



A Commitment to Our Communities

2004 Social Responsibility Report



A Letter from the Chairman, President and CEO

Dear Customer and Neighbor,

Our business is home improvement and for us, giving back starts at home.

As one of the nation's leading retailers, we're committed to making a difference in the communities where we do business — whether that's building affordable housing through our partnership with Habitat for Humanity, helping the American Red Cross assist people recovering from disasters or supporting organizations that enhance our schools and communities through grants from Lowe's Charitable and Educational Foundation. We want to improve the places where we live and work—as a commitment to our communities.

As the world's second largest home improvement retailer, we have an opportunity: to do more, to be more and to take a leadership role in the communities that are home to our more than 160,000 employees, the 11 million customers who visit our stores each week and the more than 1,100 communities across the country where we do business.

Lowe's is committed to creating a workplace that fosters growth with opportunity, offering products and services that are top quality at everyday low prices and taking strides to minimize our impact on the environment. We're also donating dollars, time and expertise to projects that positively impact our neighbors. To us, it's just part of being a good neighbor.

I'm proud to share this report with you on ways in which we've given back in 2004 and look forward to continuing to be a contributing corporate citizen.

Sincerely,

ROBERT A. NIBLOCK

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COMMUNITY PARTNERSHIPS

Lowe's believes community involvement extends beyond the boundaries of our doors. That's why Lowe's contributes to organizations that have a positive impact on the community and support our charitable goals. In 2004, Lowe's, our customers and vendor partners awarded more than \$22.5 million to nonprofit organizations across the country.

Habitat for Humanity



Lowe's is proud to be a national partner of Habitat for Humanity International (Habitat), an organization that helps provide affordable housing for deserving families around the globe. While our stores work with numerous Habitat affiliates across the country, it was in 2003 that Lowe's joined Habitat as the co-premier sponsor of the Jimmy Carter Work Project — helping construct nearly 100 homes in a one-week blitz build in Georgia and Alabama. With a \$2 million commitment in 2004, Lowe's became the national underwriter of Habitat's Women Build Program, and we've committed another \$2 million in 2005. Lowe's is also extending its partnership with the organization as an event-wide sponsor of the 2005 Jimmy Carter Work Project to construct more than 200 houses in Michigan, and helped raise more than \$2 million for Habitat for Humanity's Tsunami Relief effort.



Habitat and Lowe's

ALL IN A YEAR'S WORK

In 2004, millions of items were used to help more than 17,000 Women Build volunteers build the more than 100 homes Lowe's helped fund, including:

4,646,513
NAILS

68,347
PIECES OF LUMBER

56,956
GALLONS OF PAINT



WOMEN BUILD

Lowe's is the national underwriter of Habitat's Women Build program, helping construct more than 100 homes per year across the country with women volunteers. Leading ladies like Good Morning America's Diane Sawyer and Robin Roberts helped the program gain national attention as they lent their talents to a Women Build project in Harlem.



Lowe's.com

For more information visit
Lowe's.com/habitat



WOMEN BUILD

In 2005, Lowe's, Habitat and Women Build volunteers plan to build more than 100 homes around the country, with builds kicking off in 12 cities during the week of Mother's Day.



HOMES FOR THE HOLIDAY

Tracy Ransom of Hartford, Conn., received a wreath courtesy of Lowe's to celebrate the first Christmas in her own home. Lowe's volunteers delivered wreaths to the more than 100 homes built in 2004 through the Women Build Program. In addition, Lowe's Customers donated more than \$100,000 towards Habitat projects during the in-store donation program, Homes for the Holidays. Monies will help fund Habitat builds around the country in 2005.



"The first year of our formal partnership with Lowe's exceeded our expectations at every turn. Time and time again we found when we took a national opportunity into a local market, our Habitat affiliate and the local Lowe's store had been working together at the grassroots level for years. Our partnership made our efforts to provide housing and hope to communities and families in desperate need all the more effective."

Chris Clarke, Senior Vice President Communications, Habitat for Humanity International

ADDITIONAL HABITAT SUPPORT

Lowe's also supplemented its free in-store clinics with special Habitat Women Build How-To Clinics, to teach construction basics to volunteers.





JIMMY CARTER WORK PROJECT

After the success of the 2003 Jimmy Carter Work Project, which built nearly 100 Habitat homes in Georgia and Alabama, Lowe's is proud to continue efforts for the 2005 Jimmy Carter Work Project in Michigan. The program will build more than 200 homes across the state in 2005.



Tsunami Relief Effort



Lowe's worked with Habitat to provide relief to the thousands left devastated by the Dec. 26, 2004, Indian Ocean Tsunami. More than 1,000 stores became cash donation sites, and including a Lowe's matching contribution of \$1 million, employees and customers donated over \$2 million. This was enough to build more than 1,200 homes in the affected area. President George Bush, Sr. joined a Kingwood, Texas, school that had its Habitat donation matched by Lowe's.

American Red Cross / Hurricane Response

Florida Hurricane Response

FAST FACTS

\$1.5 Million

DONATED BY LOWE'S AND OUR CUSTOMERS TO THE HURRICANE RELIEF EFFORTS

50,000

NUMBER OF FREE COOLERS DISTRIBUTED BY LOWE'S EMPLOYEES

\$887,000

AMOUNT GIVEN TO LOWE'S EMPLOYEES THROUGH LOWE'S EMPLOYEE RELIEF FUND TO HELP REBUILD FROM HURRICANE DAMAGE



HURRICANE HOTLINES

Lowe's employee experts assisted home owners with Hurricane Hotlines, answering questions on everything from temporary repairs to generator safety and detecting mold.



BILTMORE ESTATE

Torrential rains resulting from the hurricanes wreaked havoc in the Appalachian Mountains. The entrance to Biltmore Estate, America's largest and most historic home, was flooded. Lowe's donated sandbags, chainsaws and generators to help protect this national treasure.



American Red Cross

As national partners with the American Red Cross in disaster relief and preparedness efforts, Lowe's and our customers donated more than \$1.5 million in cash to aid victims of the four hurricanes (Charley, Frances, Jeanne and Ivan) that pounded the southeastern United States in 2004. Lowe's employees worked side-by-side with emergency officials distributing 50,000 coolers and ice. Lowe's also hosted Kids' Clinics in Red Cross shelters to give children who had been away from home for days a reason to smile. Lowe's Storm Recovery Teams of employees from across the southeast enabled many of our Florida employees to tend to their own hurricane damage, while ensuring our stores were staffed to help those recovering from one hurricane and preparing for the next.

Since 2000, Lowe's, our customers and vendor partners have donated \$7.5 million to American Red Cross efforts, responding to disasters in more than 30 states.



Thanks to backup generator power, Lowe's stores were able to remain open both before and after the wave of hurricanes. Lowe's natural disaster price suspension policy also ensured that prices would not increase on emergency products in stores in the storms' paths.



Photos: Courtesy Gene Dickey, American Red Cross



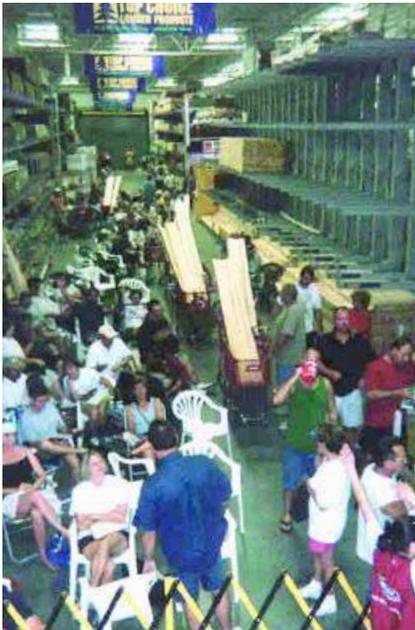
Racing for Relief **CUSTOMER DONATION PROGRAM**

The morning after Hurricane Charley hit the Florida coast, Lowe's enacted its customer donation program at more than 750 stores along the Gulf and East Coasts. Lowe's Team 48 driver Jimmie Johnson helped raise awareness for the program. Lowe's matched donations dollar-for-dollar for a total of \$1.5 million.



FLORIDA REGIONAL DISTRIBUTION CENTER (RDC) EMERGENCY STAGING AREA

Lowe's Florida Regional Distribution Center, south of Orlando, was still under construction when the storms hit. The parking lot, however, served as the official emergency staging area for Osceola County during Hurricane Charley, as the place for residents to get ice, food and other supplies. At the official opening of the RDC in October 2004, Lowe's delivered a check for \$100,000 to Lt. Governor Toni Jennings for the state's own fund to assist with recovery efforts.



Photos: Courtesy Gene Dailey, American Red Cross

STORM RECOVERY TEAMS

Lowe's Storm Recovery Teams included 450 Lowe's employees who went to Florida to relieve some of our 8,000 employees in the Sunshine State. This allowed employees time to tend to their own homes and families following the storms. In addition, the Lowe's Employee Relief Fund distributed more than \$887,000 in emergency aid to employees whose homes were damaged.

"I would like to acknowledge one of your store managers, Sam Edwards. When Hurricane Charley and Hurricane Frances hit Florida, he made sure my special needs child had a gas generator for his medical equipment. This experience was one that I will never forget."

Customer e-mail from Karen Batten, Kissimmee, Fla.



LOWE'S CHARITABLE AND EDUCATIONAL FOUNDATION

In 2004, Lowe's Charitable and Educational Foundation (LCEF) awarded more than \$3 million to nonprofit organizations in communities across the United States. Founded in 1957, the LCEF's primary philanthropic focus areas include K-12 public schools; community improvement projects; safe, affordable homes; and scholarships for students pursuing a career in construction trades at select community colleges and technical institutes. LCEF awarded grants to schools in 16 cities totaling \$1.3 million for initiatives to enhance learning environments or make much-needed repairs, and distributed \$1.7 million in additional grants for educational or community improvement projects across the country.



Denver Public Schools
An \$85,000 grant to the Denver Public Schools helped McGlone Elementary School construct a new Learning Landscape playground. Pea gravel and metal slides were replaced with colorful, age-appropriate and accessible equipment with the help of volunteers from Lowe's and the Denver Broncos.

Lowe's.com

For more information or to apply for a grant, visit Lowe's.com/community



LCEF awarded grants to more than 80 organizations in 2004, including*:

Airlie Gardens	Wilmington, NC	Support of Garden Project
Atlanta School for the Deaf	Clarkston, GA	Outdoor Classroom
Black River Public School	Holland, MI	Playground
Cedar Ridge Elementary	Lowgap, NC	Playground Materials
Center For Community Actions & Environmental Justice	Riverside, CA	Community Garden
Chicago Public Schools	Chicago, IL	Four School Libraries
City of Ennis	Ennis, TX	Park Pavilion
Clara Barton School	Bordentown, NJ	Outdoor Classrooms
Community Build Playground, Inc.	Baltimore, MD	Community Playground
Construction Technology Careers	Sarasota, FL	Pre-Apprenticeship Program
Crabapple Crossing Elementary	Alpharetta, GA	School Garden Project
Covenant House California	Hollywood, CA	Community Garden
Dallas Independent School District	Dallas, TX	School Improvements
Dearborn Middle School	Roxbury, MA	School Upgrades, Repairs
Delaware County Community Partnership	Grove, OK	Community Park
Denver Construction Trades Program	Denver, CO	Carpentry Equipment and Supplies
Denver Public Schools	Denver, CO	Playground
Discovery Elementary School PTSA	Sammamish, WA	Playground Renovation

* LCEF considers requests only from 501(c)(3) organizations and public agencies.



Eaton Elementary School
Eaton Elementary School in Fresno, Calif. received help from Lowe's to create a wheelchair-accessible garden and walkway. The garden is maintained by the school's special education department, and the \$2,000 LCEF grant monies went to help the school purchase walkway materials, soil, fertilizer and planters.



Houston Independent School District
For most of the students at Ed White Elementary in Houston, Texas, English is their second language. A \$30,000 LCEF grant helped the Houston School District assist multilingual students and their parents through a Parent Literacy and Technology Center.



First Book/Speed Read
(left) A \$100,000 grant in Washington, D.C., enabled First Book to give children from low-income families the opportunity to read and own their first new books. With the help of Team 5 Busch series driver Kyle Busch, the group hosted a Speed Read Challenge where participants read their favorite children's book as quickly as possible to raise money that provided 40,000 books to area children.

Dwight Rich Middle School	Lansing, MI	School Improvement
Eaton Elementary School	Fresno, CA	School Garden Project
El Rancho Unified School District	Pico Rivera, CA	Playgrounds
Emma Web Community Center	Hot Springs, AR	Community Center
First Book/Speed Read	Washington, DC	Books for Children
Food Care, Inc.	Brooklyn, NY	Community Garden
Foundation For Orange Co. Public Schools	Orlando, FL	School Improvements
Foyil Public Schools	Claremore, OK	Playground
Fundamental Health Solutions	Dayton, OH	Transitional Housing
Gardendale Elementary	Gardendale, AL	School Playground
Greenbrier Intermediate School	Chesapeake, VA	Outdoor Classroom
Growing Hope	Ypsilanti, MI	Community Garden
Hands on Housing	Austin, TX	Community Revitalization
Hickerson Elementary School	Tullahoma, TN	Outdoor Classroom
Hiwassee Valley Rec. Center	Murphy, NC	Wellness Center
Home Builders Institute	Washington, DC	Job Corps Placement Program
Houston Independent School District	Houston, TX	Literacy Program
JA Chalkley Elementary	Chesterfield, VA	School Garden
Jefferson County Board of Education	Louisville, KY	School Playground/Park
Kansas City, MO Public Schools	Kansas City, MO	Classroom Libraries
La Habra City School District	La Habra, CA	Playgrounds
Lafayette Elementary	Lafayette, CO	School/Community Park

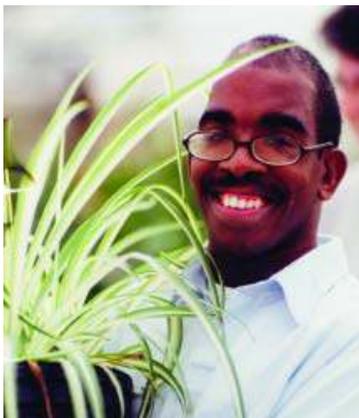
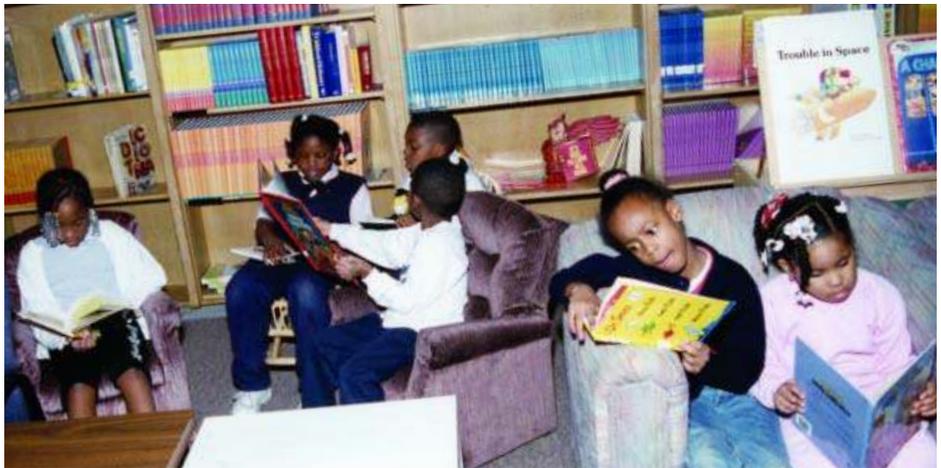
Plaza Vista PTA

(top right) Students at Plaza Vista Elementary school in Irvine, Calif. say thanks to the LCEF for the \$15,000 grant to help build the school's first true playground.

Nolan Middle School

(bottom right) A \$50,000 grant from LCEF helped the rapidly growing Detroit Public Schools system give much-needed upgrades to a library at one of the district's highest-priority schools. Nolan Middle School received books, shelves, tables and chairs so students can enjoy their school library.

Photo: Andrew J. Kim



Misericordia Horticultural Program

A \$10,000 LCEF grant went to Misericordia in Chicago, which fosters learning for disabled youth through its horticulture program.

Lincoln Elementary	Huntsville, AL	School Garden Project
Merced County Office of Education	Merced, CA	School Gardens
Misericordia	Chicago, IL	Horticulture Program
Nantahala School	Topton, NC	School Playground
Nolan Middle School	Detroit, MI	Library Renovation
North Beach Elementary	Seattle, WA	Playground Renovation
NYC Public Schools	New York, NY	School Improvements, Multimedia Lab
Nyack Public Schools	Valley Cottage, NY	Greenhouse
Park Avenue Elementary	Freehold, NJ	School Garden Project
City of Fruit Heights	Fruit Heights, UT	Community Playground
Plaza Vista PTA	Irvine, CA	Playground
Portage Township YMCA	Portage, IN	Playground



Portland Public Schools
 LCEF's \$85,000 grant helped purchase landscaping supplies, beautifying 94 schools in the Portland Public School District. More than 40 store employees joined forces with Portland-area school representatives as part of Project: Community Care.



R.F. Chavez Elementary School
 In Albuquerque, N.M. a \$50,000 grant to R.F. Chavez Elementary School supplied students with new computers, allowing them to use software to help improve standardized test scores.



Seattle Public Schools
 Thanks to an \$88,000 grant to Seattle Public Schools, all middle and high schools in the district now have science safety equipment, including fire blankets, safety goggles and specialized storage cabinets for hazardous materials.

Portland Public Schools	Portland, OR	Citywide Cleanup Initiative
R.F. Chavez Elementary School	Albuquerque, NM	School Technology Improvements
Raymond Elementary School	Fullerton, CA	School Garden
Redlands Educational Partnership Foundation	Redlands, CA	Outdoor Classroom
Rosie's Girls	SC and VT	Construction Camp for Girls
Seach School	Weymouth, MA	School and Community Playground
Seattle Public Schools	Seattle, WA	Science Equipment
Shepherd Middle School	Durham, NC	Greenhouse and Courtyard Restoration
Sequoyah Elementary	Tulsa, OK	Outdoor Classroom
Shades Mountain Elementary PTA	Birmingham, AL	School Garden, Playground and Park
SMG Foundation	Portland, OR	Renovation, Latino Community Center
Speech and Language Development Center	Buena Park, CA	Playground for Children of All Abilities
STAR Center	Jackson, TN	Renovation Project
Third Creek Elementary	Statesville, NC	Outdoor Classroom
Stone Academy of Comm. Arts	Greenville, SC	Garden Project
Tanglewood Nature Center & Museum	Elmira, NY	School Garden Project
Texas City Rotary Foundation	Texas City, TX	Outdoor Classroom
Univ. of Michigan's Detroit Project	Ann Arbor, MI	Neighborhood Cleanup
Urban Harvest	Houston, TX	After-School Garden Program
West Orem Family YMCA	Houston, TX	Community Garden
Whispering Meadows Elementary	Ft. Wayne, IN	Playground
YMCA of Central Virginia	Lynchburg, VA	Outdoor Classroom



Scholarships
 (left) LCEF provided \$20,000 in college scholarships to Augusta Technical College. This grant helped 10 students with technical education in the fields of HVAC, Horticulture, Electrical Technology, Industrial Electrical Technology and more.



WORKPLACE OPPORTUNITY

Having a highly talented workforce is critical to our success as a company. Lowe's is committed to maintaining a work environment where all employees have the opportunity to succeed. Respecting and valuing employees in an inclusive work environment translates to higher employee morale and job fulfillment, which in turn increases productivity and customer service and leads to heightened customer satisfaction, company profitability and shareholder value.

Our commitment is channeled through our Diversity and Inclusion Initiative, which not only aims to foster an inclusive work environment, but also a place where all customers feel welcome.

The Lowe's Fairness Programs helps to coordinate execution of our diversity and inclusion objectives in the areas of human resources, community outreach, marketing and suppliers.



FAIRNESS PROGRAMS

Four principles comprise Lowe's Fairness Programs:

Inclusion, Fairness, Respect and Productivity. That includes providing opportunity for all, having business policies and practices that are as impartial as possible, recognizing the dignity of all people and maximizing the contribution of all employees.

Diversity Grants

Lowe's has forged relationships with a variety of diverse organizations, including:

- NAACP
- CATALYST
- CONGRESSIONAL BLACK CAUCUS FOUNDATION
- CONGRESSIONAL HISPANIC CAUCUS INSTITUTE
- NATION URBAN LEAGUE
- NATIONAL COUNCIL OF LA RAZA
- NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL
- ORGANIZATION OF CHINESE AMERICANS



Photo: Bo Callung

VENDOR AND SUPPLIER OPPORTUNITY

The Fairness Programs also carry over into our vendor and supplier partnerships. Lowe's actively identifies opportunities with women and minority suppliers, both big and small alike. Take for example, Steve Jones, John Ham and Cynthia Ham, owners of Cultural Hangups, a company that makes multicultural wallpaper designs. Lowe's worked with the small company to offer their product in select stores and by special order in all Lowe's stores. We also supported the product with advertising showcasing the product.

"I feel a great sense of commitment to Cultural Hangups throughout Lowe's (from our buyer, from marketing and advertising support; from purchasing and billing). Lowe's has proven their commitment to our success," said John Ham.

Lowes.com

For more information go to Lowes.com/diversity





GIVING: COMMUNITY BY COMMUNITY

Lowe's believes giving is about more than writing a check. It's about donating our time, dollars and expertise to organizations that positively impact the communities we serve. Beyond Lowe's Charitable and Educational Foundation, Lowe's is proud to have contributed to these other worthwhile causes.



information

For more information on The Home Safety Council, visit homesafetycouncil.org



HOME SAFETY COUNCIL

Lowe's founded The Home Safety Council in 1993 with a vision of creating safer American homes. The organization became an independent nonprofit organization in 2002. In 2004, Lowe's and our vendors contributed \$12 million to HSC initiatives including the Great Safety Adventure — a traveling, life-sized home that provides children and their parents valuable knowledge about how to stay safe in and around their homes. During 2004, the Great Safety Adventure reached more than 145,000 visitors at 338 events throughout the country and was awarded the prestigious 2004 Gold Halo Award from the Cause Marketing Forum.



LOWE'S HEROES



Lowe's Heroes is a nationwide employee volunteer initiative addressing unintentional accidents in the home. In 2004, Lowe's Heroes volunteers donated nearly 56,000 hours reaching homes nationwide with safety information and products. In many cases, store employees teamed with local fire departments and other emergency personnel to distribute safety information. In Plano, Texas, Lowe's Heroes volunteers joined with the Plano Fire Department

on a Fire Safety Literacy Project for Spanish-speaking families. Each family received a fire extinguisher and valuable instruction on how to react in the event of an emergency.

BLOOMS OF HOPE

Lowe's has proudly supported the Susan G. Komen Foundation since 2003 with Blooms of Hope. The Mother's Day promotion donates 10 percent of select flower sales to the Komen Foundation for breast cancer research and awareness. More than \$90,000 was raised for the Foundation during 2004.





UNITED WAY

With annual corporate and employee contributions of more than \$2.7 million, Lowe's is proud to be recognized by the United Way of America as a member of the National Corporate Leadership Program. Lowe's matches employee contributions to the United Way fifty cents on every dollar, with all funds staying in the communities where they are given.



GILDA'S CLUB AND MIRACLE HOUSE

Lowe's received the 2004 Gilda Award from New York City's Gilda's Club for the renovation of this home, which serves as a support center for cancer patients. The renovation was documented by *O Magazine*, and spurred renovation of the Miracle House, another home that assists seriously ill patients and their families visiting New York City for treatment.



SAVE OUR HISTORY

Lowe's is a supporter of Save our History, a national history education and preservation initiative created by The History Channel to challenge communities across the country to raise awareness and support for preserving local heritage. The program includes an educator's manual sent to 100,000 teachers. The manual invites teachers, schools and communities to get involved in preserving local landmarks and sites. One grant went to the Johnson House and the Philadelphia Mennonite High School for a research study on this former underground railroad site.



COPA LOWE'S

COPA Lowe's is a grassroots soccer initiative uniting the best Hispanic soccer leagues in the U.S. to vie for a national championship. More than 172 teams competed in this tournament, which culminated with the Grand Championship in Los Angeles in January 2005.



GRAND RAPIDS TUGBOAT RACE

Students in Grand Rapids won more than \$12,500 in educational savings bonds and school resource grants as part of a model boat regatta on the Grand River during the Lowe's Grand Rapids Tugboat Race. The program was open to Grand Rapids fourth, fifth and sixth-graders, who used hands-on building and engineering skills in a creative competition.



CAPE LOOKOUT LIGHTHOUSE RESTORATION

Lowe's and our vendor partner, Valspar, maker of American Tradition National Trust historic paint colors, donated 125 gallons of paint to the Friends of Cape Lookout National Seashore and the Outer Banks Lighthouse Society. The paint gave a much-needed facelift to the 1859 Cape Lookout, N.C. Lighthouse. The National Trust benefits from the sale of these paints in Lowe's stores, which helped the National Trust fund more than 1,000 restoration projects across the country in 2004.





ENVIRONMENTAL COMMITMENTS

As one of the world's leading retailers, Lowe's is committed to being a responsible steward of the environment. From implementing eco-friendly building and energy solutions in our stores, to utilizing alternative energy sources and continuing to expand our environmentally friendly product offerings, Lowe's is continually working to identify ways we can minimize the footprint we leave behind.

We're helping to educate our customers as we educate ourselves. Through our in-store marketing of products with the ENERGY STAR® logo and the Lowe's Energy and Water Solutions Guides, we're helping our customers to become part of the solution. Plus, we continue to challenge our vendors to expand earth-friendly products from decking to gardening supplies.

Lowe's continues to expand its recycling initiatives, as well as employee training and education. We're also working with vendors and environmental groups on key issues, like sustainable forest practices.



Lowe's Recycling IN 2004

113,853
TONS OF CARDBOARD

140,500
TONS OF PALLETS AND
WOOD WASTE

1,100
TONS OF STRETCH WRAP



ALTERNATIVE ENERGY SOURCES/SOLAR

Lowe's continues to expand its use of alternate energy sources. Lowe's is undertaking the largest solar rooftop project of any retailer, by installing 75,000 square-foot solar rooftop generation systems on each of our stores in Vacaville, Livermore and Union City, Calif. Combined with the current solar energy generation system on our West Hills, Calif., store, the systems will generate 2.2 million kilowatts of clean energy each year.



ENERGY STAR® RETAIL PARTNER OF THE YEAR



Lowe's is proud
to receive the highest
honor given by the

U.S. Environmental Protection Agency and Department of Energy as the ENERGY STAR® Retail Partner of the Year for 2005, for a third consecutive year. Lowe's was selected for educating consumers on energy efficiency and conservation and for increasing the sale of ENERGY STAR qualified products. Lowe's sales of ENERGY STAR qualified appliances resulted in our customers saving more than \$95 million in energy costs in 2004. The pollution prevented as a result of these sales is the equivalent of removing nearly 100,000 cars from the road.



CALIFORNIA APPLIANCE RECYCLING

Beginning in Oct. 2004,
Lowe's partnered with
California's Flex Your

Power campaign and Adams Steel in a pilot program to recycle used appliances. Customers at 18 Lowe's stores in southern California who purchased new, more energy-efficient appliances had the benefit of knowing their old, energy inefficient appliances were being recycled, reducing waste going to landfills and helping recover raw materials.





GREEN POWER

Green power is energy produced by clean, renewable energy sources such as wind, sun and methane gas. Lowe's is the largest customer of green power in the Tennessee Valley Authority's region, including some 37 stores in the Southeast. Lowe's also continues to work with utility partners on ways to implement energy solutions in our new store construction. Lowe's worked with the Oregon Energy Trust to install high-efficiency fluorescent interior and exterior lighting systems and premium efficiency heating and ventilation units in our stores in Bend and Milwaukie, Ore.

"TVA, distributors of TVA power and the environmental community applaud Lowe's for purchasing more green power than any business in the Southeast. Lowe's commitment to renewable energy clearly sets a high standard for other businesses."

Jim Keiffer, SVP marketing, Tennessee Valley Authority

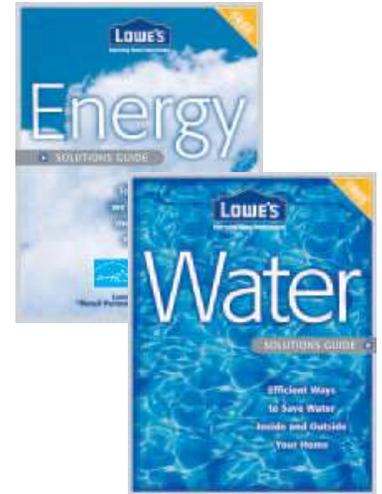


LOWE'S WOOD POLICY

Lowe's continues to be a leader in the protection of endangered forests through our wood policy and responsible wood sourcing. Through the policy and our vendor partnerships, Lowe's has made significant strides toward global forest conservation.

Lowe's.com

For more information go to
Lowe's.com/energy, Lowe's.com/h2o,
or Lowe's.com/woodpolicy



ENERGY AND WATER SOLUTIONS GUIDES

The Energy and Water Solutions Guides help provide energy and water-saving solutions for customers. In addition, the eco-friendly messaging is included in How-To Clinics and in campaigns with utility partners, like Arizona's Water — Use It Wisely program.

ECO-FRIENDLY PRODUCTS

Lowe's continues to expand its eco-friendly product offerings and share the benefits of these products with our customers. Examples include native and drought-resistant plants through our garden centers, expanded organic gardening solutions, LED holiday lights and solar lights which use a fraction of the energy of regular lights, and ChoiceDek®, a composite decking material with a lifetime warranty, made from recycled plastic bags, shrinkwrap and reclaimed oak.





LIVING UNLIMITED

Lowe's reaches out to a number of organizations in identifying qualified employees to join our team. Lowe's Mechanicsburg, Pa., store was honored by Living Unlimited, a local vocational rehabilitation program, for efforts towards employing individuals with disabilities. Living Unlimited Rehabilitation Specialist Rachel Imboden presents Lowe's human resources manager Michelle Hawk with a plaque for Lowe's hiring efforts.



JOB AND BENEFITS

Lowe's added nearly 20,000 jobs in 2004, growing our team of employees to more than 160,000. Lowe's pays competitive wages and works to ensure all employees are given the opportunity to maximize their talents and potential. Approximately 75 percent of Lowe's jobs are full-time positions, and Lowe's offers one of the most competitive benefit packages of any retailer, including health insurance for all workers, 401(k) matching, a discounted stock purchase program and store discount for employees.

EMPLOYEE OPPORTUNITY

Lowe's Store Manager Training Program actively identifies employees to groom for management positions. Some 440 employees completed the program in 2004 and will be ready to step into management roles as Lowe's plans to open 150 new stores in fiscal 2005 and 150-160 in 2006.



"I had been in retail for 20 years before joining Lowe's five years ago. Lowe's has given me the opportunity to further my leadership skills and technical knowledge, and has given me the chance to develop, train and mentor current and future Lowe's team leaders."

Maxine Randall, store manager, Lowe's #1799 Athens, Ala.



LOWE'S LANGUAGE LINE

Recognizing the diversity of our customers, Lowe's has bilingual employees, bilingual signage and an AT&T Language Line at the customer service desk which can translate up to 150 different languages. The Language Line is a free service, where customers can reach an interpreter in less than a minute.

Commitment to Success AT LOWE'S

Benefits

HEALTH, DENTAL, VISION AND PRESCRIPTION DRUG BENEFITS FOR ALL WORKERS, SHORT-TERM DISABILITY, FLEXIBLE SPENDING ACCOUNTS, TIME OFF FOR ADOPTION AND EXTENDED MILITARY LEAVE BENEFITS TO SIX-MONTHS DIFFERENTIAL PAY.

Retirement

401(K) MATCHING AND PERFORMANCE MATCH, PLUS A DISCOUNTED STOCK PURCHASE PROGRAM.

Workplace

FAIRNESS PROGRAMS, STORE DISCOUNT FOR EMPLOYEES, ONE OF THE NATION'S ONLY COMPANIES TO HAVE A SMOKE-FREE WORKPLACE.



EMPLOYEE RELIEF FUND

The Lowe's Employee Relief Fund helps distribute emergency funds to hundreds of employees each year who face financial hardships. Employee donations to the fund are matched dollar-for-dollar by the company. In 2004, nearly \$1 million in ERF checks were distributed to assist employees in need.





COMMITTED NEIGHBOR

Lowe's takes seriously our commitment to community. We're not just another business coming to town. We enter as a contributing corporate citizen — through investment; tax revenues; good-paying, stable jobs; and support of organizations that are important to the communities we serve. In addition, we're bringing quality products at everyday low prices to our neighbors to help them protect and enhance their greatest investment — their homes.

We work with communities to address many quality-of-life issues when it comes to our stores, whether that's addressing traffic-flow situations, being sensitive to environmental issues associated with store development or planning architectural features and landscaping so our stores are a good fit with the neighborhood.

As a citizen of the world, Lowe's has strict standards for the products we import. Our global sourcing policies prohibit the use of child or prison labor in the production of products we sell, and Lowe's reserves the right to inspect the factory of any Lowe's-sourced foreign-made product. In addition, we require our vendors to adhere to the same high standards for the products they produce outside the United States and sell in our stores.

Investment Highlights

\$3.2 Billion

INVESTED IN NEW AND EXISTING STORES, DISTRIBUTION AND TECHNOLOGY

\$18.5 Million

AVERAGE INVESTMENT FOR A NEW LOWE'S STORE

175

JOBS CREATED AT AVERAGE LOWE'S

20,000

JOBS CREATED IN 2004



BROOKLYN MURAL AND ESPLANADE

Lowe's listened to the community when it came to planning our first store in metro New York, in the borough of Brooklyn. Lowe's helped revitalize this property along the Gowanus Canal by opening up the first public esplanade along the waterway and conducting a community mural contest to complete the façade of our building. Brooklyn artist Samarra Khaja's interpretation of Brooklyn: My Neighborhood, My Home™ shows why she and Lowe's are proud to call Brooklyn home.



NATIONAL TRUST ENDORSEMENT

Lowe's provides financial support to the National Trust for Historic Preservation through the sale of American Tradition® paint. "This generous support provides an important boost to our efforts to protect our nation's historic places and revitalize communities across America," says Richard Moe, President of the National Trust.



EDDY AWARD

Lowe's Plainfield, Conn., Regional Distribution Center won the state's EDDY Award from the Connecticut Economic Development

Association. The \$80 million project will create more than 500 jobs and is projected to generate between \$600,000 and \$1.5 million annually in tax dollars, boosting vital investment in the region.



HISTORIC HOUSTON

Lowe's partnered with Historic Houston in Texas to help preserve a 1912 shotgun-style home, and assisted in conducting a 15-week educational seminar on historic preservation renovations.

Facts at a Glance

LOWE'S COMMITMENT

To Our Investors

- > \$36.5 Billion Sales
- > \$2.2 Billion Earnings
- > #43 – *Fortune 500*
(fiscal year 2004)

LOWE'S COMMITMENT

To Our Customers

- > 40,000 products stocked in store
- > 500,000 products available by special order
 - > 10% Low Price Guarantee
 - > 11 million shoppers a week
- > Carrying 19 product categories ranging from appliances and tools, to paint, lumber and nursery products

LOWE'S COMMITMENT

To Our Stores and Employees

- > More than 1,100 stores in 48 states
- > Approximately 160,000 employees
- > Approximately 75% of jobs are full-time positions

LOWE'S COMMITMENT

To Our Communities

- > More than \$22 million contributed to communities
 - > National partner of *Habitat for Humanity*, 2005 national underwriter of *Habitat's Women Build Program* and event-wide sponsor of the 2005 *Jimmy Carter Work Project*
 - > National partner of the *American Red Cross* in disaster preparation and relief efforts and 2004 "Pledge to Prepare" campaign
- > Lowe's Charitable and Educational Foundation
 - > Partners with *The Home Safety Council* to create safer homes
- > Lowe's *HEROES* employee volunteer program
 - > *United Way* National Corporate Leader

LOWE'S COMMITMENT

To Our Environment

- > *ENERGY STAR*® Retail Partner of the Year (by EPA and Dept. of Energy) 2005, 2004 and 2003
 - > TVA's *Green Power Switch*® Leadership Award Recipient
 - > Tennessee Energy Leadership Award
 - > NC *GreenPower*® Retail Founding Sponsor
- > Lowe's Wood Policy is a leading policy on protection of endangered forests and responsible wood sourcing



Original Lowe's North Wilkesboro, N.C. Hardware Store

information

For more information visit
Lowe.com





For more information visit [Lowes.com](https://www.Lowes.com)

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