the date of purchase. The indentures governing the notes do not limit the aggregate principal amount of debt securities that the Company may issue and do not require the Company to maintain specified financial ratios or levels of net worth or liquidity. However, the indentures include various restrictive covenants, none of which is expected to impact the Company's liquidity or capital resources.

In September 2012, \$550 million of unsecured debt is scheduled to mature and is expected to be re-paid with cash from operations or investing activities.

Note 7: Shareholders' Equity - The Company has a share repurchase program that is executed through purchases made from time to time either in the open market or through private transactions. Shares purchased under the repurchase program are retired and returned to authorized and unissued status. On August 19, 2011, the Company's Board of Directors authorized a \$5.0 billion share repurchase program with no expiration. At August 3, 2012, the Company had remaining authorization under the share repurchase program of \$1.75 billion.

The Company also withholds shares from employees to satisfy either the exercise price of stock options exercised or the statutory withholding tax liability resulting from the vesting of restricted stock awards.

Shares repurchased for the three and six months ended August 3, 2012 and July 29, 2011 were as follows:

Three Months Ended

(In millions)	August 3, 2012		July 29, 2011	
	Shares	Cost ¹	Shares	Cost ¹
Share repurchase program	36.8	\$ 1,000	59.7	\$ 1,400
Shares withheld from employees	0.1	3	0.1	2
Total share repurchases	36.9	\$ 1,003	59.8	\$ 1,402

Six Months Ended

(In millions)	August 3, 2012		July 29, 2011	
	Shares	Cost ²	Shares	Cost ²
Share repurchase program	94.7	\$ 2,750	97.5	\$ 2,400
Shares withheld from employees	1.5	43	1.4	35
Total share repurchases	96.2	\$ 2,793	98.9	\$ 2,435

¹ Reductions of \$921 million and \$1.3 billion were recorded to retained earnings, after capital in excess of par value was depleted, for the three months ended August 3, 2012 and July 29, 2011, respectively.

² Reductions of \$2.6 billion and \$2.3 billion were recorded to retained earnings, after capital in excess of par value was depleted, for the six months ended August 3, 2012 and July 29, 2011, respectively.

Note 8: Income Taxes - The Company is subject to examination by various foreign and domestic taxing authorities. During the three months ended August 3, 2012, the Company effectively settled IRS adjustments for insurance deductions and other items regarding exam periods 2004 through 2007. The combination of this event as well as the settlement of certain state items resulted in a reduction to the Company's unrecognized tax benefit of \$84 million. In addition, the Company recognized a reduction of \$22 million in interest expense. At August 3, 2012, the Company had unrecognized tax benefits of \$4 million. There are also ongoing U.S. state audits covering tax years 2003 through 2010. The Company believes appropriate provisions for all outstanding issues have been made for all jurisdictions and all open years.

Note 9: Earnings Per Share - The Company calculates basic and diluted earnings per common share using the two-class method. Under the two-class method, net earnings are allocated to each class of common stock and participating security as if all of the net earnings for the period had been distributed. The Company's participating securities consist of share-based payment awards that contain a nonforfeitable right to receive dividends and therefore are considered to participate in undistributed earnings with common shareholders.

Basic earnings per common share excludes dilution and is calculated by dividing net earnings allocable to common shares by the weighted-average number of common shares outstanding for the period. Diluted earnings per common share is calculated by dividing net earnings allocable to common shares by the weighted-average number of common shares as of the balance sheet date, as adjusted for the potential dilutive effect of non-participating share-based awards. The following table reconciles earnings per common share for the three and six months ended August 3, 2012 and July 29, 2011.

(In millions, except per share data)	Three Months Ended		Six Months Ended	
	August 3, 2012	July 29, 2011	August 3, 2012	July 29, 2011
Basic earnings per common share:				
Net earnings	\$ 747	\$ 830	\$ 1,275	\$ 1,292
Less: Net earnings allocable to participating securities	(5)	(7)	(9)	(11)
Net earnings allocable to common shares	\$ 742	\$ 823	\$ 1,266	\$ 1,281
Weighted-average common shares outstanding	1,157	1,275	1,182	1,300
Basic earnings per common share	\$ 0.64	\$ 0.65	\$ 1.07	\$ 0.99
Diluted earnings per common share:				
Net earnings	\$ 747	\$ 830	\$ 1,275	\$ 1,292
Less: Net earnings allocable to participating securities	(5)	(7)	(9)	(11)
Net earnings allocable to common shares	\$ 742	\$ 823	\$ 1,266	\$ 1,281
Weighted-average common shares outstanding	1,157	1,275	1,182	1,300
Dilutive effect of non-participating share-based awards	2	3	1	3
Weighted-average common shares, as adjusted	1,159	1,278	1,183	1,303
Diluted earnings per common share	\$ 0.64	\$ 0.64	\$ 1.07	\$ 0.98

Stock options to purchase 10.7 million and 18.3 million shares of common stock for the three months ended August 3, 2012 and July 29, 2011, respectively, were excluded from the computation of diluted earnings per common share because their effect would have been anti-dilutive. Stock options to purchase 8.6 million and 14.6 million shares of common stock for the six months ended August 3, 2012 and July 29, 2011, respectively, were excluded from the computation of diluted earnings per common share because their effect would have been anti-dilutive.

Note 10: Supplemental Disclosure

Net interest expense is comprised of the following:

(In millions)	Three Months Ended		Six Months Ended	
	August 3, 2012	July 29, 2011	August 3, 2012	July 29, 2011
Long-term debt	\$ 111	\$ 83	\$ 208	\$ 167
Capitalized lease obligations	9	9	18	18
Interest income	(3)	(3)	(5)	(7)
Interest capitalized	(1)	(2)	(2)	(4)
Interest on tax uncertainties	(22)	2	(25)	1
Other	2	1	5	3
Interest - net	\$ 96	\$ 90	\$ 199	\$ 178

Supplemental disclosures of cash flow information:

(In millions)	Six Months Ended	
	August 3, 2012	July 29, 2011
Cash paid for interest, net of amount capitalized	\$ 207	\$ 179
Cash paid for income taxes, net	\$ 736	\$ 540
Non-cash investing and financing activities:		
Non-cash property acquisitions, including assets acquired under capital lease	\$ 11	\$ 188
Cash dividends declared but not paid	\$ 184	\$ 176

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Lowe's Companies, Inc.
 Mooresville, North Carolina

We have reviewed the accompanying consolidated balance sheets of Lowe's Companies, Inc. and subsidiaries (the "Company") as of August 3, 2012 and July 29, 2011, and the related consolidated statements of current and retained earnings and comprehensive income for the fiscal three-month and six-month periods ended August 3, 2012 and July 29, 2011, and of cash flows for the fiscal six-month periods ended August 3, 2012 and July 29, 2011. These consolidated interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of February 3, 2012, and the related consolidated statements of earnings, shareholders' equity, and cash flows for the fiscal year then ended (not presented herein); and in our report dated April 2, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet of the Company as of February 3, 2012 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina
September 4, 2012

Item 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

This discussion and analysis summarizes the significant factors affecting our consolidated operating results, liquidity and capital resources during the three and six months ended August 3, 2012, and July 29, 2011. This discussion and analysis should be read in conjunction with the consolidated financial statements and notes to the consolidated financial statements that are included in our Annual Report on Form 10-K for the fiscal year ended February 3, 2012 (the Annual Report), as well as the consolidated financial statements (unaudited) and notes to the consolidated financial statements (unaudited) contained in this report. Unless otherwise specified, all comparisons made are to the corresponding period of 2011. In fiscal 2012, there is a one week shift as a result of the 53rd week in 2011. For the purposes of the following discussion, comparable store sales, comparable store average ticket and comparable store customer transactions are based on comparable 13-week and 26-week periods. This discussion and analysis is presented in six sections:

- Executive Overview
- Operations
- Lowe's Business Outlook
- Financial Condition, Liquidity and Capital Resources
- Off-Balance Sheet Arrangements
- Contractual Obligations and Commercial Commitments
- Critical Accounting Policies and Estimates

EXECUTIVE OVERVIEW

During the second quarter of 2012, comparable store sales declined 0.4%, with a decline in comparable transactions of 0.8% and an increase in comparable average ticket of 0.4%. We saw continued strength in our commercial business, which represents approximately 25% of our sales, and nine of 14 product categories had comparable store sales increases from prior year. However, this was offset by weaknesses in Lawn & Garden due to seasonal pull forward in the first quarter, and Building Materials due to comparisons to prior year storm repairs. Gross margin declined 56 basis points from the second quarter of 2011, driven primarily by promotional activity, price reductions, Lawn & Garden write-offs in drought markets, and our proprietary credit value proposition. Although gross margin for the second quarter of 2012 declined 56 basis points as a percentage of sales compared to 2011, the rate of decline improved compared to the 74 basis point decline experienced in the first quarter of 2012.

Our strategic focus areas have not changed. They continue to be improving our product-based business model through the value improvement program, and communicating value and innovation through our product differentiation roll out. These focus areas build on Lowe's core strengths and are expected to deliver comparable transaction growth and better gross margins by localizing market assortment, driving excitement in our stores through better display techniques, and managing an appropriate balance of product cost and retail pricing. We are also continuing the process of transforming our business to deliver seamless and simple multi-channel customer experiences.

We fell short of our expectations for the quarter and attribute this primarily to inconsistent execution, shifts in our promotional strategy, and realizing the benefits of our initiatives at a slower rate than expected. However, our performance improved sequentially each month of the quarter, with a decline in comparable store sales of 2.1% in May, followed by comparable store sales increases of 0.4% in June and 0.7% in July. While we are making progress on our initiatives, it will likely be mid-2013 before this phase of our transformation is complete. There has been, and will continue to be, disruption over the next few quarters relating to these initiatives. However, our teams will be focusing on consistent execution every day, and the fundamentals of delivering a better and different shopping, purchase and fulfillment experience that will lead to increased sales, more predictable margins and improved asset leverage.

OPERATIONS

The following tables set forth the percentage relationship to net sales of each line item of the consolidated statements of earnings (unaudited), as well as the percentage change in dollar amounts from the prior period. These tables should be read in conjunction with the following discussion and analysis and the consolidated financial statements (unaudited), including the related notes to the consolidated financial statements (unaudited).

	Three Months Ended		Basis Point Increase / (Decrease) in Percentage of Net Sales from Prior Period	Percentage Increase / (Decrease) in Dollar Amounts from Prior Period
	August 3, 2012	July 29, 2011	2012 vs. 2011	2012 vs. 2011
	Net sales	100.00%	100.00%	N/A
Gross margin	33.93	34.49	(56)	(3.6)
Expenses:				
Selling, general and administrative	22.26	22.22	4	(1.9)
Depreciation	2.59	2.51	8	1.1
Interest - net	0.68	0.62	6	6.8
Total expenses	25.53	25.35	18	(1.4)
Pre-tax earnings	8.40	9.14	(74)	(9.9)
Income tax provision	3.15	3.43	(28)	(9.7)
Net earnings	5.25%	5.71%	(46)	(10.0)%
EBIT margin ¹	9.08%	9.76%	(68)	(8.8)%

	Six Months Ended		Basis Point Increase / (Decrease) in Percentage of Net Sales from Prior Period	Percentage Increase / (Decrease) in Dollar Amounts from Prior Period
	August 3, 2012	July 29, 2011	2012 vs. 2011	2012 vs. 2011
	Net sales	100.00%	100.00%	N/A
Gross margin	34.30	34.93	(63)	0.7
Expenses:				
Selling, general and administrative	23.40	23.76	(36)	1.0
Depreciation	2.70	2.76	(6)	0.3
Interest - net	0.73	0.67	6	11.8
Total expenses	26.83	27.19	(36)	1.2
Pre-tax earnings	7.47	7.74	(27)	(1.0)
Income tax provision	2.82	2.91	(9)	(0.6)
Net earnings	4.65%	4.83%	(18)	(1.3)%
EBIT margin ¹	8.20%	8.41%	(21)	- %

Other Metrics	Three Months Ended		Six Months Ended	
	August 3, 2012	July 29, 2011	August 3, 2012	July 29, 2011
Comparable store sales increase/(decrease) ^{2,3}	(0.4)%	(0.3)%	1.0%	(1.7)%
Total customer transactions (in millions) ⁴	227	233	436	428
Average ticket ^{4,5}	\$ 62.66	\$ 62.44	\$ 62.87	\$ 62.47
At end of period:				
Number of stores	1,748	1,753		
Sales floor square feet (in millions)	197	198		
Average store size selling square feet (in thousands) ⁶	113	113		
Return on invested capital ⁷	8.6%	9.0%		

¹ EBIT margin, also referred to as operating margin, is defined as earnings before interest and taxes as a percentage of sales.

² Comparable store sales are based on comparable 13-week and 26-week periods.

³ A comparable store is defined as a store that has been open longer than 13 months. A store that is identified for relocation is no longer considered comparable one month prior to its relocation. The relocated store must then remain open longer than 13 months to be considered comparable. A store we have decided to close is no longer considered comparable as of the beginning of the month in which we announce its closing.

⁴ In fiscal 2012, there is a one-week shift as a result of the 53rd week in 2011.

⁵ Average ticket is defined as net sales divided by the total number of customer transactions.

⁶ Average store size selling square feet is defined as sales floor square feet divided by the number of stores open at the end of the period. Return on invested capital is a non-GAAP financial measure. See below for additional information.

Return on Invested Capital

Return on Invested Capital (ROIC) is considered a non-GAAP financial measure. We believe ROIC is a meaningful metric for investors because it measures how effectively the Company uses capital to generate profits.

We define ROIC as trailing four quarters' net operating profit after tax divided by the average of ending debt and equity for the last five quarters. Although ROIC is a common financial metric, numerous methods exist for calculating ROIC. Accordingly, the method used by our management to calculate ROIC may differ from the methods other companies use to calculate their ROIC. We encourage you to understand the methods used by another company to calculate its ROIC before comparing its ROIC to ours.

We consider return on average debt and equity to be the financial measure computed in accordance with generally accepted accounting principles that is the most directly comparable GAAP financial measure to ROIC. The difference between these two measures is that ROIC adjusts net earnings to exclude tax adjusted interest expense.

The calculation of ROIC, together with a reconciliation to the calculation of return on average debt and equity, the most comparable GAAP financial measure, is as follows:

(In millions, except percentage data)

	For the periods ended	
	August 3, 2012	July 29, 2011
Calculation of Return on Invested Capital		
Numerator ¹		
Net earnings	\$ 1,822	\$ 1,981
Plus:		
Interest expense - net	392	344
Provision for income taxes	1,063	1,195
Earnings before interest and taxes	3,277	3,520
Less:		
Income tax adjustment ²	1,207	1,324
Net operating profit after tax	\$ 2,070	\$ 2,196
Effective tax rate	36.8%	37.6%
Denominator		
Average debt and equity ³	\$ 24,044	\$ 24,274
Return on invested capital	8.6%	9.0%

Calculation of Return on Average Debt and Equity

Numerator ¹		
Net earnings	\$ 1,822	\$ 1,981
Denominator		
Average debt and equity ³	\$ 24,044	\$ 24,274
Return on average debt and equity	7.6%	8.2%

¹ Amounts used in the calculation of the numerator are based on the trailing four quarters.

² Income tax adjustment is defined as earnings before interest and taxes multiplied by the effective tax rate.

³ Average debt and equity is defined as average debt, including current maturities and short-term borrowings, plus total equity for the last five quarters.

Net Sales – Net sales decreased 2.0% to \$14.2 billion in the second quarter of 2012. There was a one-week shift in fiscal 2012 as a result of the 53rd week in 2011, which negatively impacted net sales comparisons by \$259 million, contributing 1.8% of the net sales decrease. Comparable store sales decreased 0.4% over the same period, driven by a 0.8% decrease in comparable store customer transactions. Comparable store average ticket increased 0.4% over the same period.

During the quarter, we experienced comparable store sales increases above the company average in the following categories: Lumber, Cabinets & Countertops, Paint, Tools & Outdoor Power Equipment, Flooring, Seasonal Living, Home Fashions, Storage & Cleaning, Hardware and Fashion Electrical. Plumbing and Appliances performed at approximately the overall company average. Comparable store sales were below the company average in Building Materials, Lawn & Garden and Millwork. Building Materials experienced double-digit negative comparable store sales as a result of comparisons to prior year storm recovery efforts which had a negative impact on comparable customer transactions. In addition, Lawn & Garden was impacted by the pull forward of seasonal sales, as well as extreme heat and drought conditions which also negatively impacted comparable store customer transactions for the quarter. Millwork sales were negatively impacted as our promotions did not drive enough incremental sales dollars.

Net sales increased 2.5% to \$27.4 billion for the first six months of 2012 compared to 2011, while comparable store sales increased 1.0% over the same period. The one week shift aided net sales by \$255 million, contributing 1.0% of the net sales increase.

Gross Margin – For the second quarter of 2012, gross margin decreased 56 basis points as a percentage of sales. Promotional activity, price reductions, and Lawn & Garden write-offs in drought markets negatively impacted gross margin by 45 basis points. In addition, our proprietary credit value proposition negatively impacted gross margin by 15 basis points. These items were slightly offset by product mix, inflation, and lower fuel costs.

The 63 basis point decrease as a percentage of sales for the first six months of 2012 compared to 2011 was primarily due to the impact of our proprietary credit value proposition, along with pricing and promotional activity.

SG&A – For the second quarter of 2012, SG&A expense deleveraged four basis points as a percentage of sales compared to the second quarter of 2011. This was driven primarily by deleverage of 20 basis points in store payroll driven by decreased sales due to the impact of the one-week shift and comparable store sales declines. SG&A expense also deleveraged 20 basis points associated with bonus expense due to higher projected annual store attainment levels as compared to prior year attainment levels. In addition, we experienced 11 basis points of deleverage associated with our voluntary separation program. We also experienced deleverage associated with employee insurance, remerchandising costs and technology expenditures. These decreases were offset by 45 basis points of leverage associated with long-lived asset impairments due to stores identified for closure in the prior year, and 36 basis points of leverage associated with our proprietary credit program driven by fewer losses, higher portfolio income and lower interchange costs.

The 36 basis point decrease in SG&A as a percentage of sales for the first six months of 2012 compared to 2011 was driven primarily by our proprietary credit program which attributed 48 basis points of leverage. In addition, we leveraged 27 basis points due to long-lived asset impairments due to stores identified for closure in the prior year, partially offset by 19 basis points of deleverage related to investments made to improve customer experiences, including expenses associated with additional internal and external staffing and technology expenditures. In addition, we experienced 12 basis points of deleverage associated with the voluntary separation program.

Depreciation – Depreciation expense deleveraged 8 basis points for the second quarter compared to the prior year due to decreased sales. Property, less accumulated depreciation, decreased to \$21.7 billion at August 3, 2012 compared to \$22.2 billion at July 29, 2011. As of August 3, 2012 and July 29, 2011, we owned 89% of our stores, which included stores on leased land.

Interest – Net – Interest expense was \$96 million and deleveraged 6 basis points as a percentage of sales for the second quarter compared to the prior year due to the issuance of \$2 billion of unsecured notes in April 2012, partially offset by tax settlements that resulted in a reduced interest accrual of \$22 million in the second quarter of 2012.

Interest expense deleveraged 6 basis points as a percentage of sales for the first six months of 2012 as compared to 2011. The increase in expense was due to the same factors that impacted interest expense in the second quarter.

Income Tax Provision – Our effective income tax rates were 37.6% and 37.7% for the three and six months ended August 3, 2012, respectively, and 37.5% and 37.6% for the three and six months ended July 29, 2011, respectively. Our effective income tax rate was 36.7% for fiscal 2011.

LOWE'S BUSINESS OUTLOOK

All comparisons are with fiscal 2011, a 53-week year.

As of August 20, 2012, the date of our second quarter 2012 earnings release, our fiscal year 2012 guidance expected total sales to be flat, which includes the 53rd week in fiscal 2011. We expected to open approximately 10 stores during 2012. Earnings before interest and taxes as a percentage of sales (operating margin) were expected to increase approximately 45 basis points. In addition, depreciation expense was expected to be approximately \$1.5 billion and the effective income tax rate was expected to be approximately 37.8%. Diluted earnings per share of \$1.64 were expected for fiscal 2012.

On a 52 versus 52-week basis, total sales were expected to increase approximately 1%. We expected comparable store sales to increase approximately 0.5% in fiscal 2012.

We repurchased \$2.75 billion under our share repurchase program in the first half of fiscal 2012. Our guidance assumed approximately \$1.5 billion in additional share repurchases for a total of \$4.25 billion for the fiscal year.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Cash flows from operating activities continued to provide the primary source of our liquidity. However, net cash provided by operating activities for the six months ended August 3, 2012 decreased from the six months ended July 29, 2011, primarily driven by the timing of purchases contributing to a decrease in accounts payable. The increase in net cash used in investing activities for the six months ended August 3, 2012, versus the six months ended July 29, 2011, was driven by net purchase activity related to investments, partially offset by a decrease in property acquired. The decrease in net cash used in financing activities for the six months ended August 3, 2012, versus the six months ended July 29, 2011 was driven primarily by the issuance of \$2.0 billion of unsecured notes in April 2012, slightly offset by an increase in cash used to repurchase shares, which included shares withheld from employees to satisfy statutory tax withholding liabilities upon vesting of restricted stock awards, along with shares repurchased under our share repurchase program.

Sources of Liquidity

In addition to our cash flows from operations, liquidity is provided by our short-term borrowing facilities. We have a \$1.75 billion senior credit facility that expires in October 2016. The senior credit facility supports our commercial paper program and has a \$500 million letter of credit sublimit. Letters of credit issued pursuant to the senior credit facility reduce the amount available for borrowing under its terms. Borrowings made are unsecured and are priced at fixed rates based upon market conditions at the time of funding in accordance with the terms of the senior credit facility. The senior credit facility contains certain restrictive covenants, which include maintenance of a debt leverage ratio as defined by the senior credit facility. We were in compliance with those covenants at August 3, 2012. Thirteen banking institutions are participating in the senior credit facility. There were no outstanding borrowings or letters of credit under the senior credit facility and no outstanding borrowings under our commercial paper program at August 3, 2012.

We expect to continue to have access to the capital markets on both short- and long-term bases when needed for liquidity purposes by issuing commercial paper or new long-term debt. The availability and the borrowing costs of these funds could be adversely affected, however, by a downgrade of our debt ratings or a deterioration of certain financial ratios. The table below reflects our debt ratings by Standard & Poor's (S&P) and Moody's as of September 4, 2012, which we are disclosing to enhance understanding of our sources of liquidity and the effect of our ratings on our cost of funds. Although we currently do not expect a downgrade in our debt ratings, our commercial paper and senior debt ratings may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

Debt Ratings	S&P	Moody's
Commercial Paper	A-2	P-2
Senior Debt	A-	A3
Senior Debt Outlook	Watch Negative	Stable

We believe that net cash provided by operating and financing activities will be adequate not only for our operating requirements, but also for our expansion plans, investments in our existing stores, investments in information technology, repurchases of shares of common stock and acquisitions, if any, over the next 12 months. There are no provisions in any agreements that would require early cash settlement of existing debt or leases as a result of a downgrade in our debt rating or a decrease in our stock price. In addition, we do not have a significant amount of cash held in foreign affiliates that would not be available to fund domestic operations.

Cash Requirements

Capital expenditures

Our fiscal 2012 capital expenditures budget is approximately \$1.4 billion, inclusive of approximately \$100 million of lease commitments, resulting in planned net cash outflow of \$1.3 billion. Approximately 40% of the planned net cash outflow is for investments to enhance the customer experience, inclusive of enhancements in information technology. Existing stores account for approximately 25% of planned net cash outflow including investments in store resets and remerchandising. In addition, approximately 25% of the planned net cash outflow is for store expansion. Our expansion plans for 2012 consist of approximately 10 stores. All of the 2012 projects are expected to be owned, of which approximately 35% of the stores are on leased land. Other planned capital expenditures, accounting for approximately 10% of planned net cash outflow, are for investments in our distribution network, including one additional regional distribution center.

On July 31, 2012, we announced that a non-binding proposal had been made to the board of directors of the Canadian home improvement and hardware retailer, RONA Inc. (RONA), to acquire all of their issued and outstanding common shares for \$1.8 billion. The initial proposal, which is subject to the satisfactory completion of confirmatory due diligence, was rejected by the board of directors of RONA. If the transaction were to occur, it would be funded by cash flows from continuing operations and financing. Because our operating cash flows are seasonal, the degree to which we would use financing to fund this transaction would be dependent upon the timing of the closing and funding. If the transaction were to occur, we would temporarily suspend our share repurchase program. Longer term, we expect to generate incrementally more cash flow as a result of the proposed transaction.

Debt and capital

In April 2012, we issued \$2.0 billion of unsecured notes in three tranches: \$500 million of 1.625% notes maturing in April 2017 (the 2017 Notes), \$750 million of 3.12% notes maturing in April 2022 (the 2022 Notes) and \$750 million of 4.65% notes maturing in April 2042 (the 2042 Notes). Net proceeds from the 2017, 2022 and 2042 notes were approximately \$498 million, \$746 million, and \$740 million, respectively.

We have a share repurchase program that is executed through purchases made from time to time in the open market or through private transactions. Shares purchased under the share repurchase program are retired and returned to authorized and unissued status. As of August 3, 2012, we had a remaining repurchase authorization of \$1.75 billion with no expiration date. We expect to utilize \$1.5 billion of the remaining authorization by the end of fiscal 2012.

In September 2012, \$550 million of unsecured debt is scheduled to mature and is expected to be re-paid with cash from operations or investing activities.

OFF-BALANCE SHEET ARRANGEMENTS

Other than in connection with executing operating leases, we do not have any off-balance sheet financing that has, or is reasonably likely to have, a material, current or future effect on our financial condition, cash flows, results of operations, liquidity, capital expenditures or capital resources.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

In April 2012, we issued \$2.0 billion of unsecured notes in the ordinary course of business, which are included in the table below that summarizes long-term debt, excluding capital leases and other, at August 3, 2012. The unsecured notes are further described in Note 6 to the consolidated financial statements (unaudited) included herein.

Payments Due by Period

Contractual Obligations (In millions)	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
Long-term debt (principal and interest amounts, excluding discount)	\$ 16,280	\$ 980	\$ 839	\$ 2,794	\$ 11,667

As of August 3, 2012, there were no other material changes to our contractual obligations and commercial commitments outside the ordinary course of business since the end of 2011. Refer to the Annual Report on Form 10-K for additional information regarding our contractual obligations and commercial commitments.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 1 to the consolidated financial statements presented in our Annual Report. Our critical accounting policies and estimates are described in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Annual Report. Our significant and critical accounting policies have not changed significantly since the filing of our Annual Report.

FORWARD-LOOKING STATEMENTS

This Form 10-Q includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Statements of the Company's expectations for sales growth, comparable store sales, earnings and performance, shareholder value, capital expenditures, cash flows, store openings, the housing market, the home improvement industry, demand for services, share repurchases, the Company's strategic initiatives and any statement of an assumption underlying any of the foregoing, constitute "forward-looking statements" under the Act. Such forward-looking statements are found in, among other places, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Statements containing words such as "expects," "plans," "strategy," "projects," "believes," "opportunity," "anticipates," "desires," and similar expressions are intended to highlight or indicate "forward-looking statements." Although we believe that the expectations, opinions, projections, and comments reflected in these forward-looking statements are reasonable, we can give no assurance that such statements will prove to be correct. A wide variety of potential risks, uncertainties, and other factors could materially affect our ability to achieve the results either expressed or implied by our forward-looking statements including, but not limited to, changes in general economic conditions, such as continued high rates of unemployment, interest rate and currency fluctuations, higher fuel and other energy costs, slower growth in personal income, changes in consumer spending, changes in the rate of housing turnover, the availability and increasing regulation of consumer credit and of mortgage financing, inflation or deflation of commodity prices and other factors which can negatively affect our customers, as well as our ability to: (i) respond to adverse trends in the housing industry, such as the psychological effects of lower home prices, and in the level of repairs, remodeling, and additions to existing homes, as well as a general reduction in commercial building activity; (ii) secure, develop, and otherwise implement new technologies and processes designed to enhance our efficiency and competitiveness; (iii) attract, train, and retain highly-qualified associates; (iv) manage our business effectively as we adapt our traditional operating model to meet the changing expectations of our customers; (v) to maintain, improve, upgrade and protect our critical information systems; (vi) respond to fluctuations in the prices and availability of services, supplies, and products; (vii) respond to the growth and impact of competition; (viii) address changes in existing or new laws or regulations that affect consumer credit, employment/labor, trade, product safety, transportation/logistics, energy costs, health care, tax or environmental issues; and (ix) respond to unanticipated weather conditions that could adversely affect sales. In addition, we could experience additional impairment losses if the actual results of our operating stores are not consistent with the assumptions and judgments we have made in estimating future cash flows and determining asset fair values. For more information about these and other risks and uncertainties that we are exposed to, you should read the "Risk Factors" and "Critical Accounting Policies and Estimates" included in our Annual Report on Form 10-K to the United States Securities and Exchange Commission (the "SEC") and the description of material changes therein or updated version thereof, if any, included in our Quarterly Reports on Form 10-Q.

The forward-looking statements contained in this Form 10-Q are based upon data available as of the date of this report or other specified date and speak only as of such date. All subsequent written and oral forward-looking statements

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attributable to us or any person acting on our behalf about any of the matters covered in this report are qualified by these cautionary statements and the “Risk Factors” included in our Annual Report on Form 10-K to the SEC and the description of material changes, if any, therein included in our Quarterly Reports on Form 10-Q. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, change in circumstances, future events, or otherwise.

Item 3. - Quantitative and Qualitative Disclosures about Market Risk

The Company's market risk has not changed materially from that disclosed in our Annual Report on Form 10-K for the fiscal year ended February 3, 2012.

Item 4. - Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's “disclosure controls and procedures,” (as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, (the Exchange Act)). Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of August 3, 2012, the Company's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission (the SEC) (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

In addition, no change in the Company's internal control over financial reporting occurred during the quarter ended August 3, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II – OTHER INFORMATION**Item 1. - Legal Proceedings**

In April 2012, one of the Company's principal operating subsidiaries, Lowe's HIW, Inc., received a subpoena from the District Attorney of the County of Alameda, along with other environmental prosecutorial offices in the state of California, seeking documents and information relating to the handling, storage and disposal of hazardous waste. The subsidiary is cooperating fully with the request.

Item 1A. - Risk Factors

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the fiscal year ended February 3, 2012.

Item 2. - Unregistered Sales of Equity Securities and Use of Proceeds**Issuer Purchases of Equity Securities**

The following table sets forth information with respect to purchases of the Company's common stock made during the second quarter of 2012:

(In millions, except average price paid per share)	Total Number of Shares Purchased ¹	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ²	Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ²
May 5, 2012 - June 1, 2012	12.1	\$ 26.77	12.1	\$ 2,426
June 2, 2012 - July 6, 2012	24.7	27.42	24.7	1,750
July 7, 2012 - August 3, 2012	0.1	25.19	-	1,750
As of August 3, 2012	36.9	\$ 27.20	36.8	\$ 1,750

¹ During the second quarter of fiscal 2012, the Company repurchased an aggregate of 36.9 million shares of its common stock. The total number of shares purchased also includes 0.1 million shares withheld from employees to satisfy either the exercise price of stock options or their statutory withholding tax liability upon the vesting of restricted share-based awards.

² Authorization for up to \$5.0 billion of share repurchases with no expiration was approved on August 19, 2011 by the Company's Board of Directors. Although the repurchase authorization has no expiration, the Company expects to execute \$1.5 billion of the program by the end of fiscal 2012 and the remaining \$250 million in fiscal 2013 through purchases made from time to time either in the open market or through private transactions in accordance with SEC regulations.

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Item 5. – Other Information

In June 2011, the Financial Accounting Standards Board (FASB) issued authoritative guidance on the presentation of comprehensive income in financial statements. Entities are required to report components of comprehensive income either as part of a single continuous statement of comprehensive income or in a separate, but consecutive, statement following the statement of income. We adopted this standard as of February 4, 2012, and will present net income and other comprehensive income in two separate statements in our annual financial statements. The table below reflects the retrospective application of this guidance for each of the three years ended February 3, 2012. The retrospective application did not have a material impact on our financial position, results of operations, or cash flows.

Lowe's Companies, Inc.
Consolidated Statements of Comprehensive Income
In Millions, Except Percentage Data

	Fiscal years ended on					
	February 3, 2012		January 28, 2011		January 29, 2010	
	Amount	Percent	Amount	Percent	Amount	Percent
Net earnings	\$ 1,839	3.66	\$ 2,010	4.12	\$ 1,783	3.78
Foreign currency translation adjustments	(8)	(0.02)	28	0.06	32	0.07
Net unrealized investment gains/(losses)	1	-	(2)	-	1	-
Other comprehensive (loss)/income	(7)	(0.02)	26	0.06	33	0.07
Comprehensive income	\$ 1,832	3.64	\$ 2,036	4.18	\$ 1,816	3.85

[Table of Contents](#)**Item 6. - Exhibits**

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
3.1	Restated Charter of Lowe's Companies, Inc.	10-Q	001-07898	3.1	September 1, 2009
3.2	Bylaws of Lowe's Companies, Inc., as amended and restated.	8-K	001-07898	3.1	August 27, 2012
10.1	Amendment No. 4 to the Lowe's Companies Benefit Restoration Plan, as amended and restated effective January 1, 2008.* ‡				
10.2	Form of the Company's Management Continuity Agreement for Tier I Senior Officers, as amended. * ‡				
12.1	Statement Re Computation of Ratio of Earnings to Fixed Charges. ‡				
15.1	Deloitte & Touche LLP Letter Re Unaudited Interim Financial Information. ‡				
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. ‡				
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. ‡				
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. †				
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. †				
101.INS	XBRL Instance Document. ‡				
101.SCH	XBRL Taxonomy Extension Schema Document. ‡				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. ‡				

101.DEF XBRL Taxonomy Extension Definition Linkbase Document.‡

101.LAB XBRL Taxonomy Extension Label Linkbase Document.‡

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.‡

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to this form.

‡ Filed herewith.

† Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOWE'S COMPANIES, INC.

September 4, 2012
Date

/s/ Matthew V. Hollifield
Matthew V. Hollifield
Senior Vice President and Chief Accounting Officer

MANAGEMENT CONTINUITY AGREEMENT

THIS MANAGEMENT CONTINUITY AGREEMENT (this "Agreement") is made and entered into as of the ____ day of _____, ____ by and between LOWE'S COMPANIES, INC., a North Carolina corporation (the "Company"), and _____ ("Executive").

WHEREAS, the Company desires to enter into this Agreement to (i) assure that the Company will have the continued dedication of Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of the Company, (ii) diminish the inevitable distraction of Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control, (iii) encourage Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and (iv) provide Executive with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of Executive will be satisfied and which are competitive with those of other corporations,

NOW THEREFORE, in order to accomplish these objectives, the Company and Executive agree as follows:

1. Effective Date. The "Effective Date" shall mean the first date on which a Change in Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and if Executive's employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

2. Change in Control. For the purposes of this Agreement, a "Change in Control" shall mean:

(a) individuals who, at the Effective Date, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Exchange Act ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Section 13(d)(3) and 14(d)(2) of the Exchange Act) other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director;

(b) any person becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board (the "Company Voting Securities"); provided, however, that the event described in this subparagraph (b) shall not be deemed to be a Change in Control of the Company by virtue of any of the following acquisitions: (i) an acquisition directly by or from the Company or any affiliated companies; (ii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated companies, (iii) an acquisition by an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subparagraph (c) below); or

(c) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company's shareholders, whether for such transaction or the issuance of securities in the transaction (a "Reorganization"), or the sale or other disposition of

all or substantially all of the Company's assets to an entity that is not an affiliate of the Company (a "Sale"), unless immediately following such Reorganization or Sale: (i) more than 60% of the total voting power of (A) the corporation resulting from such Reorganization or the corporation which has acquired all or substantially all of the assets of the Company (in either case, the "Surviving Corporation"), or (B) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent Corporation"), is represented by the Company Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Reorganization or Sale, (ii) no person (other than (A) the Company, (B) any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation, or (C) a person who immediately prior to the Reorganization or Sale was the beneficial owner of 25% or more of the outstanding Company Voting Securities) is the beneficial owner, directly or indirectly, of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and (iii) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale (any Reorganization or Sale which satisfies all of the criteria specified in (i), (ii) and (iii) above shall be deemed to be a "Non-Qualifying Transaction").

3. Employment Period. The Company hereby agrees to continue Executive in its employ, and Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) Executive's services shall be performed at the location where Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which Executive is entitled, Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to Executive hereunder, to use Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to Executive by the Company and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual

Base Salary shall not serve to limit or reduce any other obligation to Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term “affiliated companies” shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus opportunity (the “Annual Bonus”) at least as favorable as that to which he would have been entitled under the annual bonus plan of the Company in effect for the last year prior to the Effective Date (annualized in the event that Executive was not employed by the Company for the whole of such fiscal year) (the “Recent Annual Bonus”). Each such Annual Bonus shall be paid in a single lump sum in cash at a time determined by the Company but in no event later than 2-½ months after the end of the fiscal year for which the Annual Bonus is awarded, unless Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies (“Peer Executives”).

(iv) Welfare Benefit Plans. During the Employment Period, Executive and/or Executive’s family, as the case may be, shall be eligible for participation in and shall receive all benefits under the welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription drug, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) (“Welfare Plans”) to the extent applicable generally to Peer Executives.

(v) Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by Executive in accordance with the policies, practices and procedures of the Company and its affiliated companies to the extent applicable generally to Peer Executives.

(vi) Fringe Benefits. During the Employment Period, Executive shall be entitled to fringe benefits in accordance with the plans, practices, programs and policies of the Company and its affiliated companies with respect to Peer Executives.

5. Separation from Service.

(a) Death, Retirement or Disability. Executive’s employment shall terminate automatically upon Executive’s death or Retirement (pursuant to the definition of Retirement set forth below) during the Employment Period. For purposes of this Agreement, “Retirement” shall mean Executive’s voluntary separation from service on or after the later of (i) 90 days after Executive has provided written notice to the Company’s corporate secretary of his decision to retire, or (ii) Executive’s attainment of age 60 (but shall not include Executive’s voluntary termination after he has been given notice that he may be terminated for Cause). If the Company determines in good faith that the Disability of Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate Executive’s employment. In such event, Executive shall separate from service with the Company effective on the 30th day after receipt of such notice by Executive (the “Disability Effective Date”), provided that, within the 30 days after such receipt, Executive shall not have returned to full-time performance of Executive’s duties. For purposes of this Agreement, “Disability” shall mean mental or physical disability as determined by the Board in accordance with standards and procedures similar to those under the Company’s employee long-term disability plan, if any. At any time that the Company does not maintain such a long-term disability plan, Disability shall mean any illness or other physical or mental condition of Executive that renders Executive incapable of performing his customary and usual duties for the Company, or any medically determinable illness or other physical or mental condition resulting from a bodily injury, disease or mental disorder which, in either case, has lasted or can reasonably be expected to last for at least 180 days out of a period of 365 consecutive days. The Board may require such medical or other evidence as it deems necessary to judge the nature and permanency of Executive’s condition.

(b) Cause. The Company may terminate Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of Executive to perform substantially Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness and specifically excluding any failure by Executive, after reasonable efforts, to meet performance expectations), after a written demand for substantial performance is delivered to Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that Executive has not substantially performed Executive's duties, or

(ii) the willful engaging by Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of the definition of Cause, no act or failure to act, on the part of Executive, shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company. The cessation of employment of Executive shall not be deemed to be for Cause unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to Executive and Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. Executive's employment may be terminated by Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to Executive of any duties inconsistent in any material respect with Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive;

(iii) the failure by the Company (A) to continue in effect any compensation plan in which Executive participates as of the Effective Date that is material to Executive's total compensation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or (B) to continue Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Executive's participation relative to Peer Executives;

(iv) the Company's requiring Executive, without his consent, to be based at any office or location more than 35 miles from the office or location at which Executive was based on the date immediately prior to the Effective Date, or to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(v) any purported termination by the Company of Executive's employment otherwise than as expressly permitted by this Agreement; or

(vi) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

(d) Notice of Termination. Any termination by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive’s employment under the provision so indicated, and (iii) if the Date of Separation from Service (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice). If a dispute exists concerning the provisions of this Agreement that apply to Executive’s termination of employment (other than a determination of “Cause” which shall be made as provided in Section 5(b)), the parties shall pursue the resolution of such dispute with reasonable diligence. Within 5 days of such a resolution, any party owing any payments pursuant to the provisions of this Agreement shall make all such payments together with interest accrued thereon at the rate provided in Section 1274(b)(2)(B) of the Code. The failure by either party to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of such party hereunder or preclude such party from asserting such fact or circumstance in enforcing such party’s rights hereunder.

(e) Date of Separation from Service. “Date of Separation from Service” means (i) if Executive’s employment is terminated for any reason other than death, Retirement or Disability, the date specified in the Notice of Termination, and (ii) if Executive’s employment is terminated by reason of death, Retirement or Disability, the Date of Separation from Service shall be the date of death or Retirement of Executive or the Disability Effective Date, as the case may be, provided in each such case, Executive’s termination of employment also constitutes a separation from service under Section 409A of the Code.

6. Obligations of the Company upon Separation from Service.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate Executive’s employment other than for Cause or Executive’s death or Disability or Executive shall separate from service for Good Reason, then in consideration for services rendered by Executive prior to the Date of Separation from Service:

(i) the Company shall pay to Executive in a lump sum in cash within 30 days after the Date of Separation from Service the aggregate of the following amounts:

(A) the sum of (1) Executive’s Annual Base Salary through the Date of Separation from Service to the extent not theretofore paid, and (2) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in clauses (1) and (2) shall be hereinafter referred to as the “Accrued Obligations”); and

(B) the amount equal to the present value of the continuation of Executive’s Base Salary for a period of 2.99 years after the Date of Separation from Service; such present value to be determined by applying a discount rate equal to 120 percent of the applicable federal rate provided in Section 1274(d) of the Code, compounded semi-annually (the “Discount Rate”); and

(C) the amount equal to the present value of 2.99 times the greater of (1) Executive’s annual bonus for the year prior to the year in which the Change in Control occurred (the “Prior Year”), or (2) Executive’s target annual bonus for the year in which the Change in Control occurred (the “Current Year”); such present value to be determined by applying the Discount Rate and assuming two equal annual payments on each of the first and second anniversaries of the Date of Separation from Service; and

(D) the amount equal to the present value of 2.99 times the annual cost to the Company and Executive of participation in the Welfare Plans described in Section 4(b)(iv) of this Agreement with respect to either the Prior Year or the Current Year, whichever year in which such annual cost was higher; such present value to be determined by applying the Discount Rate and assuming 36 monthly payments beginning on the Date of Separation from Service; and

(ii) to the extent not theretofore paid or provided, the Company shall timely pay or provide to Executive any other amounts or benefits required to be paid or provided or which Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the “Other Benefits”) at the time and in the manner provided in the documentation establishing or describing such Other Benefits.

(b) Death, Retirement or Disability. If Executive’s employment is terminated by reason of Executive’s death, Retirement or Disability during the Employment Period, this Agreement shall terminate without further obligations to Executive’s legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to Executive’s estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Separation from Service. Other Benefits shall be paid at the time and in the manner provided in the documentation establishing or describing such Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include without limitation, and Executive’s estate and/or beneficiaries shall be entitled to receive, death, retirement or disability benefits then applicable to Executive.

(c) Cause; Other than for Good Reason. If Executive’s employment shall be terminated for Cause, or if Executive voluntarily separates from service during the Employment Period, excluding a separation from service for Good Reason, this Agreement shall terminate without further obligations to Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to Executive in a lump sum in cash within 30 days of the Date of Separation from Service. Other Benefits shall be paid at the time and in the manner provided in the documentation establishing or describing such Other Benefits.

(d) Special Rule for Specified Employees. Notwithstanding anything in this Agreement to the contrary, if Executive is a specified employee as of the Date of Separation from Service, then to the extent, and only to the extent, necessary to comply with Code Section 409A: (i) if any payment or distribution is payable hereunder in a lump sum, Executive’s right to receive payment or distribution will be delayed until the earlier of Executive’s death or the 7th month following the Date of Separation from Service, and (ii) if any payment, distribution or benefit is payable or provided hereunder over time, the amount of such payment, distribution or benefit that would otherwise be payable or provided during the 6 month period immediately following the Date of Separation from Service will be accumulated, and Executive’s right to receive such accumulated payment, distribution or benefit will be delayed until the earlier of Executive’s death or the seventh month following the Date of Separation from Service and paid or provided on the earlier of such dates, without interest, and the normal payment or distribution schedule for any remaining payments, distributions or benefits will commence. For purposes of this Agreement, Executive shall be a “specified executive” during the 12 month period beginning April 1 each year if the Executive met the requirements of Section 416(i)(1)(A)(i), (ii) or (iii) of the Code (applied in accordance with the regulations thereunder and disregarding Section 416(i)(5) of the Code) at any time during the 12 month period ending on the December 31 immediately preceding the Date of Separation from Service.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit Executive’s continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Separation from Service shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement; Cost of Enforcement. The Company’s obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which Executive may reasonably incur as a result of any contest (regardless of the outcome

thereof) by the Company, Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Executive about the amount of any payment pursuant to this Agreement).

9. Obligations of the Executive.

(a) Non-Competition. For the one (1) year period beginning on the Date of Separation from Service, the Executive shall not directly or indirectly engage in Competition (as defined below) with the Company; provided, that it shall not be a violation of this Section 9(a) for the Executive to become the registered or beneficial owner of up to 5% of any class of the capital stock of a competing corporation registered under the Securities Exchange Act of 1934, as amended, provided that the Executive does not actively participate in the business of such corporation until such time as this covenant expires. For purposes of this Agreement, "Competition" by the Executive shall mean the Executive's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, agent, stockholder (other than as specifically provided for herein), member, owner or partner of, or permitting his name to be used in connection with the activities of any other business or organization that owns, operates, controls or maintains retail or warehouse hardware or home improvement stores in the United States, Puerto Rico, Canada or Mexico with total annual sales of at least \$500 million. Such businesses or organizations include, but are not limited to, the following entities and each of their subsidiaries, affiliates, assigns, or successors in interest, in whole or in part: The Home Depot, Inc., Sears Holdings Corporation, Wal-Mart Stores, Inc. and Menard, Inc.

(b) Non-Interference. For the one (1) year period beginning on the Date of Separation from Service, the Executive shall not directly or indirectly (i) solicit or induce any officer, director, regional vice president, district manager, co-manager, store manager, regional human resource manager or regional loss prevention manager of the Company to terminate his or her employment with the Company or (ii) solicit, contact or attempt to influence any vendor or supplier of the Company to limit, curtail, cancel or terminate any business it transacts with the Company.

(c) Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all trade secrets, confidential information, and knowledge or data relating to the Company and its businesses, which were obtained by the Executive during the Executive's employment by the Company. The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company and those designated by the Company.

10. Enforcement. The Executive understands and agrees that any breach or threatened breach by the Executive of any of the provisions of Section 9 shall be considered a material breach of this Agreement, and in the event of such a breach or threatened breach, the Company shall be entitled to pursue any and all of its remedies under law or in equity arising out of such breach. The Executive further agrees that in the event of his breach of any of the provisions of Section 9, unless otherwise prohibited by law, (i) the Company shall be released from any obligation to make any payments or further payments to the Executive under Section 6 and no payments shall be due or payable to the Executive thereunder, and (ii) the Executive shall remit to the Company, upon demand by the Company, any payments previously paid by the Company to the Executive pursuant to Section 6. The Executive further agrees that the remedies in the immediately preceding sentence will not preclude injunctive relief, and if the Company pursues either a temporary restraining order or temporary injunctive relief, then the Executive waives any requirement that the Company post a bond.

11. Successors.

(a) This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to

perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive:

At the Executive's address of record on file with the Company

If to the Company:

Lowe's Companies, Inc.
1000 Lowe's Boulevard
 Mooresville, North Carolina 28117
Attention: Chief Legal Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason pursuant to Section 5(c) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and prior to the Effective Date, Executive's employment and/or this Agreement may be terminated by either Executive or the Company at any time prior to the Effective Date, in which case Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

EXECUTIVE

LOWE'S COMPANIES, INC.

By: _____

Name: _____

Title: _____

Lowe's Companies, Inc.
Statement Re Computation of Ratio of Earnings to Fixed Charges
 In Millions, Except Ratio
 Data

	Six Months Ended		Fiscal Years Ended On				
	August 3, 2012	July 29, 2011	February 3, 2012	January 28, 2011	January 29, 2010	January 30, 2009	February 2, 2008
Earnings:							
Earnings Before							
Income Taxes	\$ 2,047	\$ 2,069	\$ 2,906	\$ 3,228	\$ 2,825	\$ 3,506	\$ 4,511
Fixed Charges	302	257	524	486	468	479	424
Capitalized Interest ¹	4	1	-	(4)	(19)	(36)	(65)
Adjusted Earnings	<u>\$ 2,353</u>	<u>\$ 2,327</u>	<u>\$ 3,430</u>	<u>\$ 3,710</u>	<u>\$ 3,274</u>	<u>\$ 3,949</u>	<u>\$ 4,870</u>
Fixed Charges:							
Interest Expense ²	\$ 231	\$ 188	\$ 385	\$ 352	\$ 331	\$ 346	\$ 301
Rental Expense ³	71	69	139	134	137	133	123
Total Fixed Charges	<u>\$ 302</u>	<u>\$ 257</u>	<u>\$ 524</u>	<u>\$ 486</u>	<u>\$ 468</u>	<u>\$ 479</u>	<u>\$ 424</u>
Ratio of Earnings to							
Fixed Charges	7.8	9.1	6.5	7.6	7.0	8.2	11.5

¹ Includes the net of subtractions for interest capitalized and additions for amortization of previously-capitalized interest.

² Interest accrued on uncertain tax positions is excluded from Interest Expense in the computation of Fixed Charges.

³ The portion of rental expense that is representative of the interest factor in these rentals.

September 4, 2012

Lowe's Companies, Inc.
 Mooresville, North Carolina

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited consolidated interim financial information of Lowe's Companies, Inc. and subsidiaries for the fiscal periods ended August 3, 2012 and July 29, 2011, as indicated in our report dated September 4, 2012; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended August 3, 2012, is incorporated by reference in the following Registration Statements:

Description	Registration Statement Number
Form S-3 ASR	
Lowe's Stock Advantage Direct Stock Purchase Plan	333-178150
Form S-8	
Lowe's 401(k) Plan	33-29772
Lowe's Companies, Inc. 1994 Incentive Plan	33-54499
Lowe's Companies, Inc. 1997 Incentive Plan	333-34631
Lowe's Companies, Inc. Directors' Stock Option Plan	333-89471
Lowe's Companies Benefit Restoration Plan	333-97811
Lowe's Companies Cash Deferral Plan	333-114435
Lowe's Companies, Inc. 2006 Long-Term Incentive Plan	333-138031
Lowe's Companies Employee Stock Purchase Plan – Stock Options for Everyone	333-143266
Lowe's Companies Employee Stock Purchase Plan – Stock Options for Everyone	333-181950

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statements prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina

CERTIFICATION

I, Robert A. Niblock, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended August 3, 2012 of Lowe's Companies, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 4, 2012

Date

/s/ Robert A. Niblock

Robert A. Niblock

Chairman of the Board, President and Chief Executive Officer

CERTIFICATION

I, Robert F. Hull, Jr., certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended August 3, 2012 of Lowe's Companies, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 4, 2012

Date

/s/ Robert F. Hull, Jr.

Robert F. Hull, Jr.
Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Lowe's Companies, Inc. (the "Company") for the period ended August 3, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert A. Niblock, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert A. Niblock

Name: Robert A. Niblock

Title: Chairman of the Board, President and Chief Executive Officer

Date: September 4, 2012

**Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Lowe's Companies, Inc. (the "Company") for the period ended August 3, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert F. Hull, Jr., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert F. Hull, Jr.

Name: Robert F. Hull, Jr.

Title: Chief Financial Officer

Date: September 4, 2012