LOWES COMPANIES INC
Form 424B2
November 18, 2010

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Amount of Registration Fee(1)
2.125% Notes due April 15, 2016	$ 475,000,000	$ 33,867.50
3.750% Notes due April 15, 2021	$ 525,000,000	$ 37,432.50

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933. The total registration fee due for this offering is $71,300.

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-161697

PROSPECTUS SUPPLEMENT
(To prospectus dated September 2, 2009)

$1,000,000,000

$475,000,000 2.125% Notes due April 15, 2016
$525,000,000 3.750% Notes due April 15, 2021

The 2.125% notes will mature on April 15, 2016 (the 2016 Notes) and the 3.750% notes will mature on April 15, 2021 (the 2021 Notes and, together with the 2016 Notes, the Notes). We will pay interest on the Notes on April 15 and October 15 of each year, beginning April 15, 2011. We may redeem either series of Notes in whole at any time or in part from time to time at the redemption prices set forth under Description of Notes Optional Redemption.

The Notes will be unsecured obligations and rank equally with our existing and future unsecured senior indebtedness. The Notes will be issued only in registered book-entry form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Investing in these securities involves risks. See risks described herein and those described as risk factors in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 29, 2010, as they may be amended, updated or modified periodically in our reports filed with the Securities and Exchange Commission.

	Public Offering Price(1)	Underwriting Discount	Proceeds to Lowe s

						(before expenses)(1)
Per 2016 Note		99.950%		0.350%		99.600%
Total	$	474,762,500	$	1,662,500	$	473,100,000
Per 2021 Note		99.960%		0.450%		99.510%
Total	$	524,790,000	$	2,362,500	$	522,427,500

(1) Plus accrued interest from November 22, 2010, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, on or about November 22, 2010, against payment therefor in immediately available funds.

Joint Book-Running Managers

Wells Fargo Securities **US Bancorp**

Senior Co-Managers

BofA Merrill Lynch **J.P. Morgan** **SunTrust Robinson Humphrey**

Co-Managers

Barclays Capital
BB&T Capital Markets
BMO Capital Markets
BNP PARIBAS
BNY Mellon Capital Markets, LLC
Fifth Third Securities, Inc.
HSBC
Mitsubishi UFJ Securities
Morgan Keegan
PNC Capital Markets LLC
The Williams Capital Group, L.P.
Blaylock Robert Van, LLC

The date of this prospectus supplement is November 17, 2010.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering, the Notes and matters relating to us and our financial performance and condition. The second part, the accompanying prospectus dated September 2, 2009, gives more general information, some of which does not apply to this offering.

If the description of this offering and the Notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. In various places in this prospectus supplement and the accompanying prospectus, we refer you to sections of other documents for additional information by indicating the caption heading of the other sections. All cross-references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise indicated.

Except as otherwise indicated, all references in this prospectus supplement to Lowe s, the company, we and our re to Lowe s Companies, Inc. and its consolidated subsidiaries.

WARNING REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Statements of the company s expectations for sales growth, comparable store sales, operating performance, earnings, share repurchases, capital expenditures, depreciation expenses, store openings, the housing market, the home improvement industry, demand for services and any statement of an assumption underlying any of the foregoing, constitute forward-looking statements. Although the company believes that the expectations, opinions, projections, and comments reflected in our forward-looking statements are reasonable, it 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 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 falling 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) locate, secure, and successfully develop new sites for store development particularly in major metropolitan markets; (v) respond to fluctuations in the prices and availability of services, supplies, and products; (vi) respond to the growth and impact of competition; (vii) 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 (viii) 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 filed with the United States Securities and Exchange Commission (the SEC) and the description of material changes, if any, included in our subsequently filed Quarterly Reports on Form 10-Q.

You should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in their entirety. They contain information that you should consider when making your investment decision.

You should rely only on the information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person, including any dealer, salesperson or other individual, to provide you with different information or to make any representations other than those contained in this prospectus supplement and the accompanying prospectus. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the accompanying prospectus nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our company since the date hereof or that the information contained herein or therein is correct as of any time subsequent to the date hereof.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Such transactions may include stabilizing the purchase of the Notes to cover syndicate short positions and the imposition of penalty bids. For a description of those activities, see Underwriting.

LOWE S COMPANIES, INC.

With fiscal year 2009 sales of $47.2 billion, Lowe s Companies, Inc., is a Fortune® 50 company, offering a complete line of home improvement products and services. We currently serve approximately 15 million customers a week at more than 1,725 home improvement stores in North America. Lowe s is the second largest home improvement retailer in the world.

Although we have reduced our rate of store expansion in response to the challenging economic environment, we opened 62 new stores in fiscal year 2009 and expect to open approximately 17 new stores in our fiscal fourth quarter for a total of approximately 42 new stores in fiscal year 2010. As of October 29, 2010, our selling square footage totaled approximately 195.6 million square feet.

In fiscal year 2009, we entered into a joint venture agreement with Australia s largest retailer, Woolworth s Limited, to develop a network of home improvement stores for consumers in Australia. Lowe s will be one-third owner of the destination home improvement chain, which is expected to open its first store in fiscal year 2011.

Headquartered in Mooresville, North Carolina, we are a 64-year old company that employs approximately 239,000 people. We have been a publicly held company since 1961, and our shares of common stock are listed on the New York Stock Exchange under the symbol LOW.

Recent Developments

On November 15, 2010, we announced our unaudited financial results for the third fiscal quarter and nine months ended October 29, 2010. Our sales for the third fiscal quarter of 2010 increased 1.9 percent to $11.6 billion, up from $11.4 billion in the third fiscal quarter of 2009. For the nine months ended October 29, 2010, sales increased 3.5 percent from the same period a year ago to $38.3 billion. Comparable store sales for the third fiscal quarter increased 0.2 percent and increased 1.4 percent in the first nine months of 2010.

Our net earnings for the third fiscal quarter of 2010 were $404 million, a 17.4 percent increase from the same period a year ago. Our diluted earnings per share increased 26.1 percent to $0.29 from $0.23 in the third quarter of 2009. For the nine months ended October 29, 2010, our net earnings increased 9.3 percent from the same period a year ago to $1.72 billion while diluted earnings per share increased 13.1 percent to $1.21.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $994 million, after deducting our estimated offering expenses and the underwriters discounts. We plan to use the net proceeds from the sale of the Notes for general corporate purposes, including capital expenditures and working capital needs, and to fund repurchases of shares of our common stock.

We may temporarily invest any proceeds prior to their use for the above purposes in U.S. government or agency obligations, commercial paper, money market funds, taxable and tax-exempt notes and bonds, variable-rate demand obligations, short-term investment grade securities, bank certificates of deposit or repurchase agreements collateralized by U.S. government or agency obligations. We may also deposit the proceeds with banks.

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CAPITALIZATION

The following table sets forth our capitalization at July 30, 2010. The as adjusted column below gives effect to this offering and the application of the net proceeds from the sale of the Notes. See Use of Proceeds.

	July 30, 2010	
	Actual	As Adjusted
	(Dollars in millions)	
Cash and cash equivalents	$ 1,191	$ 2,185
Short-term borrowings		
Current maturities of long-term debt	37	37
Long-term debt:		
$550 million Notes, interest at 5.60%, due September 15, 2012	549	549
$500 million Notes, interest at 5.00%, due October 15, 2015	498	498
$550 million Notes, interest at 5.40%, due October 15, 2016	547	547
$250 million Notes, interest at 6.10%, due September 15, 2017	249	249
$500 million Notes, interest at 4.625%, due April 15, 2020	497	497
Medium-Term Notes Series A, interest at 8.19% to 8.20%, final maturity in 2023	15	15
$300 million Debentures, interest at 6.88%, due February 15, 2028	298	298
$400 million Debentures, interest at 6.50%, due March 15, 2029	397	397
$500 million Notes, interest at 5.50%, due October 15, 2035	493	493
$450 million Notes, interest at 5.80%, due October 15, 2036	446	446
$500 million Notes, interest at 6.65%, due September 15, 2037	494	494
Medium-Term Notes Series B, interest at 7.11% to 7.61%, final maturity in 2037	217	217
$500 million Notes, interest at 5.80%, due April 15, 2040	495	495
Mortgage Notes, interest at 4.90% to 8.25%, final maturity in 2018	17	17
Capital Leases and Other, final maturity in 2035	321	321
$475 million Notes, interest at 2.125%, due April 15, 2016		473
$525 million Notes, interest at 3.75%, due April 15, 2021		522
Total long-term debt	5,533	6,528
Total debt	5,570	6,565
Shareholders equity:		
Preferred stock, $5 par value, none issued		
Common stock, $0.50 par value, 1,422,664,803 shares issued and outstanding	711	711
Capital in excess of par value	9	9
Retained earnings	18,454	18,454
Accumulated other comprehensive income	39	39
Total shareholders equity	19,213	19,213

Total capitalization	$ 24,783	$ 25,778

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SELECTED CONSOLIDATED FINANCIAL INFORMATION

We have derived the following results of operations and balance sheet data for and as of the end of our last five fiscal years from our audited consolidated financial statements. The selected financial data for the six months (26 weeks) ended July 31, 2009 and July 30, 2010 have been derived from our unaudited consolidated financial statements. The unaudited financial information, in the opinion of management, has been prepared on a basis consistent with the audited financial statements and contains all adjustments necessary for a fair presentation of the information for the periods presented. The results for the six months (26 weeks) ended July 31, 2009 and July 30, 2010 may not be indicative of the results to be achieved for any other interim period or the entire fiscal year. You should read the information set forth below in conjunction with our consolidated financial statements and related notes and other financial information incorporated by reference into this prospectus supplement and the accompanying prospectus. See Incorporation of Information Filed with the SEC in this prospectus supplement.

	For the Year Ended					Six Months (26 Weeks) Ended	
	February 3, 2006(1)	**February 2, 2007**	**February 1, 2008**	**January 30, 2009**	**January 29, 2010**	**July 31, 2009**	**July 30, 2010**
	(Dollars in millions, except per share data, ratios and operating data)						
Selected statement of earnings data:							
Net sales	$ 43,243	$ 46,927	$ 48,283	$ 48,230	$ 47,220	$ 25,676	$ 26,749
Gross margin	$ 14,790	$ 16,198	$ 16,727	$ 16,501	$ 16,463	$ 9,018	$ 9,365
Net earnings	$ 2,765	$ 3,105	$ 2,809	$ 2,195	$ 1,783	$ 1,235	$ 1,321
Basic earnings per common share	$ 1.78	$ 2.02	$ 1.89	$ 1.50	$ 1.21	$ 0.84	$ 0.92
Diluted earnings per common share	$ 1.73	$ 1.98	$ 1.86	$ 1.49	$ 1.21	$ 0.84	$ 0.92
Selected operating data:							
Number of stores open at end of period	1,234	1,385	1,534	1,649	1,710	1,688	1,724
Selling square footage at end of period (in millions)	140	157	174	187	193	191	195
Comparable store sales changes(2)	6.1%	%	(5.1)%	(7.2)%	(6.7)%	(8.2)%	2.0%
Selected balance sheet data (at period end):							
Total assets	$ 24,604	$ 27,726	$ 30,816	$ 32,625	$ 33,005	$ 34,122	$ 34,633
	$ 3,499	$ 4,325	$ 5,576	$ 5,039	$ 4,528	$ 4,515	$ 5,533

Long-term debt, excluding current maturities							
Shareholders equity	$ 14,296	$ 15,725	$ 16,098	$ 18,055	$ 19,069	$ 19,176	$ 19,213
Other data:							
Ratio of earnings to fixed charges(3)	14.1x	15.4x	11.5x	8.2x	7.0x	9.4x	9.7x

(1) The fiscal year ended February 3, 2006 had 53 weeks.

(2) 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.

(3) The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, earnings includes pretax earnings plus fixed charges, less interest capitalized. Fixed charges includes interest expensed and capitalized and the portion of rental expense that is representative of the interest factor in these rentals. Interest accrued on uncertain tax positions is excluded from interest expense in the computation of fixed charges.

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DESCRIPTION OF NOTES

The following description of the particular terms of the Notes offered hereby (referred to in the accompanying prospectus as Debt Securities) supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of Debt Securities set forth in the accompanying prospectus, to which description reference is hereby made.

General

The Notes will be issued under an amended and restated indenture, dated as of December 1, 1995, between us and The Bank of New York Mellon Trust Company, N.A. (as successor trustee to Bank One, N.A. (formerly known as The First National Bank of Chicago)), as supplemented by a supplemental indenture, to be dated as of November 22, 2010, between us and the trustee (together, the Senior Indenture). You may request a copy of the Senior Indenture and the form of Notes from the trustee. At July 30, 2010, we had no secured indebtedness outstanding at the parent company level; $18 million of secured indebtedness outstanding at the subsidiary level, none of which was guaranteed at the parent company level; $5,195 million of unsecured indebtedness outstanding at the parent company level; $28 million of capitalized lease obligations at the parent company level; and $329 million of capitalized lease obligations at the subsidiary level, $57 million of which was guaranteed at the parent company level. Indebtedness and capitalized lease obligations at the subsidiary level will be structurally senior in right of payment to the Notes.

We will issue the Notes of each series in fully registered book-entry form without coupons and in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. We do not intend to apply for the listing of the Notes of either series on a national securities exchange or for quotation of such Notes on any automated dealer quotation system.

The following statement relating to the Notes and the Senior Indenture are summaries of certain provisions thereof and are subject to the detailed provisions of the Senior Indenture, to which reference is hereby made for a complete statement of such provisions. Certain provisions of the Senior Indenture are summarized in the accompanying prospectus. We encourage you to read the summaries of the Notes and the Senior Indenture in both this prospectus supplement and the accompanying prospectus, as well as the form of Notes and the Senior Indenture.

The Notes will be our unsecured senior obligations. The cover page of this prospectus supplement sets forth the maturity dates, the aggregate principal amounts and the interest rates of the Notes. The Notes will bear interest from the date of issuance, payable semiannually in arrears on each April 15 and October 15, commencing April 15, 2011, to the persons in whose names the Notes are registered at the close of business on the April 1 immediately preceding each April 15 or the October 1 immediately preceding each October 15. Interest will be computed on the basis of a 360-day year composed of twelve 30-day months. Payments of principal and interest to owners of book-entry interests (as described below) are expected to be made in accordance with the procedures of The Depository Trust Company (DTC) and its participants in effect from time to time.

The Notes of each series need not be issued at one time and a series may be reopened, without the consent of the holders, for issuance of additional Notes of such series.

Optional Redemption

Before the date that is one month (for the 2016 Notes) or three months (for the 2021 Notes) prior to the applicable maturity date for such series of Notes, the Notes of each series will be redeemable, in whole at any time or in part from time to time, at our option at a redemption price equal to the greater of:

(i) 100% of the principal amount of the Notes to be redeemed; or

(ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of

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redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below), plus 10 basis points with respect to the 2016 Notes and 15 basis points with respect to the 2021 Notes,

plus, in each case, accrued interest thereon to but excluding the date of redemption.

If the Notes of either series are redeemed on or after the date that is one month (for the 2016 Notes) or three months (for the 2021 Notes) prior to the applicable maturity date for such series of Notes, the Notes of each series will be redeemable, in whole at any time or in part from time to time, at our option at par plus accrued interest thereon to but excluding the date of redemption.

Notwithstanding the foregoing, installments of interest on Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

Comparable Treasury Price means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such quotation.

Quotation Agent means the Reference Treasury Dealer appointed by us.

Reference Treasury Dealer means (i) a Primary Trea