

LOWES COMPANIES INC
Form 10-Q
August 30, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended July 29, 2011

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 1-7898
number

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

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

☐ Yes ☒ No

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

CLASS	OUTSTANDING AT AUGUST 26, 2011
Common Stock, \$.50 par value	1,260,527,156

LOWE'S COMPANIES, INC.

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INFORMATION

Item 1. Financial Statements

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

	(Unaudited) July 29, 2011	(Unaudited) July 30, 2010	January 28, 2011
Assets			
Current assets:			
Cash and cash equivalents	\$ 568	\$ 1,191	\$ 652
Short-term investments	340	816	471
Merchandise inventory - net	8,825	8,653	8,321
Deferred income taxes - net	222	205	193
Other current assets	213	256	330
Total current assets	10,168	11,121	9,967
Property, less accumulated depreciation	22,195	22,274	22,089
Long-term investments	857	730	1,008
Other assets	825	508	635
Total assets	\$ 34,045	\$ 34,633	\$ 33,699
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term debt	\$ 39	\$ 37	\$ 36
Accounts payable	5,378	4,888	4,351
Accrued compensation and employee benefits	495	537	667
Deferred revenue	831	770	707
Other current liabilities	1,934	1,761	1,358
Total current liabilities	8,677	7,993	7,119
Long-term debt, excluding current maturities	6,581	5,533	6,537
Deferred income taxes - net	479	459	467
Deferred revenue - extended protection plans	673	605	631
Other liabilities	856	830	833
Total liabilities	17,266	15,420	15,587

Shareholders' equity:

Preferred stock - \$5 par value, none issued

- - -

Common stock - \$.50 par value;

Shares issued and outstanding

July 29, 2011 1,260

July 30, 2010 1,423

January 28, 2011 1,354 630 711 677

Capital in excess of par value 7 9 11

Retained earnings 16,060 18,454 17,371

Accumulated other comprehensive income 82 39 53

Total shareholders' equity 16,779 19,213 18,112

Total liabilities and shareholders' equity

\$ 34,045 \$ 34,633 \$ 33,699

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

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Lowe's Companies,
Inc.

Consolidated Statements of Current and Retained Earnings (Unaudited)

In Millions, Except
Per Share Data

	Three Months Ended				Six Months Ended			
	July 29, 2011		July 30, 2010		July 29, 2011		July 30, 2010	
Current Earnings	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Net sales	\$ 14,543	100.00	\$ 14,361	100.00	\$ 26,728	100.00	\$ 26,749	100.00
Cost of sales	9,527	65.51	9,355	65.14	17,393	65.07	17,384	64.99
Gross margin	5,016	34.49	5,006	34.86	9,335	34.93	9,365	35.01
Expenses:								
Selling, general and administrative	3,232	22.22	3,189	22.21	6,351	23.76	6,283	23.49
Depreciation	365	2.51	398	2.77	737	2.76	795	2.97
Interest - net	90	0.62	84	0.59	178	0.67	166	0.62
Total expenses	3,687	25.35	3,671	25.57	7,266	27.19	7,244	27.08
Pre-tax earnings	1,329	9.14	1,335	9.29	2,069	7.74	2,121	7.93
Income tax provision	499	3.43	503	3.50	777	2.91	800	2.99
Net earnings	\$ 830	5.71	\$ 832	5.79	\$ 1,292	4.83	\$ 1,321	4.94
Weighted average common shares outstanding - basic	1,275		1,417		1,300		1,427	
Basic earnings per common share	\$ 0.65		\$ 0.58		\$ 0.99		\$ 0.92	
Weighted average common shares outstanding - diluted	1,278		1,419		1,303		1,430	
Diluted earnings per common share	\$ 0.64		\$ 0.58		\$ 0.98		\$ 0.92	

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Cash dividends per share	\$ 0.14	\$ 0.11	\$ 0.25	\$ 0.20
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Retained Earnings

Balance at beginning of period	\$ 16,715	\$ 18,246
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